

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 4 - 0 - 1

Yeas: Beyer, Burdick, Starr, Rosenbaum

Nays: 0

Exc.: Ferrioli

Prepared By: Lori Brocker, Administrator

Meeting Dates: 6/11

WHAT THE MEASURE DOES: Directs Public Utility Commission to establish voluntary program to create incentives for public utilities that furnish natural gas to invest in projects that reduce emissions and provide benefits to customers. Requires final orders issued by commission under measure to specify type of ratepayer from whom utility may recover costs incurred and investments made. Delineates eligibility criteria and process for implementation of incentivizing program.

ISSUES DISCUSSED:

- Origins and intent of measure
- Amendments
- Application to utilities that furnish natural gas
- Voluntary nature of program
- Impact of energy efficient projects
- Impact of trucking industry moving from diesel to natural gas
- Other legislation relating to alternative fuels

EFFECT OF COMMITTEE AMENDMENT: Limits applicability of measure to public utilities that furnish natural gas. Replaces term “greenhouse gas” and “greenhouse gas emission” with “emission.” Requires final orders issued by Public Utility Commission under measure to specify type of ratepayer from whom utility may recover costs incurred and investments made.

BACKGROUND: In 2007, the Legislative Assembly enacted House Bill 3543, establishing greenhouse gas (GHG) emission reduction goals for the state, including the goal of reducing GHG levels to at least 10 percent below 1990 levels by the year 2020. In 2009, the Legislative Assembly enacted Senate Bill 101, requiring the Public Utility Commission (PUC) to report biennially to the Legislative Assembly on the estimated rate impacts for Oregon’s regulated electric and natural gas companies related to meeting the state’s GHG emission goals.

Senate Bill 844A creates a voluntary incentive program for public utilities that furnish natural gas to invest in projects that reduce emissions. The measure specifies criteria for participation, including: that projects reduce emissions (either directly or indirectly), that projects benefit the utility’s customers, that the utility would otherwise not make the investment without the incentive, that stakeholders be involved in the development of the project, and that the aggregate effect of projects undertaken by a utility not exceed a rate impact specified by the PUC by rule. The measure also outlines the application and review processes.

Finally, Senate Bill 844A requires that PUC conduct a biennial study regarding whether federal law, or other state laws, provide adequate incentives for projects to reduce emissions. PUC is directed to submit a report to the Legislative Assembly on the results of the study by February 1 of each odd-numbered year.

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This summary has not been adopted or officially endorsed by action of the committee.