

# House Bill 3064

Sponsored by COMMITTEE ON ENVIRONMENT AND WATER

## 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 **as introduced**.

Makes legislative findings regarding global warming and electricity. Requires State Department of Energy to establish greenhouse gas emissions performance standard for generating facilities that produce baseload electricity.

Prohibits electricity provider from entering into long-term financial commitment unless generating facility complies with greenhouse gas emissions performance standard. Prohibits Public Utility Commission from approving long-term financial commitment by electric company unless generating facility complies with greenhouse gas emissions performance standard. Requires State Department of Energy to ensure consumer-owned utility complies with greenhouse gas emissions performance standard.

Modifies definition of "energy facility" for purposes of regulation of energy facilities. Modifies circumstances in which site certificate not required.

## A BILL FOR AN ACT

1  
2 Relating to greenhouse gas; creating new provisions; and amending ORS 469.300 and 469.320.

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

4 **SECTION 1. Legislative findings. The Legislative Assembly finds that:**

5 (1) **Global warming will have serious adverse consequences on the economy, health and**  
6 **environment of Oregon;**

7 (2) **Oregon seeks to reduce its greenhouse gas emissions to 10 percent below 1990 levels**  
8 **by 2020 and 75 percent below 1990 levels by 2050;**

9 (3) **Over the past three decades Oregon has taken significant strides toward implement-**  
10 **ing an environmentally and economically sound energy policy through reliance on energy**  
11 **efficiency, conservation and renewable energy resources in order to promote a sustainable**  
12 **energy future that ensures an adequate and reliable energy supply at reasonable and stable**  
13 **prices;**

14 (4) **Oregon's investor-owned electric utilities currently have resource plans that include**  
15 **proposals for making new long-term financial commitments to electricity generating re-**  
16 **sources over the next decade that will generate electricity until 2030 or longer;**

17 (5) **Federal regulation of greenhouse gas emissions is likely to occur;**

18 (6) **It is vital that all electricity providers take steps to reduce Oregon's exposure to costs**  
19 **associated with future federal regulation of greenhouse gas emissions;**

20 (7) **Establishing a policy to reduce greenhouse gas emissions, including an emissions**  
21 **performance standard for all procurement of electricity by electricity providers, is a logical**  
22 **and necessary step to meet Oregon's goals for the reduction of greenhouse gas emissions;**

23 (8) **A greenhouse gas emissions performance standard for new long-term financial com-**  
24 **mitments to electricity generating resources will reduce potential financial risk to Oregon**  
25 **consumers for future pollution control costs and future reliability problems in electricity**  
26 **supplies;**

**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 (9) In order to have meaningful impact on climate change, Oregon’s goals to reduce  
2 greenhouse gas emissions must be applied to the state’s electricity consumption, as well as  
3 the state’s electricity production; and

4 (10) The Public Utility Commission and three other state public utility commissions in  
5 the region have jointly recognized electricity procurement standards as a component in  
6 meeting goals to reduce greenhouse gas emissions, with California already having imple-  
7 mented a standard.

8 **SECTION 2. Definitions.** As used in sections 1 to 6 of this 2009 Act:

9 (1) “Baseload electricity” means electricity produced by a generating facility that is de-  
10 signed to:

11 (a) Provide electricity on a continuous basis; and

12 (b) During any one-year period, produce at least 60 percent of the electricity the facility  
13 could produce if the facility were operated throughout the period at the facility’s nominal  
14 electric generating capacity as defined in ORS 469.300.

15 (2) “Consumer-owned utility” has the meaning given that term in ORS 757.600.

16 (3) “Electric company” has the meaning given that term in ORS 757.600.

17 (4) “Electricity provider” means an electric company, electricity service supplier or  
18 consumer-owned utility.

19 (5) “Electricity service supplier” has the meaning given that term in ORS 757.600.

20 (6) “Generating facility” includes one or more electricity generators operating at the  
21 same location.

22 (7) “Greenhouse gas” has the meaning given that term in ORS 468A.210.

23 (8) “Long-term financial commitment” means either an investment in a generating fa-  
24 cility that produces baseload electricity, or a contract with a term of five or more years that  
25 includes acquisition of baseload electricity.

26 **SECTION 3. Greenhouse gas emissions performance standard.** (1) The State Department  
27 of Energy by rule shall establish a greenhouse gas emissions performance standard for gen-  
28 erating facilities that produce baseload electricity. The department shall consult with the  
29 Public Utility Commission before adopting the greenhouse gas emissions performance  
30 standard.

31 (2) The greenhouse gas emissions performance standard adopted by the department un-  
32 der this section must establish a limit for emissions of greenhouse gas by a generating fa-  
33 cility that is no higher than the rate of emissions of greenhouse gas from combined-cycle  
34 natural gas generating facilities that employ a combination of one or more gas turbines and  
35 one or more steam turbines and produce electricity in the steam turbine or turbines from  
36 waste heat produced by the gas turbine or turbines.

37 (3) For the purpose of establishing the greenhouse gas emissions performance standard,  
38 the department shall use an output-based methodology to ensure that the calculation of  
39 greenhouse gas emissions through cogeneration recognizes the total usable energy output  
40 of the process and includes all greenhouse gas emitted by the generating facility in the pro-  
41 duction of both electrical and thermal energy.

42 (4) In establishing the greenhouse gas emissions performance standard, the department  
43 shall consider the effects of the standard on system reliability and overall costs to electricity  
44 customers. The department shall consult with the commission in determining the effects of  
45 the standard on system reliability and overall costs to electricity customers.

1 (5) The greenhouse gas emissions performance standard established by the department  
 2 must include provisions governing long-term purchases of electricity from unspecified  
 3 sources.

4 (6) The department by rule shall establish standards for the injection of carbon dioxide  
 5 into geological formations to prevent the release of the carbon dioxide into the atmosphere.  
 6 Carbon dioxide produced by a generating facility that is injected into a geological formation  
 7 in compliance with the standards adopted by the department may not be counted as emis-  
 8 sions from the generating facility for the purposes of the greenhouse gas emissions per-  
 9 formance standard. The department shall consult with the commission before adopting  
 10 standards under this subsection.

11 (7) The department shall periodically reevaluate the greenhouse gas emissions perform-  
 12 ance standard. After public notice and hearing, the department may modify or eliminate the  
 13 standard if a mandatory greenhouse gas emissions limit applicable to generating facilities is  
 14 established by federal law. The department shall consult with the commission before modi-  
 15 fying or eliminating the greenhouse gas emissions performance standard under this sub-  
 16 section.

17 **SECTION 4. Long-term financial commitments must comply with standard.** (1) An elec-  
 18 tricity provider may not enter into a long-term financial commitment unless baseload elec-  
 19 tricity acquired under the commitment is produced by a generating facility that complies  
 20 with the greenhouse gas emissions performance standard established under section 3 of this  
 21 2009 Act.

22 (2) For the purposes of subsection (1) of this section, any electricity acquired from  
 23 combined-cycle natural gas generating facilities described in section 3 (2) of this 2009 Act  
 24 that are in operation on June 30, 2009, or that have received a site certificate from the En-  
 25 ergy Facility Siting Council on or before June 30, 2009, that authorizes operation of the  
 26 generating facility, automatically complies with the greenhouse gas emissions performance  
 27 standard established under section 3 of this 2009 Act.

28 **SECTION 5. Compliance by electric companies and electricity service suppliers.** (1) The  
 29 Public Utility Commission may not approve a long-term financial commitment by an electric  
 30 company or by an electricity service supplier unless baseload electricity acquired under the  
 31 commitment is produced by a generating facility that complies with the greenhouse gas  
 32 emissions performance standard established under section 3 of this 2009 Act.

33 (2) For the purpose of enforcing the requirements of this section, the commission may  
 34 review any long-term financial commitment proposed to be entered into by an electric com-  
 35 pany or an electricity service provider.

36 (3) The commission shall adopt rules for the implementation of this section. The rules  
 37 must include procedures for the verification of greenhouse gas emissions from any generat-  
 38 ing facility providing baseload electricity under a long-term financial commitment.

39 (4) In determining whether a generating facility is providing baseload electricity, the  
 40 commission shall consider:

- 41 (a) The design of the power plant and the intended use of the power plant;
- 42 (b) Any certification received by the generating facility from the State Department of  
 43 Energy;
- 44 (c) Any other permit or certificate necessary for the operation of the generating facility;

45 and

1 (d) Any other information considered important by the commission.

2 **SECTION 6. Compliance by consumer-owned utilities.** (1) The State Department of En-  
3 **ergy by rule shall adopt procedures to ensure that a consumer-owned utility does not enter**  
4 **into a long-term financial commitment unless baseload electricity acquired under the com-**  
5 **mitment is produced by a generating facility that complies with the greenhouse gas emis-**  
6 **sions performance standard established under section 3 of this 2009 Act.**

7 (2) The department shall adopt rules for the implementation of this section. The rules  
8 must include procedures for the verification of greenhouse gas emissions from any generat-  
9 ing facility providing baseload electricity under a long-term financial commitment.

10 **SECTION 7.** ORS 469.300 is amended to read:

11 469.300. As used in ORS 469.300 to 469.563, 469.590 to 469.619, 469.930 and 469.992, unless the  
12 context requires otherwise:

13 (1) "Applicant" means any person who makes application for a site certificate in the manner  
14 provided in ORS 469.300 to 469.563, 469.590 to 469.619, 469.930 and 469.992.

15 (2) "Application" means a request for approval of a particular site or sites for the construction  
16 and operation of an energy facility or the construction and operation of an additional energy facility  
17 upon a site for which a certificate has already been issued, filed in accordance with the procedures  
18 established pursuant to ORS 469.300 to 469.563, 469.590 to 469.619, 469.930 and 469.992.

19 (3) "Associated transmission lines" means new transmission lines constructed to connect an en-  
20 ergy facility to the first point of junction of such transmission line or lines with either a power  
21 distribution system or an interconnected primary transmission system or both or to the Northwest  
22 Power Grid.

23 (4) "Average electric generating capacity" means the peak generating capacity of the facility  
24 divided by one of the following factors:

25 (a) For wind or solar energy facilities, 3.00;

26 (b) For geothermal energy facilities, 1.11; or

27 (c) For all other energy facilities, 1.00.

28 (5) "Combustion turbine power plant" means a thermal power plant consisting of one or more  
29 fuel-fired combustion turbines and any associated waste heat combined cycle generators.

30 (6) "Construction" means work performed on a site, excluding surveying, exploration or other  
31 activities to define or characterize the site, the cost of which exceeds \$250,000.

32 (7) "Council" means the Energy Facility Siting Council established under ORS 469.450.

33 (8) "Department" means the State Department of Energy created under ORS 469.030.

34 (9) "Director" means the Director of the State Department of Energy appointed under ORS  
35 469.040.

36 (10) "Electric utility" means persons, regulated electrical companies, people's utility districts,  
37 joint operating agencies, electric cooperatives, municipalities or any combination thereof, engaged  
38 in or authorized to engage in the business of generating, supplying, transmitting or distributing  
39 electric energy.

40 (11)(a) "Energy facility" means any of the following:

41 (A) An electric power generating plant with a nominal electric generating capacity of 25 mega-  
42 watts or more, including but not limited to:

43 (i) Thermal power; or

44 (ii) Combustion turbine power plant.

45 (B) A nuclear installation as defined in this section.

1 (C) A high voltage transmission line of more than 10 miles in length with a capacity of 230,000  
 2 volts or more to be constructed in more than one city or county in this state, but excluding:

3 (i) Lines proposed for construction entirely within 500 feet of an existing corridor occupied by  
 4 high voltage transmission lines with a capacity of 230,000 volts or more; and

5 (ii) Lines of 57,000 volts or more that are rebuilt and upgraded to 230,000 volts along the same  
 6 right of way.

7 (D) A solar collecting facility using more than 100 acres of land.

8 (E) A pipeline that is:

9 (i) At least six inches in diameter, and five or more miles in length, used for the transportation  
 10 of crude petroleum or a derivative thereof, liquefied natural gas, a geothermal energy form in a  
 11 liquid state or other fossil energy resource, excluding a pipeline conveying natural or synthetic gas;

12 (ii) At least 16 inches in diameter, and five or more miles in length, used for the transportation  
 13 of natural or synthetic gas, but excluding:

14 (I) A pipeline proposed for construction of which less than five miles of the pipeline is more than  
 15 50 feet from a public road, as defined in ORS 368.001; or

16 (II) A parallel or upgraded pipeline up to 24 inches in diameter that is constructed within the  
 17 same right of way as an existing 16-inch or larger pipeline that has a site certificate, if all studies  
 18 and necessary mitigation conducted for the existing site certificate meet or are updated to meet  
 19 current site certificate standards; or

20 (iii) At least 16 inches in diameter and five or more miles in length used to carry a geothermal  
 21 energy form in a gaseous state but excluding a pipeline used to distribute heat within a geothermal  
 22 heating district established under ORS chapter 523.

23 (F) A synthetic fuel plant which converts a natural resource including, but not limited to, coal  
 24 or oil to a gas, liquid or solid product intended to be used as a fuel and capable of being burned to  
 25 produce the equivalent of two billion Btu of heat a day.

26 (G) A plant which converts biomass to a gas, liquid or solid product, or combination of such  
 27 products, intended to be used as a fuel and if any one of such products is capable of being burned  
 28 to produce the equivalent of six billion Btu of heat a day.

29 (H) A storage facility for liquefied natural gas constructed after September 29, 1991, that is de-  
 30 signed to hold at least 70,000 gallons.

31 (I) A surface facility related to an underground gas storage reservoir that, at design injection  
 32 or withdrawal rates, will receive or deliver more than 50 million cubic feet of natural or synthetic  
 33 gas per day, or require more than 4,000 horsepower of natural gas compression to operate, but ex-  
 34 cluding:

35 (i) The underground storage reservoir;

36 (ii) The injection, withdrawal or monitoring wells and individual wellhead equipment; and

37 (iii) An underground gas storage reservoir into which gas is injected solely for testing or res-  
 38 ervoir maintenance purposes or to facilitate the secondary recovery of oil or other hydrocarbons.

39 (J) An electric power generating plant with an average electric generating capacity of 35  
 40 megawatts or more if the power is produced from geothermal, solar or wind energy at a single en-  
 41 ergy facility or within a single energy generation area.

42 **(K) A geologic carbon sequestration facility.**

43 (b) "Energy facility" does not include a hydroelectric facility.

44 (12) "Energy generation area" means an area within which the effects of two or more small  
 45 generating plants may accumulate so the small generating plants have effects of a magnitude similar

1 to a single generating plant of 35 megawatts average electric generating capacity or more. An “en-  
2 energy generation area” for facilities using a geothermal resource and covered by a unit agreement,  
3 as provided in ORS 522.405 to 522.545 or by federal law, shall be defined in that unit agreement. If  
4 no such unit agreement exists, an energy generation area for facilities using a geothermal resource  
5 shall be the area that is within two miles, measured from the electrical generating equipment of the  
6 facility, of an existing or proposed geothermal electric power generating plant, not including the site  
7 of any other such plant not owned or controlled by the same person.

8 (13) “Extraordinary nuclear occurrence” means any event causing a discharge or dispersal of  
9 source material, special nuclear material or by-product material as those terms are defined in ORS  
10 453.605, from its intended place of confinement off-site, or causing radiation levels off-site, that the  
11 United States Nuclear Regulatory Commission or its successor determines to be substantial and to  
12 have resulted in or to be likely to result in substantial damages to persons or property off-site.

13 (14) “Facility” means an energy facility together with any related or supporting facilities.

14 (15) “Geothermal reservoir” means an aquifer or aquifers containing a common geothermal fluid.

15 (16) “Local government” means a city or county.

16 (17) “Nominal electric generating capacity” means the maximum net electric power output of  
17 an energy facility based on the average temperature, barometric pressure and relative humidity at  
18 the site during the times of the year when the facility is intended to operate.

19 (18) “Nuclear incident” means any occurrence, including an extraordinary nuclear occurrence,  
20 that results in bodily injury, sickness, disease, death, loss of or damage to property or loss of use  
21 of property due to the radioactive, toxic, explosive or other hazardous properties of source material,  
22 special nuclear material or by-product material as those terms are defined in ORS 453.605.

23 (19) “Nuclear installation” means any power reactor, nuclear fuel fabrication plant, nuclear fuel  
24 reprocessing plant, waste disposal facility for radioactive waste, and any facility handling that  
25 quantity of fissionable materials sufficient to form a critical mass. “Nuclear installation” does not  
26 include any such facilities that are part of a thermal power plant.

27 (20) “Nuclear power plant” means an electrical or any other facility using nuclear energy with  
28 a nominal electric generating capacity of 25 megawatts or more, for generation and distribution of  
29 electricity, and associated transmission lines.

30 (21) “Person” means an individual, partnership, joint venture, private or public corporation, as-  
31 sociation, firm, public service company, political subdivision, municipal corporation, government  
32 agency, people’s utility district, or any other entity, public or private, however organized.

33 (22) “Project order” means the order, including any amendments, issued by the State Department  
34 of Energy under ORS 469.330.

35 (23)(a) “Radioactive waste” means all material which is discarded, unwanted or has no present  
36 lawful economic use, and contains mined or refined naturally occurring isotopes, accelerator  
37 produced isotopes and by-product material, source material or special nuclear material as those  
38 terms are defined in ORS 453.605. The term does not include those radioactive materials identified  
39 in OAR 345-50-020, 345-50-025 and 345-50-035, adopted by the council on December 12, 1978, and re-  
40 vised periodically for the purpose of adding additional isotopes which are not referred to in OAR  
41 345-50 as presenting no significant danger to the public health and safety.

42 (b) Notwithstanding paragraph (a) of this subsection, “radioactive waste” does not include ura-  
43 nium mine overburden or uranium mill tailings, mill wastes or mill by-product materials as those  
44 terms are defined in Title 42, United States Code, section 2014, on June 25, 1979.

45 (24) “Related or supporting facilities” means any structure, proposed by the applicant, to be

1 constructed or substantially modified in connection with the construction of an energy facility, in-  
2 cluding associated transmission lines, reservoirs, storage facilities, intake structures, road and rail  
3 access, pipelines, barge basins, office or public buildings, and commercial and industrial structures.  
4 “Related or supporting facilities” does not include geothermal or underground gas storage reser-  
5 voirs, production, injection or monitoring wells or wellhead equipment or pumps.

6 (25) “Site” means any proposed location of an energy facility and related or supporting facilities.

7 (26) “Site certificate” means the binding agreement between the State of Oregon and the appli-  
8 cant, authorizing the applicant to construct and operate a facility on an approved site, incorporating  
9 all conditions imposed by the council on the applicant.

10 (27) “Thermal power plant” means an electrical facility using any source of thermal energy with  
11 a nominal electric generating capacity of 25 megawatts or more, for generation and distribution of  
12 electricity, and associated transmission lines, including but not limited to a nuclear-fueled,  
13 geothermal-fueled or fossil-fueled power plant, but not including a portable power plant the principal  
14 use of which is to supply power in emergencies. “Thermal power plant” includes a nuclear-fueled  
15 thermal power plant that has ceased to operate.

16 (28) “Transportation” means the transport within the borders of the State of Oregon of radio-  
17 active material destined for or derived from any location.

18 (29) “Underground gas storage reservoir” means any subsurface sand, strata, formation, aquifer,  
19 cavern or void, whether natural or artificially created, suitable for the injection, storage and with-  
20 drawal of natural gas or other gaseous substances. “Underground gas storage reservoir” includes a  
21 pool as defined in ORS 520.005.

22 (30) “Utility” includes:

23 (a) A person, a regulated electrical company, a people’s utility district, a joint operating agency,  
24 an electric cooperative, municipality or any combination thereof, engaged in or authorized to engage  
25 in the business of generating, transmitting or distributing electric energy;

26 (b) A person or public agency generating electric energy from an energy facility for its own  
27 consumption; and

28 (c) A person engaged in this state in the transmission or distribution of natural or synthetic gas.

29 (31) “Waste disposal facility” means a geographical site in or upon which radioactive waste is  
30 held or placed but does not include a site at which radioactive waste used or generated pursuant  
31 to a license granted under ORS 453.635 is stored temporarily, a site of a thermal power plant used  
32 for the temporary storage of radioactive waste from that plant for which a site certificate has been  
33 issued pursuant to this chapter or a site used for temporary storage of radioactive waste from a  
34 reactor operated by a college, university or graduate center for research purposes and not con-  
35 nected to the Northwest Power Grid. As used in this subsection, “temporary storage” includes  
36 storage of radioactive waste on the site of a nuclear-fueled thermal power plant for which a site  
37 certificate has been issued until a permanent storage site is available by the federal government.

38 **SECTION 8.** ORS 469.320 is amended to read:

39 469.320. (1) Except as provided in subsections (2) and (5) of this section, no facility shall be  
40 constructed or expanded unless a site certificate has been issued for the site thereof in the manner  
41 provided in ORS 469.300 to 469.563, 469.590 to 469.619, 469.930 and 469.992. No facility shall be  
42 constructed or operated except in conformity with the requirements of ORS 469.300 to 469.563,  
43 469.590 to 469.619, 469.930 and 469.992.

44 (2) A site certificate is not required for:

45 (a) An energy facility for which no site certificate has been issued that, on August 2, 1993, had

1 operable electric generating equipment for a modification that uses the same fuel type and increases  
2 electric generating capacity, if:

3 (A) The site is not enlarged; and

4 (B) The ability of the energy facility to use fuel for electricity production under peak steady  
5 state operating conditions is not more than 200 million Btu per hour greater than it was on August  
6 2, 1993, or the energy facility expansion is called for in the short-term plan of action of an energy  
7 resource plan that has been acknowledged by the Public Utility Commission of Oregon.

8 (b) Construction or expansion of any interstate natural gas pipeline or associated underground  
9 natural gas storage facility authorized by and subject to the continuing regulation of the Federal  
10 Energy Regulatory Commission or successor agency.

11 (c) An energy facility, except coal and nuclear power plants, if the energy facility:

12 (A) Sequentially produces electrical energy and useful thermal energy from the same fuel source;  
13 and

14 (B) Under [*normal*] **average annual** operating conditions, has a [*useful thermal energy output of*  
15 *no less than 33 percent of the total energy output or the*] **nominal electric generating capacity:**

16 (i) **Of less than 50 megawatts and the fuel chargeable to power heat rate value is not greater**  
17 **than 6,000 Btu per kilowatt hour;**

18 (ii) **Of 50 megawatts or more and the fuel chargeable to power heat rate value is not**  
19 **greater than 5,500 Btu per kilowatt hour; or**

20 (iii) **Specified by the Energy Facility Siting Council by rule based on the council's deter-**  
21 **minations relating to emissions of the energy facility.**

22 (d) Temporary storage, at the site of a nuclear-fueled thermal power plant for which a site cer-  
23 tificate has been issued by the State of Oregon, of radioactive waste from the plant.

24 (e) An energy facility as defined in ORS 469.300 (11)(a)(G), if the plant also produces a secondary  
25 fuel used on site for the production of heat or electricity, if the output of the primary fuel is less  
26 than six billion Btu of heat a day.

27 (f) An energy facility as defined in ORS 469.300 (11)(a)(G), if the facility:

28 (A) Exclusively uses biomass, including but not limited to grain, whey, potatoes, oil seeds, waste  
29 vegetable oil or cellulosic biomass, as the source of material for conversion to a liquid fuel;

30 (B) Has received local land use approval under the applicable acknowledged comprehensive plan  
31 and land use regulations of the affected local government and the facility complies with any state-  
32 wide planning goals or rules of the Land Conservation and Development Commission that are di-  
33 rectly applicable to the facility;

34 (C) Requires no new electric transmission lines or gas or petroleum product pipelines that would  
35 require a site certificate under subsection (1) of this section;

36 (D) Produces synthetic fuel, at least 90 percent of which is used in an industrial or refueling  
37 facility located within one mile of the facility or is transported from the facility by rail or barge;  
38 and

39 (E) Emits less than 118 pounds of carbon dioxide per million Btu from fossil fuel used for con-  
40 version energy.

41 (g) A standby generation facility, if the facility complies with all of the following:

42 (A) The facility has received local land use approval under the applicable acknowledged com-  
43 prehensive plan and land use regulations of the affected local government and the facility complies  
44 with all statewide planning goals and applicable rules of the Land Conservation and Development  
45 Commission;



1 (B) The standby generators have been approved by the Department of Environmental Quality  
2 as having complied with all applicable air and water quality requirements. For an applicant that  
3 proposes to provide the physical facilities for the installation of standby generators, the requirement  
4 of this subparagraph may be met by agreeing to require such a term in the lease contract for the  
5 facility; and

6 (C) The standby generators are electrically incapable of being interconnected to the trans-  
7 mission grid. For an applicant that proposes to provide the physical facilities for the installation of  
8 standby generators, the requirement of this subparagraph may be met by agreeing to require such  
9 a term in the lease contract for the facility.

10 (3) The Energy Facility Siting Council may review and, if necessary, revise the fuel chargeable  
11 to power heat rate value set forth in subsection (2)(c)(B) of this section. In making its determination,  
12 the council shall ensure that the fuel chargeable to power heat rate value for facilities set forth in  
13 subsection (2)(c)(B) of this section remains significantly lower than the fuel chargeable to power  
14 heat rate value for the best available, commercially viable thermal power plant technology at the  
15 time of the revision.

16 (4) Any person who proposes to construct or enlarge an energy facility and who claims an ex-  
17 emption under subsection (2)(a), (c), (f) or (g) of this section from the requirement to obtain a site  
18 certificate shall request the Energy Facility Siting Council to determine whether the proposed fa-  
19 cility qualifies for the claimed exemption. The council shall make its determination within 60 days  
20 after the request for exemption is filed. An appeal from the council's determination on a request for  
21 exemption shall be made under ORS 469.403, except that the scope of review by the Supreme Court  
22 shall be the same as a review by a circuit court under ORS 183.484. The record on review by the  
23 Supreme Court shall be the record established in the council proceeding on the exemption.

24 (5) Notwithstanding subsection (1) of this section, a separate site certificate shall not be re-  
25 quired for:

26 (a) Transmission lines, storage facilities, pipelines or similar related or supporting facilities, if  
27 such related or supporting facilities are addressed in and are subject to a site certificate for another  
28 energy facility;

29 (b) Expansion within the site or within the energy generation area of a facility for which a site  
30 certificate has been issued, if the existing site certificate has been amended to authorize expansion;  
31 or

32 (c) Expansion, either within the site or outside the site, of an existing council certified surface  
33 facility related to an underground gas storage reservoir, if the existing site certificate is amended  
34 to authorize expansion.

35 (6) If the substantial loss of the steam host causes a facility exempt under subsection (2)(c) of  
36 this section to substantially fail to meet the exemption requirements under subsection (2)(c) of this  
37 section, the electric generating facility shall cease to operate one year after the substantial loss of  
38 the steam host unless an application for a site certificate has been filed in accordance with the  
39 provisions of ORS 469.300 to 469.563.

40 (7) As used in this section:

41 (a) "Standby generation facility" means an electric power generating facility, including standby  
42 generators and the physical structures necessary to install and connect standby generators, that  
43 provides temporary electric power in the event of a power outage and that is electrically incapable  
44 of being interconnected with the transmission grid.

45 (b) "Total energy output" means the sum of useful thermal energy output and useful electrical

1 energy output.

2 (c) "Useful thermal energy" means the verifiable thermal energy used in any viable industrial  
3 or commercial process, heating or cooling application.

4 (8) Notwithstanding the definition of "energy facility" in ORS 469.300 (11)(a)(J), an electric  
5 power generating plant with an average electric generating capacity of less than 35 megawatts  
6 produced from wind energy at a single energy facility or within a single energy generation area may  
7 elect to obtain a site certificate in the manner provided in ORS 469.300 to 469.563, 469.590 to  
8 469.619, 469.930 and 469.992. An election to obtain a site certificate under this subsection shall be  
9 final upon submission of an application for a site certificate.

10 **SECTION 9. The section captions used in this 2009 Act are provided only for the con-**  
11 **venience of the reader and do not become part of the statutory law of this state or express**  
12 **any legislative intent in the enactment of this 2009 Act.**

13