

# House Bill 2300

Sponsored by Representative READ; Representative GARRETT (Presession filed.)

## 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 Director of the State Department of Energy to promote use of compressed natural gas. Gives highest priority for energy facility tax credits to distribution facilities for compressed natural gas.

Applies to applications for preliminary certification submitted on or after effective date of Act. Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to compressed natural gas; creating new provisions; amending ORS 469B.136 and 469B.139;  
3 and prescribing an effective date.

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

5 **SECTION 1.** ORS 469B.136 is amended to read:

6 469B.136. (1) In determining the eligibility of any facility for tax credits, **the greatest priority**  
7 **shall be given to distribution facilities for compressed natural gas.**

8 **(2) After the priority required under subsection (1) of this section,** preference shall be  
9 given to those projects that:

10 (a) Provide energy savings for real or personal property within the state inhabited as the prin-  
11 cipal residence of a tenant, including:

12 (A) Nonowner occupied single family dwellings; and

13 (B) Multiple unit residential housing; or

14 (b) Provide long-term energy savings from the use of renewable resources or conservation of  
15 energy resources.

16 ~~[(2)]~~ **(3)** The Director of the State Department of Energy shall establish by rule a tiered priority  
17 system to be used in evaluating applicants for certification of facilities using or producing renewable  
18 energy resources. The tier system shall be based upon the projected costs of facilities. In determin-  
19 ing the eligibility for tax credits and in allocating the available certified cost pursuant to section  
20 2 (1), chapter 76, Oregon Laws 2010, among facilities, the director shall subject facilities with higher  
21 projected costs to closer scrutiny, shall compare projects of similar costs against each other and  
22 may certify less than the total cost of any facility based on this evaluation. The director may employ  
23 criteria including the following factors as defined by rule:

24 (a) Technology-specific energy production standards;

25 (b) Market sector;

26 (c) Delivery of energy into existing distribution and transmission network;

27 (d) Investment payback period;

28 (e) Expected lifespan of the facility;

29 (f) Potential for long-term viability;

30 (g) Environmental standards established by the director;

**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 (h) Potential to create and sustain new jobs;
- 2 (i) Projected siting in a location that is geographically or socioeconomically advantageous;
- 3 (j) Demonstrated readiness to begin implementation;
- 4 (k) Amount and quality of energy generated;
- 5 (L) Strength of business plan;
- 6 (m) Provision of operations and maintenance data, with appropriate protections for trade secrets
- 7 consistent with ORS chapter 192;
- 8 (n) Connection to existing infrastructure;
- 9 (o) Third-party review of the applicant's business plan; or
- 10 (p) Data related to projected return on investment.

11 **SECTION 2.** ORS 469B.139 is amended to read:

12 469B.139. The State Department of Energy shall by rule establish all of the following criteria:

13 (1) For a high-performance home, the minimum design and construction standards that must be  
 14 met or exceeded for a dwelling to be considered a high-performance home, including but not limited  
 15 to standards for the building envelope, HVAC systems, lighting, appliances, water conservation  
 16 measures, use of sustainable building materials and on-site renewable energy systems. The criteria  
 17 must also establish the minimum reduction in estimated net purchased energy that a dwelling must  
 18 achieve to be considered a high-performance home.

19 (2) For a homebuilder-installed renewable energy system, the minimum performance and effi-  
 20 ciency standards that a solar electric system, solar domestic water heating system, passive solar  
 21 space heating system, wind power system, geothermal heating system, fuel cell system or other sys-  
 22 tem utilizing renewable resources must achieve to be considered a homebuilder-installed renewable  
 23 energy system.

24 (3) For a high-efficiency combined heat and power facility, the minimum performance and effi-  
 25 ciency standards that the facility must achieve to be considered a high-efficiency combined heat and  
 26 power facility.

27 (4) For a facility using or producing renewable energy resources, standards relating to criteria  
 28 required under ORS 469B.136 [(2)] (3).

29 (5) Standards, consistent with the definitions in ORS 469B.130, relating to what constitutes a  
 30 single facility.

31 **SECTION 3. Section 4 of this 2013 Act is added to and made a part of ORS chapter 469.**

32 **SECTION 4. The Director of the State Department of Energy shall:**

33 (1) **Promote the public's use of, and advertise to the public the availability of, compressed**  
 34 **natural gas.**

35 (2) **Encourage commercial fueling networks to offer compressed natural gas at their**  
 36 **stations and shall facilitate the awarding of loans under ORS 470.510 to further that purpose.**

37 (3) **Develop a plan to facilitate the conversion of school bus fleets, transit agency fleets**  
 38 **and garbage collection vehicle fleets to the use of vehicles that run on compressed natural**  
 39 **gas. The plan must:**

40 (a) **Include methods for promoting private companies that operate fueling stations for**  
 41 **compressed natural gas that are open to the public.**

42 (b) **Include programs to encourage school districts, mass transit districts and garbage**  
 43 **collection agencies to enter into long-term supply contracts with private companies that will**  
 44 **supply compressed natural gas at fueling facilities that are open to the public.**

45 **SECTION 5. The amendments to ORS 469B.136 by section 1 of this 2013 Act apply to ap-**

1 **plications for preliminary certification under ORS 469B.157 that are submitted on or after**  
2 **the effective date of this 2013 Act.**

3 **SECTION 6. This 2013 Act takes effect on the 91st day after the date on which the 2013**  
4 **regular session of the Seventy-seventh Legislative Assembly adjourns sine die.**

5

---