

House Bill 2204

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Sustainability and Economic Development)

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 each electric company to maintain specified generating capacity from qualifying wave energy systems on or before January 1, 2020. Increases generating capacity requirement in five-year intervals until January 1, 2040. Allows electric companies to set rates to recover reasonable return on investment in systems. Allows electric companies to use systems to comply with renewable portfolio standard established by statute.

A BILL FOR AN ACT

1
2 Relating to wave energy.

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

4 **SECTION 1. (1) As used in this section:**

5 (a) **"Electric company" has the meaning given that term in ORS 757.600.**

6 (b) **"Nameplate capacity" means the maximum rated output of a generator or other**
7 **electric power production equipment under specific conditions designated by the manufac-**
8 **turer.**

9 (c) **"Qualifying system" means a wave energy system that:**

10 (A) **Directly connects to an electric company's electrical system within this state or in-**
11 **directly connects through the system of an electric company's retail electricity consumer**
12 **or the electric system of a third party that is not an electric company's retail electricity**
13 **consumer but whose system is located within this state;**

14 (B) **Has meters or other devices in place to monitor and measure the quantity of energy**
15 **generated by the wave energy system; and**

16 (C) **Meets any other siting, design, interconnection, installation and electric output**
17 **standards and codes required by the laws of this state.**

18 (d) **"Wave energy system" means equipment and devices that capture and transport the**
19 **energy of ocean surface waves for electricity generation.**

20 (2) **On or before January 1, 2020, the total wave energy generating nameplate capacity,**
21 **from qualifying systems, of all electric companies in this state shall be at least 50 megawatts**
22 **of alternating current.**

23 (3) **The minimum megawatts generated under subsection (2) of this section shall increase**
24 **to:**

25 (a) **100 megawatts on or before January 1, 2025;**

26 (b) **150 megawatts on or before January 1, 2030;**

27 (c) **200 megawatts on or before January 1, 2035; and**

28 (d) **250 megawatts on or before January 1, 2040.**

29 (4)(a) **For the purpose of complying with the wave energy generating capacity standard**

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 established by this section, on or before January 1, 2020, each electric company is required
 2 to maintain a minimum generating capacity from qualifying systems. The minimum gener-
 3 ating capacity for each electric company is determined by multiplying 50 megawatts by a
 4 fraction equal to the electric company's share of all retail electricity sales made in this state
 5 in 2010 by all electric companies.

6 (b) The minimum generating capacity for each electric company shall be adjusted upward
 7 at five-year intervals in accordance with subsection (3) of this section.

8 (5) For the purposes of this section, capacity of a wave energy system is measured on
 9 the alternating current side of the system's inverter using the measurement standards set
 10 forth by the Public Utility Commission by rule. If the system does not use an inverter, the
 11 measurement shall be made at the direct current level.

12 (6) An electric company may satisfy the wave energy generating capacity standard es-
 13 tablished by this section with wave energy systems owned by the company or with contracts
 14 for the purchase of electricity from qualifying systems.

15 (7) All costs prudently incurred by an electric company to comply with the wave energy
 16 generating capacity standard established by this section, including above-market costs, are
 17 recoverable in the company's rates and are eligible for an automatic adjustment clause es-
 18 tablished by the commission under ORS 469A.120.

19 (8) Any electricity produced from a qualifying system under this section that is physically
 20 located in this state or within the territorial sea as defined in ORS 196.405 of this state may
 21 be used by an electric company to comply with the renewable portfolio standard established
 22 under ORS 469A.005 to 469A.210.

23 (9) The commission may adopt rules implementing and enforcing this section.
 24
