

**A-Engrossed**  
**House Bill 2940**

Ordered by the House April 30  
Including House Amendments dated April 30

Sponsored by Representative C EDWARDS; Representative THATCHER (at the request of Oregon Forest Industries Council)

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Allows biomass electricity generating facility to comply with renewable portfolio standard under certain conditions.

**Authorizes full recovery of costs by public utilities in prudent energy investments related to planning, financing, construction and operation of hydrogen power stations.**

**A BILL FOR AN ACT**

1  
2 Relating to renewable portfolio standards; creating new provisions; and amending ORS 469A.020 and  
3 469A.025.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 469A.020 is amended to read:

6 469A.020. (1) Except as provided in this section, electricity may be used to comply with a  
7 renewable portfolio standard only if the electricity is generated by a facility that becomes opera-  
8 tional on or after January 1, 1995.

9 (2) Electricity from a generating facility, other than a hydroelectric facility, that became opera-  
10 tional before January 1, 1995, may be used to comply with a renewable portfolio standard if the  
11 electricity is attributable to capacity or efficiency upgrades made on or after January 1, 1995.

12 (3) Electricity from a hydroelectric facility that became operational before January 1, 1995, may  
13 be used to comply with a renewable portfolio standard if the electricity is attributable to efficiency  
14 upgrades made on or after January 1, 1995. If an efficiency upgrade is made to a Bonneville Power  
15 Administration facility, only that portion of the electricity generation attributable to Oregon's share  
16 of the electricity may be used to comply with a renewable portfolio standard.

17 (4) Subject to the limit imposed by ORS 469A.025 (5), electricity from a hydroelectric facility  
18 that is owned by an electric utility and that became operational before January 1, 1995, may be used  
19 to comply with a renewable portfolio standard if the facility is certified as a low-impact hydroelec-  
20 tric facility on or after January 1, 1995, by a national certification organization recognized by the  
21 State Department of Energy by rule.

22 **(5) Electricity from a generating facility that uses biomass and that became operational**  
23 **before January 1, 1995, and is located in this state may be used to comply with a renewable**  
24 **portfolio standard if the facility meets the requirements for a qualified facility under the**  
25 **Public Utility Regulatory Policies Act of 1978 (P.L. 95-617) on the effective date of this 2009**  
26 **Act.**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1       **SECTION 2. To facilitate the creation of hydrogen power stations using anhydrous am-**  
2 **monia as a fuel source to comply with the renewable portfolio standards under ORS 469A.005**  
3 **to 469A.210, the Public Utility Commission may allow full recovery of costs by public utilities**  
4 **in prudent energy investments related to the planning, financing, construction and operation**  
5 **of hydrogen power stations. These investments include, but are not limited to:**

6       (1) **Systems designed to synthesize anhydrous ammonia fuel using electricity generated**  
7 **from renewable energy sources listed in ORS 469A.025;**

8       (2) **Infrastructure designed to store anhydrous ammonia generated from renewable en-**  
9 **ergy sources as a nonpolluting fuel for electric power generation and for other purposes;**

10       (3) **Energy systems designed to use anhydrous ammonia generated from renewable en-**  
11 **ergy sources as a fuel to generate electric power; and**

12       (4) **Electronic control and management systems designed to effectively integrate hydro-**  
13 **gen power station processes into the electric power grid.**

14       **SECTION 3.** ORS 469A.025 is amended to read:

15       469A.025. (1) Electricity generated utilizing the following types of energy may be used to comply  
16 with a renewable portfolio standard:

17       (a) Wind energy.

18       (b) Solar photovoltaic and solar thermal energy.

19       (c) Wave, tidal and ocean thermal energy.

20       (d) Geothermal energy.

21       (2) Except as provided in subsection (3) of this section, electricity generated from biomass and  
22 biomass by-products may be used to comply with a renewable portfolio standard, including but not  
23 limited to electricity generated from:

24       (a) Organic human or animal waste;

25       (b) Spent pulping liquor;

26       (c) Forest or rangeland woody debris from harvesting or thinning conducted to improve forest  
27 or rangeland ecological health and to reduce uncharacteristic stand replacing wildfire risk;

28       (d) Wood material from hardwood timber grown on land described in ORS 321.267 (3);

29       (e) Agricultural residues;

30       (f) Dedicated energy crops; and

31       (g) Landfill gas or biogas produced from organic matter, wastewater, anaerobic digesters or  
32 municipal solid waste.

33       (3) Electricity generated from the direct combustion of biomass may not be used to comply with  
34 a renewable portfolio standard if any of the biomass combusted to generate the electricity includes:

35       (a) Municipal solid waste; or

36       (b) Wood that has been treated with chemical preservatives such as creosote, pentachlorophenol  
37 or chromated copper arsenate.

38       (4) Electricity generated by a hydroelectric facility may be used to comply with a renewable  
39 portfolio standard only if:

40       (a) The facility is located outside any protected area designated by the Pacific Northwest Elec-  
41 tric Power and Conservation Planning Council as of July 23, 1999, or any area protected under the  
42 federal Wild and Scenic Rivers Act, Public Law 90-542, or the Oregon Scenic Waterways Act, ORS  
43 390.805 to 390.925; or

44       (b) The electricity is attributable to efficiency upgrades made to the facility on or after January  
45 1, 1995.

1 (5) Up to 50 average megawatts of electricity per year generated by an electric utility from  
2 certified low-impact hydroelectric facilities described in ORS 469A.020 (4) may be used to comply  
3 with a renewable portfolio standard, without regard to the number of certified facilities operated  
4 by the electric utility or the generating capacity of those facilities. A hydroelectric facility described  
5 in this subsection is not subject to the requirements of subsection (4) of this section.

6 (6) Electricity generated from hydrogen gas, **including electricity generated by hydrogen**  
7 **power stations using anhydrous ammonia as a fuel source**, [*derived from any source of energy*  
8 *described in subsections (1) to (5) of this section*] may be used to comply with a renewable portfolio  
9 standard **if:**

10 (a) **The energy is derived from:**

11 (A) **Any source of energy described in subsections (1) and (2) of this section; or**

12 (B) **A hydroelectric facility that complies with subsection (4) of this section and is from**  
13 **a certified low-impact hydroelectric facility described in ORS 469A.020 (4); and**

14 (b) **The output of the original source of energy is not also used to comply with the**  
15 **renewable portfolio standard.**

16 (7) If electricity generation employs multiple energy sources, that portion of the electricity  
17 generated that is attributable to energy sources described in subsections (1) to (6) of this section  
18 may be used to comply with a renewable portfolio standard.

19 (8) The State Department of Energy by rule may approve energy sources other than those de-  
20 scribed in this section that may be used to comply with a renewable portfolio standard. The de-  
21 partment may not approve petroleum, natural gas, coal or nuclear fission as an energy source that  
22 may be used to comply with a renewable portfolio standard.

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