

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass with Amendments to the A-Eng. Measure (Printed B-Eng.)

Vote: 5 - 0 - 0

Yeas: Atkinson, Burdick, Ferrioli, Metsger, Devlin

Nays: -

Exc.: -

Prepared By: Erin Seiler, Administrator

Meeting Dates: 6/4, 6/24

WHAT THE MEASURE DOES: Allows electricity generated from a facility using biomass that became operational before January 1, 1995 to comply with Oregon's renewable portfolio standard (RPS) if it is located in Oregon and meets requirements for qualified facility under federal Public Utility Regulatory Policies Act of 1975. Limits amount of generating capacity from facilities eligible to receive renewable energy certificates (RECs) to 100 megawatts per calendar year which may not be used to comply with RPS until January 1, 2015. Authorizes facility generating electricity from direct combustion of municipal solid waste facility, operational before January 1, 1995 and located in Oregon, to comply with RPS for up to 11 average megawatts generated annually after January 1, 2015. Allows REC's issued prior to January 1, 2015 to be banked for use after January 1, 2015. Authorizes Department of Energy (ODE) to certify as eligible for RECs only for energy generated after January 1, 2011 for biomass and municipal solid waste facilities. States that biomass facilities may not be used to comply with RPS after January 1, 2020.

Authorizes Public Utility Commission (PUC) to allow full recovery of costs by public utilities in prudent energy investments related to hydrogen power stations. Modifies electricity generated from hydrogen gas that may be used to comply with RPS to include electricity generated by hydrogen power stations using anhydrous ammonia as a fuel source. Requires owner or operator of pre-1995 biomass facility to file information on total generating capacity with Western Renewable Energy Generation Information System or other regional system designated by ODE by April 1, 2010 to allow ODE to calculate each facilities' market share and allow each pre-1995 facilities proportional percentage of 100 megawatt capacity. Repeals amendments to RPS if the Act is declared unconstitutional.

ISSUES DISCUSSED:

- Economic opportunities created by including pre-1995 facilities in RPS
- Inclusion of hydrogen power anhydrous ammonia as a fuel source
- Incentives to improve and maintain older renewable projects
- Impact on current RPS structure by adding facilities
- Negative impact on long-term investment in new renewable energy sources

EFFECT OF COMMITTEE AMENDMENT: Limits biomass electricity generating facility, operational before January 1, 1995, to 100 megawatts per calendar year. Pre-1995 facilities may not be used to comply with RPS prior to January 1, 2015. ODE may issue REC for pre-1995 facility only for energy generated after January 1, 2011. REC's issued prior to January 1, 2015 may be banked for use after January 1, 2015. If operator of pre-1995 facility makes cumulative investment equal to at least 80 percent of 2007 real market value of the generating facility between January 1, 2007 and January 1, 2020, then the facility shall be classified as becoming operational on or after January 1, 1995 to compel with RPS. Sunsets provisions allowing electricity generated from facility using biomass and was operational before January 1, 1995 to comply with RPS January 1, 2020. Authorizes facility generating electricity from direct combustion of municipal solid waste facility, operational before January 1, 1995 and located in Oregon to comply with RPS. Limits municipal solid waste facilities to 11 average megawatts generated annually and may not be used to comply with RPS until January 1, 2015. REC's issued prior to January 1, 2015 may be banked for use after

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This summary has not been adopted or officially endorsed by action of the committee.

January 1, 2015. Qualification of a municipal solid waste facilities does effect qualification for such facility to qualify for Business Energy Tax Credit (BETC). Requires owner/operator of pre-1995 generating facility to file information on total generating capacity with Western Renewable Energy Generation Information System or other regional system designated by ODE by April 1, 2010 to allow DOE to calculate each facilities market share and allow each pre-1995 facilities proportional percentage of 100 megawatt capacity. Repeals amendments to RPS if the Act is declared unconstitutional.

BACKGROUND: The Renewable Portfolio Standard (RPS) requires that all utilities and electricity service suppliers (ESSs) serving Oregon load include in their portfolio of power sold to retail customers a percentage of electricity generated from qualifying renewable energy sources. ORS 469A.020 defines qualifying renewable electric energy facilities, for purpose of complying with RPS, as facilities operational or improved efficiency on or after January 1, 1995. The percentage of qualifying electricity that must be included increases over time, with all utilities and ESSs obligated to include some renewably-generated electricity in their portfolio by the year 2025.

“Biomass” refers to living and recently dead biological material that can be used as fuel or for industrial production.

A hydrogen power station is a power plant that uses water and air to produce a form of ammonia, then burns the ammonia to yield hydrogen energy. The station uses an electrolyzer to extract hydrogen from water and an air separation unit to extract nitrogen from the atmosphere. Hydrogen and nitrogen are then synthesized into anhydrous ammonia. Anhydrous ammonia, a common fertilizer, is stored in liquid form in tanks and then run through a generator to produce hydrogen power.

House Bill 2940-B would allow biomass electricity generating facilities and municipal solid waste facilities, operational before January 1, 1995 to comply with RPS after January 1, 2015.