

REVENUE: Revenue statement issued

FISCAL: Minimal fiscal impact, no statement issued

Action: Concur in Senate Amendments dated 6/8 and Further Amend and Repass the Bill

Vote: 6 - 0 - 0

Yeas: Dingfelder, Galizio, Gilliam, George, Metsger, Read

Nays: -

Exc.: -

Prepared By: Jim Stenbridge, Administrator

Meeting Dates: 6/19

WHAT THE MEASURE DOES: Directs the Public Utility Commission to develop a solar power pilot program to demonstrate effectiveness of incentives for electricity delivered from solar voltaic energy systems. Allows customer-side and third-party solar systems to qualify. Allows electric companies to recover costs from ratepayers. Limits total pilot program to 25 megawatts. Sets goal of 75 percent to be generated by small-scale systems. Establishes solar voltaic generating capacity standard of 20 megawatts by January 1, 2020, with no single project greater than five megawatts. Requires electric companies to each achieve proportion of the standard equal to its share of retail electric sales. Establishes two-for-one credits for qualifying generating systems operational prior to January 1, 2016, for the purpose of complying with the renewable portfolio standard. Limits incentive eligibility to projects under 500 kilowatts. Makes pilot program provisions operative April 1, 2010. Encourages state agencies to use fuel cell power systems in lieu of other power equipment and directs the Department of Energy to develop criteria for agencies to use in comparing fuel cell power systems with other equipment options. Declares an emergency, effective upon passage.

ISSUES DISCUSSED:

- Expense of solar power
- Potential of hydrogen hubs
- State experiments with feed-in tariffs for solar power, including Vermont
- Effects of regulation and subsidy on market forces
- Dilution of the renewable portfolio standard and sunset/cap on two-for-one credits
- Business Energy Tax Credit (BETC) changes in HB 2067 (2009) and participation projections
- Feed-in tariff and net-metering agreements
- Rate-setting authority of the Public Utility Commission

EFFECT OF COMMITTEE AMENDMENT: Adds solar voltaic generating capacity standard of 20 megawatts by January 1, 2020, with no single project greater than five megawatts. Requires electric companies to each achieve proportion of the standard equal to its share of retail electric sales. Establishes two-for-one credits for qualifying generating systems operational prior to January 1, 2016, for the purpose of complying with the renewable portfolio standard. Limits incentive eligibility to projects under 500 kilowatts.

BACKGROUND: HB 3039-B* is intended to help implement Oregon's commitment to a renewable portfolio standard (RPS) through the creation of small and large solar projects. The RPS requires Oregon's largest utilities to provide 25 percent of their retail sales of electricity from newer, clean, renewable sources of energy by 2025. Solar photovoltaic systems use solar panels made of silicon to convert sunlight into electricity. HB 3039-B* directs the Public Utility Commission to develop a pilot program of incentives for the production of solar power. HB 3039-B* authorizes feed-in tariffs (payment incentives) for small solar projects. Feed-in tariffs, popular in Germany, allow homeowners and small businesses to be paid for electricity they feed into the grid from their own solar power generating equipment.

Fuel cells are electrochemical devices that combine hydrogen and oxygen to produce electricity, with water and heat as its by-product. Fuel cells continue to generate power as long as fuel is supplied to them. Because the conversion of fuel to energy takes place via an electrochemical process, not combustion, the process is clean, quiet, and highly efficient. HB 3039-B* encourages state agencies to use fuel cells for emergency backup power.

6/22/2009 11:28:00 AM

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