

House Bill 3155

Sponsored by Representatives BOONE, WITT, Senator JOHNSON; Representatives BENTZ, BERGER, BEYER, BUCKLEY, C EDWARDS, GILMAN, HOLVEY, HUFFMAN, JENSON, KOMP, OLSON, SCHAUFLE, G SMITH, STEIGLER, VANORMAN, WHISNANT, Senators BATES, BOQUIST, FERRIOLI, VERGER (at the request of Oregon Rural Electric Cooperatives Association, Oregon Municipal Electric Utilities Association)

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**.

Requires governing body of consumer-owned utility to adopt resolution to establish local conservation and energy efficiency plan or annual conservation, energy efficiency and carbon reduction or avoidance program. Specifies requirements for plan and program. Specifies projects eligible for funding under plan or program. Requires consumer-owned utility to provide certain annual reports.

A BILL FOR AN ACT

1
2 Relating to energy efficiency for consumer-owned utilities.

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

4 **SECTION 1. As used in sections 1 to 7 of this 2009 Act, "consumer-owned utility" and**
5 **"governing body" have the meanings given those terms in ORS 757.600.**

6 **SECTION 2. (1) Each governing body of a consumer-owned utility shall adopt a resolu-**
7 **tion:**

8 **(a) To establish a local conservation and energy efficiency plan that implements cost-**
9 **effective conservation and energy efficiency measures within the utility's service territory;**
10 **or**

11 **(b) To fund an annual conservation, energy efficiency and carbon reduction or avoidance**
12 **program in an amount equal to two percent of the utility's annual retail electric sales or, in**
13 **the case of a utility with fewer than 17 consumers per mile of distribution line, the utility's**
14 **share of state total electric sales multiplied by two percent of total statewide retail electric**
15 **sales, whichever is less.**

16 **(2)(a) The local conservation and energy efficiency plan described in subsection (1) of this**
17 **section shall:**

18 **(A) Identify the potentially achievable levels of conservation and energy efficiency for the**
19 **consumer-owned utility over a 10-year period; and**

20 **(B) Specify a conservation acquisition target for cost-effective conservation for each**
21 **five-year period.**

22 **(b) In implementing the local conservation and energy efficiency plan and conservation**
23 **acquisition targets, the consumer-owned utility shall utilize methodologies of the Pacific**
24 **Northwest Electric Power and Conservation Planning Council's current regional power plan.**
25 **The governing body of the consumer-owned utility may package conservation or energy effi-**
26 **ciency measures in the local conservation and energy efficiency plan to meet the utility's**
27 **conservation acquisition target.**

28 **(c) If the governing body of a consumer-owned utility determines that the utility cannot**

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 meet its conservation acquisition target within a five-year period, the governing body shall
 2 acquire renewable resources equal to the projected shortfall.

3 (d) The governing body of a consumer-owned utility may contract with an independent,
 4 qualified third party to operate a local conservation and energy efficiency plan.

5 (3) In establishing an annual conservation, energy efficiency and carbon reduction or
 6 avoidance program described in subsection (1) of this section, a consumer-owned utility:

7 (a) May credit against the amount described in subsection (1)(b) of this section all direct
 8 and indirect expenditures made for conservation and energy efficiency programs, regional
 9 market transformation, low-income weatherization, utility loan financing programs or any
 10 other conservation and energy efficiency measures;

11 (b) May collect a charge associated with the annual conservation, energy efficiency and
 12 carbon reduction or avoidance program as part of retail electric rates or through a
 13 nonbypassable fee on each customer's electric bill as specified by the governing body of the
 14 consumer-owned utility;

15 (c) Shall use revenue from a charge associated with the annual conservation, energy ef-
 16 ficiency and carbon reduction or avoidance program to fund the direct and indirect costs of
 17 conservation, energy efficiency and carbon reduction or avoidance projects, including but not
 18 limited to projects related to renewable resources; and

19 (d) May roll over revenue from the annual conservation, energy efficiency and carbon
 20 reduction or avoidance program for up to five years in order to save revenue for large
 21 projects or to provide flexibility in developing large commercial or industrial projects.

22 (4) The governing body of a consumer-owned utility may fulfill its obligations under this
 23 section by participating in a joint operating entity or a joint operating agency established for
 24 purposes of energy conservation and efficiency. The joint operating entity or joint operating
 25 agency's obligation for energy conservation is determined by combining the conservation
 26 acquisition targets for all members. The members shall determine the allocation of the obli-
 27 gation.

28 **SECTION 3.** The following are eligible for funding as part of a local conservation and
 29 energy efficiency plan or an annual conservation, energy efficiency and carbon reduction or
 30 avoidance program described in section 2 of this 2009 Act:

- 31 (1) Energy conservation, energy efficiency and weatherization initiatives;
- 32 (2) Low-income weatherization, as that term is defined in ORS 757.600;
- 33 (3) Energy efficiency projects in schools;
- 34 (4) Electricity market transformation;
- 35 (5) Renewable resource facilities of any size on the customer side of the meter;
- 36 (6) Efficiency improvements in the electricity distribution system;
- 37 (7) High efficiency cogeneration projects that reduce customer loads;
- 38 (8) Combined heat and power programs;
- 39 (9) Demand response programs;
- 40 (10) Customer loan programs that promote energy efficiency measures;
- 41 (11) Infrastructure and incentives to support sustainable electric vehicle programs;
- 42 (12) Renewable resources; and
- 43 (13) Other activities approved by governing bodies of consumer-owned utilities.

44 **SECTION 4.** Consumer-owned utilities with fewer than 2,500 customers in Oregon that
 45 are load following customers of the Bonneville Power Administration may fulfill their obli-

1 gations under sections 2 and 3 of this 2009 Act by participating in the conservation programs
2 of the Bonneville Power Administration.

3 **SECTION 5.** If the Public Utility Commission by order determines that there is a pending
4 emergency in Oregon electricity markets, the governing body of a consumer-owned utility
5 need not comply with the requirements of sections 2 and 3 of this 2009 Act for the duration
6 of the emergency.

7 **SECTION 6.** (1) Each consumer-owned utility shall provide an annual report by December
8 31 of each year describing its actions under sections 2, 3, 4 and 5 of this 2009 Act to:

9 (a) The governing body of the consumer-owned utility; and

10 (b) The State Department of Energy.

11 (2) The report made under subsection (1) of this section may be a copy of the
12 consumer-owned utility's conservation and energy efficiency report made to the Bonneville
13 Power Administration as part of the regional reporting system.

14 **SECTION 7.** Each governing body of a consumer-owned utility shall adopt the resolution
15 required by section 2 of this 2009 Act by January 1, 2012.

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