

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Rescind the Subsequent Referral to the Committee on Ways and Means
<b>Vote:</b>	5 - 0 - 0
<b>Yeas:</b>	Baertschiger, Burdick, Close, Prozanski, Roblan
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Racquel Rancier, Administrator
<b>Meeting Dates:</b>	4/4, 4/18

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**WHAT THE MEASURE DOES:** Requires qualified person to prepare financial assurance cost estimates for wave energy facility or equipment. Removes ability to satisfy financial assurance requirement through self-insurance or other method provided in rule. Requires owner or operator to provide decommissioning plan prior to authorization to operate and specifies required elements of plan. Requires owner or operator to initiate removal of equipment, with exception for anchors, cables, and other equipment at least one meter beneath submerged lands of territorial sea, within 12 months after operations cease. Authorizes director of Department of State Lands (DSL), under specified conditions, to require removal of anchors, cables, or other exempted equipment. Requires removal of all applicable equipment within two years after ceasing operations. Allows DSL director to extend deadline. Applies to authorizations for wave energy facilities and devices issued on or after effective date of Act. Authorizes civil penalties up to \$1,000 per day for violation to be deposited in Common School Fund for use by DSL. Directs Department of Energy (ODOE) to study issues relating to transmission of electricity from wave energy facilities including: ownership, financing, development, construction, and maintenance of structures for transmission; costs and benefits of consolidating transmission capacity for multiple wave energy projects; and risk management and decommissioning issues. Directs ODOE to report results to interim committee of Legislative Assembly on or before November 1, 2014. Repeals study provision on January 2, 2015. Declares emergency, effective upon passage.

**ISSUES DISCUSSED:**

- Adoption of requirements in Territorial Sea Plan subjects federal projects to same standards
- Amount of time allowed to comply with removal requirement and seasonal limitations to perform decommissioning work
- Need for removal to minimize ecosystem impacts may depend on depth of equipment

**EFFECT OF COMMITTEE AMENDMENT:** Replaces measure.

**BACKGROUND:** Oregon’s territorial sea, defined as zero to three nautical miles from shore, has been identified as a favorable location for siting renewable energy, including wave energy projects. These facilities may vary in the type and extent of the technologies employed and require other structures and equipment to anchor to the seafloor and transfer energy to on-shore substations. Part Five of the Oregon Territorial Sea Plan describes the process for making decisions concerning the development of renewable energy facilities in the state territorial sea.

Senate Bill 606 A clarifies financial assurance and decommissioning requirements for wave energy projects and identifies research needed related to the transmission of electricity from wave energy facilities and devices.