

House Bill 3242

Sponsored by Representative NATHANSON

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**.

Provides that Director of Department of State Lands may adopt rules for authorization of certain renewable energy facilities or devices within Oregon's territorial sea. Provides that Department of State Lands may grant certain leases, easements and rights of way for facilities or devices.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to renewable energy; creating new provisions; amending ORS 274.867; and declaring an
3 emergency.

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

5 **SECTION 1.** ORS 274.867 is amended to read:

6 274.867. (1)(a) In accordance with applicable provisions of ORS chapter 183, the Director of the
7 Department of State Lands may adopt rules for the authorization of wave energy facilities or de-
8 vices.

9 [(2)] (b) Unless exempted under rules adopted by the director under this [section] **subsection**,
10 an owner or operator of a facility or device sited within Oregon's territorial sea, as defined in ORS
11 196.405, that converts the kinetic energy of waves into electricity shall maintain cost estimates of
12 the amount of financial assurance that is necessary, and demonstrate evidence of financial assur-
13 ance, for:

14 [(a)] (A) The costs of closure and post-closure maintenance, excluding the removal of anchors
15 that lie beneath submerged lands in Oregon's territorial sea, of the facility or device; and

16 [(b)] (B) Any corrective action required to be taken at the site of the facility or device.

17 [(3)] (c) The financial assurance requirements established by [subsection (2) of this section] **par-**
18 **agraph (b) of this subsection** may be satisfied by any one or a combination of the following:

19 [(a)] (A) Insurance;

20 [(b)] (B) Establishment of a trust fund;

21 [(c)] (C) A surety bond;

22 [(d)] (D) A letter of credit;

23 [(e)] (E) Qualification as a self-insurer; or

24 [(f)] (F) Any other method set forth in rules adopted by the director.

25 [(4)] (d) In adopting rules to implement the provisions of this [section] **subsection**, the director
26 may specify policy or other contractual terms, conditions or defenses necessary to establish evidence
27 of financial assurance.

28 [(5)(a)] (e)(A) The owner or operator of a facility or device described in [subsection (2) of this
29 section] **paragraph (b) of this subsection** must provide the evidence of financial assurance required
30 under this [section] **subsection** for closure, post-closure maintenance and corrective action at the

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 time operation of the facility or device is authorized.

2 [(b)] **(B)** By January 31 of each subsequent calendar year, the owner or operator of the facility
 3 or device must update the information required under this [subsection] **paragraph** with the Depart-
 4 ment of State Lands.

5 [(6)] **(f)** When financial assurance is required for corrective action at the site of a facility or
 6 device described in [subsection (2) of this section] **paragraph (b) of this subsection**, the owner or
 7 operator shall provide evidence of financial assurance before beginning corrective action.

8 [(7)] **(g)** An owner or operator required to provide financial assurance under this [section] **sub-**
 9 **section** shall establish provisions satisfactory to the director for disposing of any excess moneys
 10 received or interest earned on moneys received for financial assurance.

11 **(2)(a) In addition to the provisions specified in subsection (1) of this section, in order to**
 12 **ensure the orderly, safe and environmentally responsible development of wave energy, the**
 13 **Department of State Lands may grant leases, easements and rights of way for wave energy**
 14 **facilities or devices within Oregon’s territorial sea, as defined in ORS 196.405.**

15 **(b) The Director of the Department of State Lands may adopt rules to carry out the**
 16 **provisions of this subsection, including but not limited to rules related to financial assurance**
 17 **requirements.**

18 **SECTION 2. Section 3 of this 2013 Act is added to and made a part of ORS chapter 274.**

19 **SECTION 3. (1) In accordance with applicable provisions of ORS chapter 183, the Director**
 20 **of the Department of State Lands may adopt rules for the authorization of renewable energy**
 21 **facilities or devices, other than wave energy facilities or devices as specified in ORS 274.867,**
 22 **within Oregon’s territorial sea, as defined in ORS 196.405.**

23 **(2) In order to ensure the orderly, safe and environmentally responsible development of**
 24 **renewable energy sources other than wave energy as specified in ORS 274.867, the Depart-**
 25 **ment of State Lands may grant leases, easements and rights of way for renewable energy**
 26 **facilities or devices, other than wave energy facilities or devices as specified in ORS 274.867,**
 27 **within Oregon’s territorial sea, as defined in ORS 196.405.**

28 **(3) The Director of the Department of State Lands may adopt rules to carry out the**
 29 **provisions of this section, including but not limited to rules related to financial assurance**
 30 **requirements.**

31 **SECTION 4. (1) Except as provided in subsection (2) of this section, sections 2 and 3 of**
 32 **this 2013 Act and the amendments to ORS 274.867 by section 1 of this 2013 Act become op-**
 33 **erative on January 1, 2014.**

34 **(2) The Director of the Department of State Lands may adopt rules or take any other**
 35 **action before the operative date specified in subsection (1) of this section that is necessary**
 36 **to implement, on and after the operative date specified in subsection (1) of this section,**
 37 **sections 2 and 3 of this 2013 Act and ORS 274.867, as amended by section 1 of this 2013 Act.**

38 **SECTION 5. This 2013 Act being necessary for the immediate preservation of the public**
 39 **peace, health and safety, an emergency is declared to exist, and this 2013 Act takes effect**
 40 **on its passage.**