

# House Bill 3461

Sponsored by COMMITTEE ON RULES

## 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**.

Expands list of options available for compliance with renewable portfolio standards.

## A BILL FOR AN ACT

Relating to demand-side management actions; creating new provisions; and amending ORS 469A.025.

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

**SECTION 1.** ORS 469A.025 is amended to read:

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

- (a) Wind energy.
- (b) Solar photovoltaic and solar thermal energy.
- (c) Wave, tidal and ocean thermal energy.
- (d) Geothermal energy.

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

- (a) Organic human or animal waste;
- (b) Spent pulping liquor;
- (c) Forest or rangeland woody debris from harvesting or thinning conducted to improve forest or rangeland ecological health and to reduce uncharacteristic stand replacing wildfire risk;
- (d) Wood material from hardwood timber grown on land described in ORS 321.267 (3);
- (e) Agricultural residues;
- (f) Dedicated energy crops; and
- (g) Landfill gas or biogas produced from organic matter, wastewater, anaerobic digesters or municipal solid waste.

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

- (a) Municipal solid waste; or
- (b) Wood that has been treated with chemical preservatives such as creosote, pentachlorophenol or chromated copper arsenate.

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

- (a) The facility is located outside any protected area designated by the Pacific Northwest Electric Power and Conservation Planning Council as of July 23, 1999, or any area protected under the federal Wild and Scenic Rivers Act, Public Law 90-542, or the Oregon Scenic Waterways Act, ORS

**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.

1 390.805 to 390.925; or

2 (b) The electricity is attributable to efficiency upgrades made to the facility on or after January  
3 1, 1995.

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

9 (6) Electricity generated from hydrogen gas derived from any source of energy described in  
10 subsections (1) to (5) of this section may be used to comply with a renewable portfolio standard.

11 **(7)(a) Reduced electricity consumption resulting from demand-side management actions**  
12 **specified in paragraph (b) of this subsection may be used to comply with a renewable port-**  
13 **folio standard. The State Department of Energy by rule shall establish a formula for the**  
14 **conversion of reduced electricity consumption to equivalent electricity generation.**

15 **(b) Demand-side management actions include, but are not limited to:**

16 **(A) Energy efficiency technologies, management practices or other strategies that reduce**  
17 **the electricity consumption of residential, commercial, institutional or governmental con-**  
18 **sumers;**

19 **(B) Load management or demand response technologies, management practices or other**  
20 **strategies applicable to residential, commercial, institutional or governmental consumers**  
21 **that shift electric load from periods of high demand to periods of low demand; and**

22 **(C) Industrial by-product technologies that use a by-product from an industrial process,**  
23 **including but not limited to the reuse of energy from exhaust gases or other manufacturing**  
24 **by-products that are used in the direct production of electricity at the facility of a consumer.**

25 [(7)] (8) If electricity generation employs multiple energy sources, that portion of the electricity  
26 generated that is attributable to energy sources described in subsections (1) to [(6)] (7) of this sec-  
27 tion may be used to comply with a renewable portfolio standard.

28 [(8)] (9) The State Department of Energy by rule may approve energy sources other than those  
29 described in this section that may be used to comply with a renewable portfolio standard. The de-  
30 partment may not approve petroleum, natural gas, coal or nuclear fission as an energy source that  
31 may be used to comply with a renewable portfolio standard.

32 **SECTION 2. A customer of a utility that implements demand-side management actions**  
33 **specified in ORS 469A.025 (7) owns any renewable energy certificates attributable to the**  
34 **actions. The owner may trade, sell or take any other action available for the owner's**  
35 **renewable energy certificates under the system established pursuant to ORS 469A.130.**

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