75th OREGON LEGISLATIVE ASSEMBLY – 2010 Special Session STAFF MEASURE SUMMARY

House Committee on Sustainability and Economic Development

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass **Vote:** 10 - 0 - 0

Yeas: Bailey, Bentz, Frederick, Garrett, Gilliam, Holvey, Richardson, Thatcher, Witt, Read

MEASURE: HB 3674

CARRIER: Rep. Gilliam

Nays: 0 Exc.: 0

Prepared By: Beth Herzog, Administrator

Meeting Dates: 2/4

WHAT THE MEASURE DOES: Allows electricity generated from facility using biomass that became operational before January 1, 1995 to comply with Oregon's renewable portfolio standard (RPS) if located in Oregon and meets requirements for qualified facility under federal Public Utility Regulatory Policies Act of 1975. Requires that renewable energy certificates (RECs) derived from pre-1995 biomass facilities not be used to comply with RPS before January 1, 2026, but allows RECs to be banked for use on or after January 1, 2026. Requires owner or operator of pre-1995 biomass facility to file information on total generating capacity with Western Renewable Energy Generation Information System or other regional system designated by Oregon Department of Energy by January 1, 2011. Authorizes facility generating electricity from direct combustion of municipal solid waste facility, operational before January 1, 1995 and located in Oregon, to comply with RPS for up to 11 average megawatts generated annually after January 1, 2026. Allows REC's issued prior to January 1, 2026 to be banked for use after January 1, 2026. Requires that total amount of electricity generated in this state by direct combustion of municipal solid waste by generating facilities that became operational on or after January 1, 1995 may not exceed nine average megawatts per year for purpose of complying with RPS. Authorizes Public Utility Commission (PUC) to allow full recovery of costs by public utilities in prudent energy investments related to hydrogen power stations. Modifies electricity generated from hydrogen gas that may be used to comply with RPS to include electricity generated by hydrogen power stations using anhydrous ammonia as fuel source. Repeals amendments to RPS if Act is declared unconstitutional.

ISSUES DISCUSSED:

- Role of biomass facilities in rural areas
- Process for combusting municipal solid waste
- Hydrogen Hubs designed to store renewable energy

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Renewable Portfolio Standard (RPS) requires all utilities and electricity service suppliers serving Oregon's load include in their portfolio of power sold to retail customers a percentage of electricity generated from qualifying renewable energy sources. ORS 469A.020 defines qualifying renewable electric energy facilities, for purpose of complying with RPS, as facilities operational or improved efficiency on or after January 1, 1995. The percentage of qualifying electricity that must be included increases over time, with all utilities and electricity service suppliers obligated to include some renewably-generated electricity in their portfolio by the year 2025.