

# House Bill 2812

Sponsored by COMMITTEE ON ENERGY AND ENVIRONMENT

## 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 establishment of program under which electric companies must purchase electricity from distributed generation facilities under standard contracts. Establishes Oregon Clean Energy and Local Economic Development Board for purpose of adopting rules related to administration of Act and making recommendations to Public Utility Commission regarding elements of program.

## A BILL FOR AN ACT

1  
2 Relating to the purchase of electricity by electric companies.

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

## SHORT TITLE

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6  
7 **SECTION 1. Sections 1 to 17 of this 2013 Act shall be known and may be cited as the**  
8 **“Clean Energy Economy Act.”**

## PURPOSE

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10  
11  
12 **SECTION 2. The purposes of sections 1 to 17 of this 2013 Act are to:**

13 **(1) Facilitate and promote, throughout this state, the installation of renewable energy**  
14 **systems that are connected to energy distribution systems;**

15 **(2) Diversify this state's portfolio of sources that generate renewable energy;**

16 **(3) Improve the resiliency and reliability of energy distribution systems;**

17 **(4) Reduce the environmental impact of fossil fuel and nuclear energy production;**

18 **(5) Reduce carbon emissions that contribute to climate change;**

19 **(6) Reduce fossil fuel imports;**

20 **(7) Increase local and state revenues;**

21 **(8) Stimulate economic development and create family wage jobs in both rural and urban**  
22 **areas;**

23 **(9) Reduce long-term price volatility;**

24 **(10) Reduce long-term energy production and distribution costs;**

25 **(11) Contribute to the development of this state's energy technology industry;**

26 **(12) Keep local control over funds spent on and generated by energy production and**  
27 **consumption;**

28 **(13) Provide an alternative to the use of tax credits that a person may claim under ORS**  
29 **316.116, or 317.115 if the person is a corporation, and the use of other public moneys to**  
30 **incentivize the installation of renewable energy systems;**

**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 (14) Incentivize the use of private investor money to finance the capital costs of installing  
2 renewable energy systems;

3 (15) Guarantee payment to private investors for financing those capital costs and,  
4 thereby, provide for the rapid and cost-effective installation of renewable energy systems;  
5 and

6 (16) Engage Oregonians, particularly Oregonians with insufficient or no tax liability, in  
7 the cost-effective development of this state's abundant renewable resources to serve this  
8 state's energy needs.

9  
10 **DEFINITIONS**

11  
12 **SECTION 3. As used in sections 1 to 17 of this 2013 Act:**

13 (1) "Ceiling price" means the maximum price that a electric company must pay a dis-  
14 tributed generation facility for electricity under a standard contract.

15 (2) "Community-owned" means owned, developed or controlled in full or in part by a  
16 minimum of 25 residents of this state or by an Oregon tribe, nonprofit organization, school,  
17 library, university, municipality, consortium of municipalities, faith community, district as  
18 defined in ORS 198.010 or other organization that serves a minimum of 25 members, stu-  
19 dents, patrons or other individuals.

20 (3) "Disadvantaged community" means an urban renewal district or other rural or urban  
21 community that is economically impoverished under the laws of this state.

22 (4) "Distributed generation class" means a category of distributed generation facilities  
23 that is created under section 9 of this 2013 Act.

24 (5) "Distributed generation facility" means an electrical generation facility that generates  
25 electricity as authorized under section 7 of this 2013 Act and that is connected to a distrib-  
26 ution system that is owned, controlled or operated by an electric company.

27 (6) "Electric company" has the meaning given that term in ORS 757.600.

28 (7) "Job training" means instruction provided at a distributed generation facility for job  
29 accreditation or apprenticeship training for the purposes related to renewable energy tech-  
30 nology.

31 (8) "Low-income ratepayer" means a residential customer of an electric company that is  
32 the head of the household or principal wage earner of the household and who received Sup-  
33 plemental Security Income from the Social Security Administration or who is eligible for the  
34 low-income energy assistance or other form of low-income assistance as determined by the  
35 Oregon Clean Energy and Local Economic Development Board by rule.

36 (9) "Nameplate capacity" means the maximum rated output of a generator or other  
37 electric power production equipment under specific conditions designated by the manufac-  
38 turer.

39 (10) "Standard contract" means a contract with a term of 20 years under which an elec-  
40 tric company purchases electricity from a distributed generation facility.

41  
42 **STANDARD CONTRACTS**

43  
44 **(Program Goals)**

1       **SECTION 4.** (1) The Public Utility Commission shall establish a program that requires  
2 electric companies to enter into standard contracts with distributed generation facilities.

3       (2) The program shall require electric companies:

4       (a) Except as provided in subsection (5) of this section, to annually purchase an aggregate  
5 nameplate capacity of at least 500 megawatts of electricity from distributed generation fa-  
6 cilities by December 31, 2020;

7       (b) To purchase at least 30 percent of electricity from solar photovoltaic facilities;

8       (c) To purchase at least 10 percent of electricity from rooftop solar facilities that gen-  
9 erate no more than 50 kilowatts of electricity per hour; and

10       (d) To purchase at least 10 percent of electricity from community-owned facilities.

11       (3) Except as provided under subsection (5) of this section, to achieve the aggregate  
12 nameplate capacity described in subsection (2)(a) of this section, the program shall require  
13 electric companies to purchase electricity from distributed generation facilities in accord-  
14 ance with the following annual targets:

15       (a) An aggregate nameplate capacity of at least 10 megawatts of electricity by December  
16 31, 2014;

17       (b) An aggregate nameplate capacity of at least 70 megawatts of electricity by December  
18 31, 2015;

19       (c) An aggregate nameplate capacity of at least 150 megawatts of electricity by December  
20 31, 2016;

21       (d) An aggregate nameplate capacity of at least 250 megawatts of electricity by December  
22 31, 2017.

23       (e) An aggregate nameplate capacity of at least 300 megawatts of electricity by December  
24 31, 2018; and

25       (f) An aggregate nameplate capacity of at least 400 megawatts of electricity by December  
26 31, 2019.

27       (4) The commission shall establish annual targets for each electric company by multi-  
28 plying the total amount of electricity to be annually purchased from distributed generation  
29 facilities by a fraction equal to each electric company's share of all electricity sales in  
30 Oregon that are derived from fossil fuel and nuclear sources.

31       (5) Before August 31 of each year, the Oregon Clean Energy and Local Economic Devel-  
32 opment Board established under section 14 of this 2013 Act may:

33       (a) Recommend to the commission that an annual target listed under subsection (3) of  
34 this section be increased by an amount that reflects shortfalls in meeting the previous year's  
35 annual target.

36       (b) Recommend to the commission that an annual target listed under subsection (3) of  
37 this section, or the aggregate nameplate capacity required under subsection (2) of this sec-  
38 tion, be decreased by an amount that reflects an amount in excess of the previous year's  
39 annual target.

40       (c) Based on market data and other information available to the board, including pricing  
41 for standard contracts received during previous years, recommend to the commission that  
42 an annual target listed in subsection (3) of this section, or the aggregate nameplate capacity  
43 required under subsection (2) of this section, be decreased on the basis that market condi-  
44 tions are likely to produce during the upcoming year standard contracts with unfavorably  
45 high prices for electricity. In considering such issues, the board may take into account the

1 **reasonableness of current pricing and the impact that achieving the annual target will have**  
 2 **on electric company customers.**

3 **(d) Recommend an extension of time to achieve the aggregate nameplate capacity re-**  
 4 **quired under subsection (2) of this section if a decrease is made to the aggregate nameplate**  
 5 **capacity under paragraph (b) or (c) of this subsection.**

6 **(6) The board shall file recommendations made under subsection (5) of this section with**  
 7 **the commission for commission review and approval.**

8 **SECTION 5. The amendments to section 4 of this 2013 Act by section 6 of this 2013 Act**  
 9 **become operative on the date that electric companies first purchase the aggregate nameplate**  
 10 **capacity required under section 4 (2) of this 2013 Act.**

11 **SECTION 6.** Section 4 of this 2013 Act is amended to read:

12 **Sec. 4.** (1) The Public Utility Commission shall establish a program that requires electric com-  
 13 panies to enter into standard contracts with distributed generation facilities.

14 (2) The program shall require electric companies:

15 (a) Except as provided in subsection [(5)] (4) of this section, to annually purchase an aggregate  
 16 nameplate capacity of at least 500 megawatts of electricity from distributed generation facilities [*by*  
 17 *December 31, 2020*];

18 (b) To purchase at least 30 percent of electricity from solar photovoltaic facilities;

19 (c) To purchase at least 10 percent of electricity from rooftop solar facilities that generate no  
 20 more than 50 kilowatts of electricity per hour; and

21 (d) To purchase at least 10 percent of electricity from community-owned facilities.

22 [(3) *Except as provided under subsection (5) of this section, to achieve the aggregate nameplate*  
 23 *capacity described in subsection (2)(a) of this section, the program shall require electric companies to*  
 24 *purchase electricity from distributed generation facilities in accordance with the following annual tar-*  
 25 *gets:*]

26 [(a) *An aggregate nameplate capacity of at least 10 megawatts of electricity by December 31,*  
 27 *2014;*]

28 [(b) *An aggregate nameplate capacity of at least 70 megawatts of electricity by December 31,*  
 29 *2015;*]

30 [(c) *An aggregate nameplate capacity of at least 150 megawatts of electricity by December 31,*  
 31 *2016;*]

32 [(d) *An aggregate nameplate capacity of at least 250 megawatts of electricity by December 31,*  
 33 *2017.*]

34 [(e) *An aggregate nameplate capacity of at least 300 megawatts of electricity by December 31, 2018;*  
 35 *and*]

36 [(f) *An aggregate nameplate capacity of at least 400 megawatts of electricity by December 31,*  
 37 *2019.*]

38 [(4)] (3) The commission shall establish [*annual targets*] **the nameplate capacity** for each elec-  
 39 tric company **to purchase** by multiplying the total amount of electricity to be annually purchased  
 40 from distributed generation facilities by a fraction equal to each electric company's share of all  
 41 electricity sales in Oregon that are derived from fossil fuel and nuclear sources.

42 [(5)] (4) Before August 31 of each year, the Oregon Clean Energy and Local Economic Devel-  
 43 opment Board established under section 14 of this 2013 Act may:

44 (a) Recommend to the commission that [*an annual target listed under subsection (3)*] **the aggre-**  
 45 **gate nameplate capacity required under subsection (2)** of this section be increased by an amount

1 that reflects shortfalls in *[meeting the previous year's annual target]* **purchasing that amount of**  
 2 **electricity during the previous year.**

3 (b) Recommend to the commission that *[an annual target listed under subsection (3) of this section,*  
 4 *or]* the aggregate nameplate capacity required under subsection (2) of this section[,] be decreased  
 5 by an amount that reflects an amount of **electricity purchased** in excess of the *[previous year's*  
 6 *annual target]* **required aggregate nameplate capacity during the previous year.**

7 (c) Based on market data and other information available to the board, including pricing for  
 8 standard contracts received during previous years, recommend to the commission that *[an annual*  
 9 *target listed in subsection (3) of this section, or]* the aggregate nameplate capacity required under  
 10 subsection (2) of this section[,] be decreased on the basis that market conditions are likely to  
 11 produce during the upcoming year standard contracts with unfavorably high prices for electricity.  
 12 In considering such issues, the board may take into account the reasonableness of current pricing  
 13 and the impact that *[achieving the annual target]* **the standard contracts** will have on electric  
 14 company customers.

15 *[(d) Recommend an extension of time to achieve the aggregate nameplate capacity required under*  
 16 *subsection (2) of this section if a decrease is made to the aggregate nameplate capacity under paragraph*  
 17 *(b) or (c) of this subsection.]*

18 ~~[(6)]~~ (5) The board shall file recommendations made under subsection ~~[(5)]~~ (4) of this section with  
 19 the commission for commission review and approval.

20  
 21 **(Eligibility)**  
 22

23 **SECTION 7. (1) To participate in the program established under section 4 of this 2013**  
 24 **Act, a distributed generation facility must generate electricity from one of the following**  
 25 **sources:**

26 (a) **Solar photovoltaic energy, wind energy, farm biogas energy or small hydroelectric**  
 27 **power, as defined by the Oregon Clean Energy and Local Economic Development Board by**  
 28 **rule; or**

29 (b) **If authorized by the board, biomass energy, biogases from anaerobic digestion, solar**  
 30 **thermal energy, geothermal energy or wave, tidal or ocean thermal energy.**

31 (2) **To authorize a source of electricity under subsection (1)(b) of this section, the board**  
 32 **must find that the source is market-ready in Oregon, as defined by the board by rule.**

33 (3) **For each source of electricity listed in this section, the board may adopt by rule effi-**  
 34 **ciency thresholds, sustainability requirements, water and land resource impact requirements**  
 35 **and emission requirements for greenhouse gases and other air pollution biproducts.**  
 36

37 **(Standard Contracts)**  
 38

39 **SECTION 8. (1)(a) To enroll in the program established under section 4 of this 2013 Act,**  
 40 **on or before October 1 of each year, a distributed generation facility must apply to the**  
 41 **electric company that serves the area in which the distributed generation facility is located.**

42 (b) **Notwithstanding paragraph (a) of this subsection, an electric company may request**  
 43 **applications from distributed generation facilities not located in its area of service as long**  
 44 **as the electric company receives a minimum of 70 percent of the nameplate capacity required**  
 45 **under section 4 of this 2013 Act from distributed generation facilities located within its area**

1 of service.

2 (2) Applications must be made in a manner and form prescribed by the Oregon Clean  
3 Energy and Local Economic Development Board by rule and include an affidavit by the ap-  
4 plicant that the distributed generation facility is not a part of a larger project.

5 (3) Each electric company shall enter into:

6 (a) At least three standard contracts each year; and

7 (b) A number of standard contracts sufficient to meet the nameplate capacity required  
8 by section 4 of this 2013 Act.

9 (4) Except as provided in subsection (5) of this section, standard contracts must be en-  
10 tered into in the order in which applications are received by an electric company. A record  
11 of the order in which applications are received shall be maintained by an electric company.  
12 In cases where an electric company is not able to enroll all applicants in the program be-  
13 cause the electric company has contracted for the nameplate capacity required under section  
14 4 of this 2013 Act, the applicants that did not enter into a standard contract shall be given  
15 first preference during the following year, according to the order in which applications were  
16 received.

17 (5) The board shall adopt by rule requirements for the enrollment of distributed gener-  
18 ation facilities that belong to different distributed generation classes. Rules adopted under  
19 this subsection must:

20 (a) Establish a two-week period during which electric companies receive bids from dis-  
21 tributed generation facilities belonging to different distributed generation classes; and

22 (b) Require electric companies to enter into a specified number of standard contracts  
23 with those distributed generation facilities.

24 (6) An electric company shall enter into a standard contract at or below the applicable  
25 ceiling price established under section 10 of this 2013 Act with a distributed generation fa-  
26 cility that successfully applies for enrollment under this section. The electric company is  
27 obligated to purchase all energy produced by the distributed energy facility at the agreed  
28 upon price for the entire contract period.

29 (7) After entering into each standard contract, an electric company shall report to the  
30 board and the Public Utility Commission:

31 (a) The aggregate amount of nameplate capacity being purchased from distributed gener-  
32 ation facilities belonging to the distributed generation class to which the distributed gener-  
33 ation facility that is the subject of the standard contract belongs;

34 (b) The agreed upon price for electricity under the standard contract; and

35 (c) Any other information that the board requires an electric company to submit by rule.

36 (8) Every three months, an electric company shall provide an accounting to the board  
37 and the commission of the total amount paid to distributed generation facilities under  
38 standard contracts during the previous three months.

39 (9) Every year, an electric company shall submit annual reports to the board and the  
40 commission detailing:

41 (a) The total number of standard contracts entered into by the electric company;

42 (b) The annual generation of electricity by distributed generation facilities with which the  
43 electric company has entered into standard contracts;

44 (c) The annual generation of electricity and total amount paid to distributed generation  
45 facilities belonging to each distributed generation class; and

1 (d) Any other information that the board by rule requires an electric company to submit.

2  
3 (Ceiling Prices)  
4

5 **SECTION 9.** (1) For the purpose of establishing ceiling prices under section 10 of this 2013  
6 Act, the Oregon Clean Energy and Local Economic Development Board shall create distrib-  
7 uted generation classes. The board shall consider the following factors in creating distributed  
8 generation classes:

9 (a) Type of technology used to generate electricity;

10 (b) Size of distributed generation facility;

11 (c) Geographic resource intensity; and

12 (d) Local impact, including local ownership, potential for local economic development and  
13 potential for local workforce development.

14 (2) At a minimum, the board must create the following distributed generation classes:

15 (a) Classes denoting at least four sizes and four geographic resource intensities for solar  
16 photovoltaic energy.

17 (b) Classes denoting at least two sizes and at least one geographic resource intensity for  
18 wind energy.

19 (c) Classes denoting at least one size for small hydroelectric power.

20 (d) A class for job training.

21 (e) A class for disadvantaged communities.

22 (f) A class for community-owned distributed generation facilities.

23 (3) The board may create distributed generation classes at its discretion for other eligible  
24 energies described in section 7 of this 2013 Act.

25 **SECTION 10.** (1) No later than August 31 of each year, the Oregon Clean Energy and  
26 Local Economic Development Board shall file with the Public Utility Commission recom-  
27 mendations for a ceiling price for standard contracts for each distributed generation class.  
28 The ceiling price for each distributed generation class should be a price that allows an elec-  
29 tric company to receive a reasonable rate of return for entering into a standard contract.

30 (2) The calculation of the ceiling price for a distributed generation class shall include,  
31 where applicable, federal incentives, including tax incentives. In setting ceiling prices, the  
32 board:

33 (a) Shall consider the average amount of bids for each distributed generation class re-  
34 ceived by electric companies under section 8 (5) of this 2013 Act; and

35 (b) May consider:

36 (A) Transactions for newly developed renewable energy resources;

37 (B) Pricing for standard contracts received during previous years;

38 (C) Environmental benefits, including reducing carbon emissions;

39 (D) Benefits for electric company customers; and

40 (E) Cost effectiveness.

41 (3) Ceiling prices for standard contracts for distributed generation classes created under  
42 section 9 (2)(d), (e) or (f) must take into account the additional transaction costs of investing  
43 in distributed generation facilities under such conditions. The board shall recommend ceiling  
44 prices for these distributed generation classes that will ensure quality standards for per-  
45 formance and longevity. The board shall seek input from the advisory council established

1 under section 16 of this 2013 Act in making recommendations under this section.

2 (4) The commission shall consider for approval ceiling prices recommended by the board  
 3 under this section. In reviewing the recommended ceiling prices, the commission shall con-  
 4 sider the factors described in subsection (2) of this section used by the board to make the  
 5 recommendation. The commission shall issue a decision within 60 days of receiving the rec-  
 6 ommendation.

7 (5) The board may recommend an adjustment to a ceiling price for the remainder of the  
 8 year if the board determines that the price is either too low or too high. In such cases, the  
 9 board shall file with the commission the recommendation for modifying the ceiling price. The  
 10 commission shall issue a decision within 60 days of receiving the recommendation.

11  
 12 **PROTECTIONS AND INCENTIVES FOR ECONOMIC DEVELOPMENT**

13  
 14 **SECTION 11.** Low-income ratepayers are exempt from rate increases attributable to  
 15 sections 1 to 17 of this 2013 Act.

16 **SECTION 12.** In creating distributed generation classes under section 9 (2)(d), (e) and (f),  
 17 the Oregon Clean Energy and Local Economic Development Board shall emphasize equal ac-  
 18 cess to jobs, economic development in both rural and urban areas, development of this  
 19 state’s renewable energy workforce, widespread opportunity for ownership of a distributed  
 20 generation facility and community involvement in the establishment of distributed gener-  
 21 ation facilities.

22  
 23 **REMUNERATION AND COST RECOVERY**

24  
 25 **SECTION 13.** (1) All prudently incurred costs associated with the purchase of electricity  
 26 under sections 1 to 17 of this 2013 Act and in excess of the resource value of the energy  
 27 generated by distributed generation facilities, as described in subsection (2) of this section,  
 28 are recoverable in the rates of an electric company.

29 (2) The Public Utility Commission shall determine the resource value of energy generated  
 30 by distributed generation facilities that have entered into standard contracts with electric  
 31 companies. In determining the resource value of energy under this subsection, the commis-  
 32 sion:

33 (a) Shall calculate:

34 (A) The avoided cost of energy, minus the cost of firming and shaping the electricity;

35 (B) The avoided distribution and transmission losses;

36 (C) Generation capacity value;

37 (D) Transmission and distribution deferrals; and

38 (E) Risk mitigation related to fuel price volatility; and

39 (b) May consider:

40 (A) Reactive power control; and

41 (B) Grid resilience and reliability.

42 (3) In addition to recovering prudently incurred costs under subsection (1) of this section,  
 43 an electric company is entitled to financial remuneration and incentives for entering into  
 44 standard contracts under section 8 of this 2013 Act. Such remuneration and incentives shall  
 45 compensate an electric company for the additional financial liability associated with entering



1 into standard contracts and for providing grid access to distributed generation facilities. The  
2 form of remuneration and incentives, to be adopted by the Oregon Clean Energy and Local  
3 Economic Development Board by rule, shall be either:

4 (a) Annual compensation equal to no more than three percent of the actual annual pay-  
5 ments made by the electric company to distributed generation facilities that operate com-  
6 mercially; or

7 (b) Additional profits that the electric company earns by claiming as a capital expendi-  
8 ture that portion of the actual annual payments made for clean energy generated by dis-  
9 tributed generation facilities with which the electric company has entered into standard  
10 contracts that are above the avoided cost of electricity generated from natural gas.

11  
12 **OREGON CLEAN ENERGY AND LOCAL**  
13 **ECONOMIC DEVELOPMENT BOARD**

14  
15 **(Establishment)**  
16

17 **SECTION 14.** (1) The Oregon Clean Energy and Local Economic Development Board is  
18 established in the Office of the Governor for the purposes of:

19 (a) Evaluating and making recommendations to the Public Utility Commission regarding  
20 aggregate nameplate capacity under section 4 of this 2013 Act;

21 (b) Creating distributed generation classes under section 9 of this 2013 Act;

22 (c) Making recommendations to the commission regarding ceiling prices under section  
23 10 of this 2013 Act;

24 (d) Providing consistent, comprehensive, informed and publicly accountable involvement  
25 by representatives of groups impacted by, involved in and knowledgeable of the development  
26 of distributed generation facilities that are eligible to enter into standard contracts under  
27 section 8 of this 2013 Act; and

28 (e) Monitoring and evaluating the effectiveness of the program established under sections  
29 1 to 17 of this 2013 Act.

30 (2)(a) The board shall consist of 15 members appointed by the Governor. Appointments  
31 are subject to confirmation by the Senate in the manner prescribed in ORS 171.562 and  
32 171.565.

33 (b) The Governor shall appoint one voting member for each of the following areas of ex-  
34 pertise:

35 (A) Energy regulation and law;

36 (B) Community-owned production of clean energy;

37 (C) Commercial production of clean energy;

38 (D) Residential production of clean energy;

39 (E) Retail electricity consumption;

40 (F) Environmental issues pertaining to energy production;

41 (G) The development of a workforce for clean energy;

42 (H) The development of clean energy technology; and

43 (I) The financing of clean energy.

44 (c) The Governor shall appoint one nonvoting member from each of the following:

45 (A) The State Department of Energy;

1 (B) The Natural Resources Division of the State Department of Agriculture;

2 (C) The Oregon Business Development Department;

3 (D) The Oregon Global Warming Commission;

4 (E) A nongovernmental entity described in ORS 757.612; and

5 (F) An electric company.

6 (3) The term of office of each member is two years, but a member serves at the pleasure  
7 of the Governor. Before the expiration of the term of a member, the Governor shall appoint  
8 a successor whose term begins on January 1 next following. A member is eligible for reap-  
9 pointment. If there is a vacancy for any cause, the Governor shall make an appointment to  
10 become immediately effective for the unexpired term.

11 (4) From the nine voting members, the Governor shall appoint a chairperson of the board  
12 and a vice chairperson of the board. The representative from the Oregon Business Devel-  
13 opment Department shall be the executive secretary of the board.

14 (5) A majority of the voting members of the board constitutes a quorum for the trans-  
15 action of business.

16 (6) A member of the board is not entitled to compensation, but in the discretion of the  
17 chairperson, may be reimbursed from funds available to the board for the actual and neces-  
18 sary travel and other expenses incurred by the member in the performance of the member's  
19 official duties in the manner and amount provided in ORS 292.495.

20 (7) The State Department of Energy, State Department of Agriculture and Oregon Busi-  
21 ness Development Department shall provide staff support for the board.

22 **SECTION 15.** Notwithstanding the term of office specified by section 14 of this 2013 Act,  
23 of the voting members first appointed to the Oregon Clean Energy and Local Economic De-  
24 velopment Board, four shall serve for a term ending January 1, 2015.

25  
26 (Powers and Duties)  
27

28 **SECTION 16.** (1) The Oregon Clean Energy and Local Economic Development Board shall:

29 (a) Make recommendations to the Public Utility Commission regarding:

30 (A) The implementation of rules and procedures that will accomplish the purposes of  
31 sections 1 to 17 of this 2013 Act;

32 (B) Adjustments to aggregate nameplate capacity as described in section 4 of this 2013  
33 Act; and

34 (C) Ceiling prices under section 10 of this 2013 Act.

35 (b) Create distributed generation classes under section 9 of this 2013 Act.

36 (c) Monitor and evaluate the implementation and execution of sections 1 to 17 of this 2013  
37 Act, including assessing the impact that sections 1 to 17 of this 2013 Act have on ratepayers,  
38 and submit:

39 (A) An annual report of the board's findings to the Governor, in a form and manner  
40 prescribed by the Governor; and

41 (B) A biennial report to the Legislative Assembly in the manner provided in ORS 192.245.

42 (d) Establish an advisory council for the purposes described in subsection (2) of this  
43 section.

44 (2) The advisory council established under this section shall provide the board with in-  
45 formation about, and advise the board on, the following matters:

- 1 (a) Public utilities and ratemaking procedures;
- 2 (b) Distribution and use of electricity generated by sources other than a public utility;
- 3 (c) Renewable energy resources and renewable energy technologies;
- 4 (d) State and federal labor standards and workforce development;
- 5 (e) Private, community and public financing; and
- 6 (f) Resources and economic development of Oregon tribes, nonprofit organizations,
- 7 schools, libraries, universities, municipalities, faith communities and districts as defined in
- 8 ORS 198.010.

9  
10 **RELATIONSHIP TO OTHER STATE ENERGY PROGRAMS**

11  
12 **SECTION 17.** (1) Ownership of renewable energy certificates established under ORS  
13 469A.130 that are associated with electricity generated by a distributed generation facility  
14 and sold to an electric company under sections 1 to 17 of this 2013 Act shall be transferred  
15 to the electric company and may be used to comply with the renewable portfolio standard  
16 described in ORS 469A.005 to 469A.210.

17 (2) Distributed generation facilities that enter into standard contracts under section 8  
18 of this 2013 Act are not eligible for expenditures authorized under ORS 757.612 (3)(b)(B) or  
19 energy tax credits under ORS 469B.100 to 469B.118 or 469B.130 to 469B.169.

20  
21 **UNIT CAPTIONS**

22  
23 **SECTION 18.** The unit captions used in this 2013 Act are provided only for the conven-  
24 ience of the reader and do not become part of the statutory law of this state or express any  
25 legislative intent in the enactment of this 2013 Act.

26  
\_\_\_\_\_