

House Bill 3511

Sponsored by Representative CONGER

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**.

Establishes program to provide financial assistance to Oregon students pursuing post-secondary education, including technical, professional and career training. Establishes Oregon Student Opportunity Fund and continuously appropriates moneys in fund to _____ to administer program. Establishes annual public purpose expenditure standard to fund program. Sunsets provisions related to program on January 1, 2026.

Repeals statute establishing annual public purpose expenditure standard for electric companies and Oregon Community Power. Abolishes related funds. Transfers duties, functions and powers related to small scale local energy projects from Public Purpose Fund Administrator to Director of State Department of Energy. Makes conforming changes.

A BILL FOR AN ACT

Relating to public purpose expenditure standard; creating new provisions; amending ORS 456.587, 458.515, 468A.040, 469A.200, 470.050, 470.510, 470.515, 470.530, 470.550, 470.555, 470.560, 470.815, 757.365, 757.649, 757.659, 757.679, 757.689 and 757.872 and sections 43 and 45, chapter 753, Oregon Laws 2009; repealing ORS 297.300, 456.587, 757.612, 757.617 and 757.687 and sections 3 and 4, chapter 566, Oregon Laws 2011; appropriating money; and providing for revenue raising that requires approval by a three-fifths majority.

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

STUDENT OPPORTUNITY INITIATIVE

SECTION 1. The Legislative Assembly finds and declares that a fund for the support of a program designed to meet the financial needs of Oregon students for up to two years of post-secondary education, including technical, professional and career training, can be created through a public purpose expenditure standard and that such a fund is necessary to meet the educational and professional goals of this state.

SECTION 2. The _____ shall by rule establish and administer a student opportunity program. The purposes of the program are to:

(1) Provide assistance to meet the financial needs of Oregon students for up to two years of post-secondary education, including technical, professional and career training, provided by an educational institution as defined in ORS 348.105.

(2) Identify or develop incentives and opportunities to improve on-time graduation rates for post-secondary education programs, including technical, professional and career training programs.

(3) Identify or engage in opportunities to leverage moneys in the Oregon Student Opportunity Fund established in section 3 of this 2013 Act with private sector funds to benefit Oregon students.

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 (4) Encourage student participation in educational initiatives designed to improve student
 2 performance in science, technology, engineering and mathematics.

3 (5) Encourage, in consultation with the Bureau of Labor and Industries, development of
 4 apprenticeship and vocational training programs.

5 **SECTION 3.** The Oregon Student Opportunity Fund is established, separate and distinct
 6 from the General Fund. The Oregon Student Opportunity Fund consists of moneys trans-
 7 ferred to the fund under section 5 of this 2013 Act. Moneys in the fund are continuously ap-
 8 propriated to the _____ for the purpose of administering the student opportunity
 9 program established in section 2 of this 2013 Act.

10 **SECTION 3a.** Section 3 of this 2013 Act is amended to read:

11 **Sec. 3.** The Oregon Student Opportunity Fund is established, separate and distinct from the
 12 General Fund. [*The Oregon Student Opportunity Fund consists of moneys transferred to the fund un-*
 13 *der section 5 of this 2013 Act.*] Moneys in the fund are continuously appropriated to the
 14 _____ for the purpose of administering the student opportunity program established in sec-
 15 tion 2 of this 2013 Act.

16 **SECTION 4.** Section 5 of this 2013 Act is added to and made a part of ORS 757.600 to
 17 **757.689.**

18 **SECTION 5.** (1) There is established an annual public purpose expenditure standard for
 19 electric companies and Oregon Community Power for the purpose of funding the student
 20 opportunity program established in section 2 of this 2013 Act. The public purpose expenditure
 21 standard shall be funded by the public purpose charge described in subsection (2) of this
 22 section.

23 (2)(a) Beginning on the date an electric company or Oregon Community Power offers di-
 24 rect access to its retail electricity consumers that are not residential electricity consumers,
 25 the electric company or Oregon Community Power shall collect a public purpose charge from
 26 all of the retail electricity consumers located within its service territory. Except as provided
 27 in paragraph (b) of this subsection, the public purpose charge shall be equal to three percent
 28 of the total revenues collected by the electric company or Oregon Community Power, or an
 29 electricity service supplier from the electricity service supplier's retail electricity consumers,
 30 for electricity services, distribution services, ancillary services, metering and billing, transi-
 31 tion charges and other types of costs included in electric rates as identified by the Public
 32 Utility Commission by rule or order.

33 (b) For an aluminum plant that averages more than 100 average megawatts of electricity
 34 use per year, the electric company or Oregon Community Power whose territory abuts the
 35 greatest percentage of the site of the aluminum plant shall collect from the aluminum plant
 36 a public purpose charge equal to one percent of the total revenue from the sale of electricity
 37 services to the aluminum plant from any source.

38 (3) Moneys collected by an electric company or Oregon Community Power under this
 39 section shall be transferred to the _____ and the _____ shall deposit the mon-
 40 eys in the Oregon Student Opportunity Fund established in section 3 of this 2013 Act for the
 41 purpose of funding the student opportunity program established in section 2 of this 2013 Act.

42 (4) The commission shall adopt rules implementing the provisions of this section.

43 **SECTION 6.** (1) Section 5 of this 2013 Act is repealed on January 2, 2016.

44 (2) The amendments to section 3 of this 2013 Act by section 3a of this 2013 Act become
 45 operative on January 2, 2016.

REPEALS

SECTION 7. ORS 297.300, 757.612, 757.617 and 757.687 and sections 3 and 4, chapter 566, Oregon Laws 2011, are repealed.

**TRANSFER OF DUTIES AND POWERS RELATED
TO SMALL SCALE LOCAL ENERGY PROJECTS**

SECTION 8. All the duties, functions and powers of the Public Purpose Fund Administrator under ORS chapter 470 are imposed upon, transferred to and vested in the Director of the State Department of Energy.

SECTION 9. The Public Purpose Fund Administrator shall deliver to the Director of the State Department of Energy all records that relate to the duties, functions and powers transferred by section 8 of this 2013 Act.

SECTION 10. The transfer of duties, functions and powers to the Director of the State Department of Energy by section 8 of this 2013 Act does not affect any action, proceeding or prosecution involving or with respect to such duties, functions and powers begun before and pending at the time of the transfer.

SECTION 11. (1) Nothing in sections 8 to 11 of this 2013 Act or the amendments to ORS 470.555 and section 43, chapter 753, Oregon Laws 2009, by sections 12 and 13 of this 2013 Act relieves a person of a liability, duty or obligation accruing under or with respect to the duties, functions and powers transferred by section 8 of this 2013 Act. The Director of the State Department of Energy may undertake the collection or enforcement of any such liability, duty or obligation.

(2) The rights and obligations of the Public Purpose Fund Administrator legally incurred under contracts, leases and business transactions executed, entered into or begun before the effective date of this 2013 Act are transferred to the director. For the purpose of succession to these rights and obligations, the director is a continuation of the administrator and not a new authority.

SECTION 12. ORS 470.555 is amended to read:

470.555. (1) Except as provided in subsection (2) of this section, if a sustainable energy territory is all or part of the service territory for an investor-owned electric utility, the [*Public Purpose Fund Administrator*] **Director of the State Department of Energy** shall be the sustainable energy project manager for the sustainable energy territory. [*The Public Purpose Fund Administrator shall inform the Public Utility Commission and the State Department of Energy of the activities of the administrator by filing a yearly action plan and an end-of-year report with the commission and the department.*]

(2) For a sustainable energy territory described in ORS 470.530 (3)(b), if the local gas utility is an investor-owned utility, the utility may act as the project manager for the territory or may contract with the [*Public Purpose Fund Administrator*] **director** to act as project manager on behalf of the utility.

(3) If a territory is served by a consumer-owned utility and is outside the service territory of an investor-owned electric utility, the consumer-owned utility shall be the project manager if the utility agrees to promote energy efficiency and sustainable technology loans as part of any energy efficiency or renewable energy program offered by the utility. A consumer-owned utility may con-

1 duct energy efficiency and renewable energy programs within the territory of the utility regardless
 2 of whether the territory is served by an energy efficiency and sustainable technology loan program.
 3 A consumer-owned utility may decline to participate in the energy efficiency and sustainable tech-
 4 nology loan program.

5 (4) If a customer is served by both an investor-owned gas utility and a consumer-owned electric
 6 utility that have energy efficiency and sustainable technology loan programs, the utility that sup-
 7 plies the customer's primary source of heat for the property shall supply loan program services for
 8 that customer.

9 (5) The existence of an energy efficiency and sustainable technology loan program, or the ap-
 10 pointment of a sustainable energy project manager, in a sustainable energy territory does not pre-
 11 vent a consumer-owned utility from conducting any energy efficiency or renewable energy program
 12 offered by the utility. If the consumer-owned utility declines to become the project manager for the
 13 territory, the utility may:

14 (a) Continue with existing utility services and policies; or

15 (b) Work with the director [*of the State Department of Energy*] to solicit and select a qualified
 16 entity to serve as the project manager as described in ORS 470.535 and 470.540.

17 (6) Subject to approval by the director, a project manager may contract with a qualified third
 18 party to assist the project manager in providing project manager services within the territory. If a
 19 sustainable energy territory is served by a project manager, the appointment of additional project
 20 managers shall be a subcontract approved by the existing project manager. If the third party is
 21 acting as a financier, the third party is not required to comply with laws regulating utilities based
 22 on the actions of the third party as a financier. The project manager may enter into agreements
 23 with trade associations and other public and private entities for the promotion or marketing of the
 24 energy efficiency and sustainable technology loan program.

25 (7) [*The Public Purpose Fund Administrator and*] **The director and** sustainable energy project
 26 managers shall cooperate with, and coordinate their outreach and promotional efforts with, local
 27 utilities and other stakeholders to promote energy efficiency and renewable energy and to use the
 28 customer contacts, resources and capacity of utilities to engage and inform utility customers about
 29 the energy efficiency and sustainable technology loan program. [*The Public Purpose Fund Admin-
 30 istrator and*] **The director and** project managers shall coordinate with gas utilities regarding any
 31 changes to a gas pipeline and with electric utilities regarding electric charging or any changes to
 32 electrical connections that are external to a structure. [*The Public Purpose Fund Administrator
 33 and*] **The director and** project managers shall coordinate with a gas utility regarding the installa-
 34 tion of appliances used for space heating, water heating and compressed natural gas refueling.

35 **SECTION 13.** Section 43, chapter 753, Oregon Laws 2009, is amended to read:

36 **Sec. 43.** (1) The [*Public Purpose Fund Administrator*] **Director of the State Department of**
 37 **Energy** shall initiate pilot programs in investor-owned utility service territories to demonstrate the
 38 feasibility of innovative approaches to financing and installing energy efficiency and sustainable
 39 technology measures as described in [*sections 2 to 41 of this 2009 Act*] **ORS 470.500 to 470.710** in
 40 residences and commercial buildings in urban and rural communities. The pilot programs shall test:

41 (a) The effectiveness of direct contact, door-to-door, media outlet and other community-focused
 42 outreach and solicitation strategies designed to provide potential energy efficiency and sustainable
 43 technology loan program participants with information about energy efficiency and renewable en-
 44 ergy opportunities under the program and under similar local, state and federal incentive programs;

45 (b) The costs and benefits of taking alternative approaches to energy audits, including but not

1 limited to[,] the identification of measures that are cost-effective and time-effective, take advantage
 2 of economies of scale and produce results that are accurate and are replicable for equivalent base
 3 efficiency packages;

4 (c) Ways to assist program participants in understanding and accessing small scale local energy
 5 project funding and making informed decisions in selecting appropriate energy efficiency and
 6 renewable energy projects;

7 (d) The effectiveness of various levels of loan offset grants as an incentive to program partic-
 8 ipation;

9 (e) The effectiveness of on-billing financing as a means of loan repayment and the effectiveness
 10 of fixture filings, liens or other forms of security for loans;

11 (f) The feasibility and effectiveness of coordinated installations of residential and commercial
 12 structure energy packages overseen by a single project manager;

13 (g) The manner in which the program interacts or conflicts with existing consumer-owned utility
 14 loan programs and other utility and regional energy efficiency programs;

15 (h) The relative demand for loan program services among residential and commercial properties
 16 and between low-income and other households, and factors that influence that relative demand;

17 (i) The administrative costs and participation rates associated with various forms of loan secu-
 18 rity; and

19 (j) Other strategies and measures identified by the [*State Department of Energy*] **director** or the
 20 Public Utility Commission.

21 [(2) *The Public Purpose Fund Administrator shall report to the commission no later than October*
 22 *1, 2010. The administrator shall provide a copy of the report to the State Department of Energy. The*
 23 *report shall evaluate the effectiveness of the pilot programs, and shall include an evaluation of the ex-*
 24 *tent to which various strategies and measures:]*

25 [*(a) Help to produce significantly higher rates of energy savings or renewable energy production;]*

26 [*(b) Increase participation in energy efficiency and renewable energy programs;]*

27 [*(c) Increase the number of energy efficiency and renewable energy measures installed per building;*
 28 *and]*

29 [*(d) Reduce the administrative cost per building of providing energy efficiency and renewable en-*
 30 *ergy services.]*

31 [(3) *The commission shall review the report and:]*

32 [*(a) Order full implementation of the successful energy efficiency and sustainable technology loan*
 33 *program measures and strategies in investor-owned utility service territories; or]*

34 [*(b) Order the partial implementation of energy efficiency and sustainable technology loan program*
 35 *measures and strategies and make recommendations to the Legislative Assembly for appropriate statu-*
 36 *tory modification of the program.]*

37 [(4) (2) When carrying out pilot programs under this section, the [*Public Purpose Fund Ad-*
 38 *ministrator*] **director** and sustainable energy project managers shall cooperate and coordinate their
 39 efforts with the efforts of local utilities and encourage utilities to promote energy efficiency and
 40 renewable energy and to engage in outreach and promotional efforts to inform customers of the
 41 utility about the energy efficiency and sustainable technology loan program. The [*Public Purpose*
 42 *Fund Administrator*] **director** and project managers shall coordinate with gas utilities regarding any
 43 changes to a gas pipeline and with electric utilities regarding electric charging or any changes to
 44 electrical connections that are external to a structure. The [*Public Purpose Fund Administrator*]
 45 **director** and project managers shall coordinate with a gas utility regarding the installation of ap-

1 pliances used for space heating, water heating and compressed natural gas refueling.

2
3 **CONFORMING AMENDMENTS**

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5 **SECTION 14.** ORS 458.515 is amended to read:

6 458.515. (1) The Director of the Housing and Community Services Department shall appoint an
7 advisory committee on energy whose members:

8 (a) Shall be appointed based on a demonstrated interest in and knowledge of low income energy
9 assistance programs;

10 (b) Shall be broadly representative of organizations, fuel providers and consumer groups that
11 represent low income persons, particularly elderly persons and persons with disabilities;

12 (c) Shall have special qualifications with respect to solving the energy consumption problems
13 of low income persons; **and**

14 *[(d) Must include a representative from each electric company or Oregon Community Power whose*
15 *ratepayers contribute funding to the Housing and Community Services Department Low-Income Electric*
16 *Bill Payment Assistance Fund established in ORS 456.587; and]*

17 *[(e)]* (d) Must include a representative of the Citizens' Utility Board established under ORS
18 chapter 774.

19 (2) The committee shall meet not less than four times a year to advise and assist the Housing
20 and Community Services Department in regard to rules, policies and programs regarding low income
21 energy assistance programs provided for under ORS 458.510.

22 **SECTION 15.** ORS 468A.040 is amended to read:

23 468A.040. (1) By rule the Environmental Quality Commission may require permits for air con-
24 tamination sources classified by type of air contaminants, by type of air contamination source or
25 by area of the state. The permits shall be issued as provided in ORS 468.065. A permit subject to
26 the federal operating permit program shall be issued in accordance with the rules adopted under
27 ORS 468A.310.

28 (2) If a request for review of the final Department of Environmental Quality action, or any part
29 thereof, is made on an application for a permit issued under the federal operating permit program
30 established under ORS 468A.310 in accordance with the rules adopted by the commission, the effect
31 of the contested conditions and any conditions that are not severable from those contested shall be
32 stayed upon a showing that compliance with the contested conditions during the pendency of the
33 appeal would require substantial expenditures or losses that would not be incurred if the permittee
34 prevails on the merits of the review and there exists a reasonable likelihood of success on the
35 merits. The department may require that the contested conditions not be stayed if the department
36 finds that substantial endangerment of public health or welfare would result from the staying of the
37 conditions.

38 (3) Any source under an existing permit shall:

39 (a) Comply with the conditions of the existing permit during any modification or reissuance
40 proceeding; and

41 (b) To the extent conditions of any new or modified permit are stayed under subsection (2) of
42 this section, comply with the conditions of the existing permit that correspond to the stayed condi-
43 tions, unless compliance would be technologically incompatible with compliance with other condi-
44 tions of the new or modified permit that have not been stayed.

45 (4) For purposes of this section, a small scale local energy project, as defined in ORS 470.050

1 [(27)(a)] **(26)(a)**, located in a maintenance area or nonattainment area, and any infrastructure related
 2 to that project located in the same area, is considered to provide a net air quality benefit to the
 3 extent required by this chapter if the project provides reductions in each air contaminant in the
 4 maintenance area or nonattainment area equal to the ratio specified in rules adopted by the com-
 5 mission, unless the department determines that the project will pose a material threat to compliance
 6 with air quality standards in the maintenance area or nonattainment area.

7 (5) As used in this section:

8 (a) “Maintenance area” has the meaning given that term in rules adopted by the commission.

9 (b) “Nonattainment area” has the meaning given that term in rules adopted by the commission.

10 **SECTION 16.** ORS 469A.200 is amended to read:

11 469A.200. If an electric company or electricity service supplier that is subject to a renewable
 12 portfolio standard under ORS 469A.005 to 469A.210 fails to comply with the standard in the manner
 13 provided by ORS 469A.005 to 469A.210, the Public Utility Commission may impose a penalty against
 14 the company or supplier in an amount determined by the commission. A penalty under this section
 15 is in addition to any alternative compliance payment required or elected under ORS 469A.180.
 16 Moneys paid for penalties under this section shall be *[transmitted by the commission to the nongov-*
 17 *ernmental entity receiving moneys under ORS 757.612 (3)(d) and may be used only for the purposes*
 18 *specified in ORS 757.612 (1)]* **deposited in the Public Utility Commission Account established**
 19 **under ORS 756.305 for the purpose of administering ORS 469A.005 to 469A.210.**

20 **SECTION 17.** ORS 470.050 is amended to read:

21 470.050. As used in this chapter, unless the context requires otherwise:

22 (1) “Alternative fuel project” means:

23 (a) Equipment, including vehicles that are not used primarily for personal, family or household
 24 purposes, that is modified or acquired directly from a factory and that:

25 (A) Uses an alternative fuel including electricity, biofuel, gasohol with at least 20 percent de-
 26 naturated alcohol content, hydrogen, hythane, methane, methanol, natural gas, propane or any other
 27 fuel approved by the Director of the State Department of Energy; and

28 (B) Produces lower exhaust emissions or is more energy efficient than equivalent equipment fu-
 29 eled by gasoline or diesel; and

30 (b) A facility, including a fueling station, or equipment necessary to produce alternative fuel or
 31 operate equipment that uses an alternative fuel.

32 (2) “Applicant” means an applicant for a loan to construct a small scale local energy project.

33 (3) “Base efficiency package” means the package of energy efficiency upgrades or renewable
 34 energy projects for a property that, when energy savings, project repayment costs, tax or other in-
 35 centives, loan offset grants and other relevant economic factors are considered, is estimated to not
 36 increase the utility bill of the customer over the loan repayment term.

37 (4) “Committee” means the Small Scale Local Energy Project Advisory Committee created under
 38 ORS 470.070.

39 (5) “Cooperative” means a cooperative corporation organized under ORS chapter 62.

40 (6) “Director” means the Director of the State Department of Energy appointed under ORS
 41 469.040.

42 (7) “Eligible federal agency” means a federal agency or public corporation created by the federal
 43 government that proposes to use a loan for a small scale local energy project. “Eligible federal
 44 agency” does not include a federal agency or public corporation created by the federal government
 45 that proposes to use a loan for a small scale local energy project to generate electricity for sale.

1 (8) “Eligible state agency” means a state officer, board, commission, department, institution,
 2 branch or agency of the state whose costs are paid wholly or in part from funds held in the State
 3 Treasury.

4 (9) “Energy efficiency and sustainable technology loan” means a loan for a small scale local
 5 energy project that is repayable by means of:

6 (a) A charge included with the participant’s utility customer account billing; or

7 (b) An alternative repayment method identified by the department and the borrower and speci-
 8 fied in the loan agreement.

9 (10) “Energy Project Bond Loan Fund” means the fund established under ORS 470.580.

10 (11) “Energy Project Supplemental Fund” means the fund established under ORS 470.570.

11 (12) “Energy Revenue Bond Repayment Fund” means the fund established under ORS 470.585.

12 (13) “Energy savings projection” means an examination of the energy performance and site
 13 characteristics of a property that, at a minimum, identifies:

14 (a) A base efficiency package; and

15 (b) Any additional optional measures that a customer is able to repay and that the sustainable
 16 energy project manager believes to be feasible for the site.

17 (14) “Jobs, Energy and Schools Fund” means the fund established under ORS 470.575.

18 (15) “Loan” includes the purchase or other acquisition of evidence of indebtedness and money
 19 used for the purchase or other acquisition of evidence of indebtedness.

20 (16) “Loan contract” means the evidence of indebtedness and all instruments used in the pur-
 21 chase or acquisition of the evidence of indebtedness. For eligible federal or state agencies or mu-
 22 nicipal corporations that are tax exempt entities, a loan contract may include a lease purchase
 23 agreement with respect to personal property.

24 (17) “Loan offset grant” means moneys from the Jobs, Energy and Schools Fund that are used
 25 to help offset the initial project costs or loan payments for energy efficiency, renewable energy and
 26 energy conservation projects.

27 (18) “Loan repayment charge” means an amount charged to a utility customer account through
 28 on-bill financing as a mechanism for the repayment of an energy efficiency and sustainable tech-
 29 nology loan.

30 (19) “Municipal corporation” has the meaning given in ORS 297.405 and also includes any Indian
 31 tribe or authorized Indian tribal organization or any combination of two or more of these tribes or
 32 organizations acting jointly in connection with a small scale local energy project.

33 (20) “On-bill financing” means a mechanism for collecting the repayment of an energy efficiency
 34 and sustainable technology loan through a utility customer account billing system.

35 (21) “Optional package” means measures for promoting energy efficiency or the use of renewable
 36 energy:

37 (a) That are in addition to the measures described in the customer’s base efficiency package;

38 (b) For which a customer has the ability to repay; and

39 (c) That the sustainable energy project manager believes to be feasible for the site.

40 (22) “Oregon business” means a sole proprietorship, partnership, company, cooperative, corpo-
 41 ration or other form of business entity that is organized or authorized to do business under Oregon
 42 law for profit.

43 [(23) “Public Purpose Fund Administrator” means the entity designated by the Public Utility
 44 Commission to administer moneys collected by a company through the public purpose charge described
 45 under ORS 757.612.]

1 [(24)] **(23)** “Recycling project” means a facility or equipment that converts waste into a new and
 2 usable product.

3 [(25)] **(24)** “Small business” means:

4 (a) An Oregon business that is:

5 (A) A retail or service business employing 50 or fewer persons at the time the loan is made; or

6 (B) An industrial or manufacturing business employing 200 or fewer persons at the time the loan
 7 is made; or

8 (b) An Oregon subsidiary of a sole proprietorship, partnership, company, cooperative, corpo-
 9 ration or other form of business entity for which the total number of employees for both the sub-
 10 sidiary and the parent sole proprietorship, partnership, company, cooperative, corporation or other
 11 form of business entity at the time the loan is made is:

12 (A) Fifty or fewer persons if the subsidiary is a retail or service business; and

13 (B) Two hundred or fewer if the subsidiary is an industrial or manufacturing business.

14 [(26)] **(25)** “Small scale local energy program loan” means a loan for a small scale local energy
 15 project other than an energy efficiency and sustainable technology loan.

16 [(27)] **(26)** “Small scale local energy project” means any of the following:

17 (a) A system, mechanism or series of mechanisms located primarily in Oregon that directly or
 18 indirectly uses or enables the use of, by the applicant or another person, renewable resources in-
 19 cluding, but not limited to, solar, wind, geothermal, biomass, waste heat or water resources to
 20 produce energy, including heat, electricity and substitute fuels, to meet a local community or re-
 21 gional energy need in this state.

22 (b) A system, mechanism or series of mechanisms located primarily in Oregon or providing
 23 substantial benefits to Oregon that directly or indirectly conserves energy or enables the conserva-
 24 tion of energy by the applicant or another person, including energy used in transportation.

25 (c) A recycling project.

26 (d) An alternative fuel project.

27 (e) An improvement that increases the production or efficiency, or extends the operating life,
 28 of a system, mechanism, series of mechanisms or project otherwise described in this subsection, in-
 29 cluding but not limited to restarting a dormant project.

30 (f) A system, mechanism or series of mechanisms installed in a facility or portions of a facility
 31 that directly or indirectly reduces the amount of energy needed for the construction and operation
 32 of the facility and that meets the sustainable building practices standard established by the State
 33 Department of Energy by rule. For purposes of this paragraph, “system, mechanism or series of
 34 mechanisms” includes related and integrated upgrades to attain compliance with standards set in
 35 the State of Oregon Structural Specialty Code and Fire and Life Safety Code, and seismic safety
 36 upgrades.

37 (g) A project described in paragraphs (a) to (f) of this subsection, whether or not the existing
 38 project was originally financed under this chapter, together with any refinancing necessary to re-
 39 move prior liens or encumbrances against the existing project.

40 (h) A project described in paragraphs (a) to (g) of this subsection that conserves energy or
 41 produces energy by generation or by processing or collection of a renewable resource.

42 [(28)] **(27)** “Small Scale Local Energy Project Administration and Bond Sinking Fund” means the
 43 fund created under ORS 470.300.

44 [(29)] **(28)** “Small Scale Local Energy Project Loan Fund” means the loan fund created by Arti-
 45 cle XI-J of the Oregon Constitution and appropriated to the State Department of Energy under ORS

1 470.130.

2 [(30)] (29) “Sustainable energy project manager” means the organization responsible for pro-
 3 moting the energy efficiency and sustainable technology loan program or the clean energy deploy-
 4 ment program and related incentives for energy efficiency and renewable energy at the
 5 neighborhood and community level.

6 [(31)] (30) “Sustainable energy territory” means the geographic service area that a sustainable
 7 energy project manager is responsible for serving.

8 **SECTION 18.** ORS 470.510 is amended to read:

9 470.510. (1) Except as provided in subsection (3) of this section, the State Department of Energy
 10 may enter into contracts for the issuance of energy efficiency and sustainable technology loans.
 11 Except as provided in ORS 470.700, the department shall finance the loans using moneys from the
 12 Small Scale Local Energy Project Loan Fund, the Energy Project Supplemental Fund or the Energy
 13 Project Bond Loan Fund, or from a combination of those funds.

14 (2) The sustainable energy project manager may enter into agreements with trade associations
 15 and other public and private entities for the promotion or marketing of the energy efficiency and
 16 sustainable technology loan program.

17 (3) The department must obtain the consent of the utility before operating an energy efficiency
 18 and sustainable technology loan program within the service territory of:

19 (a) An investor-owned electric utility that serves fewer than 20,000 customers; or

20 (b) An investor-owned gas utility that is actively administering an energy conservation program
 21 established[.] **on or before January 1, 2009.**

22 [(A) *On or before January 1, 2009; and*]

23 [(B) *Without assistance from a nongovernmental entity that receives public purpose charge moneys*
 24 *under ORS 757.612.*]

25 **SECTION 19.** ORS 470.515 is amended to read:

26 470.515. The Public Utility Commission may adopt rules for carrying out the duties, functions
 27 and powers of the commission [*and the Public Purpose Fund Administrator*] under ORS 470.500 to
 28 470.710.

29 **SECTION 20.** ORS 470.530 is amended to read:

30 470.530. (1) Except as provided in subsection (5) of this section, the Director of the State De-
 31 partment of Energy may establish qualifications for sustainable energy project managers and may
 32 exercise oversight to ensure project manager compliance with those qualifications. A project man-
 33 ager shall provide the promotion, technical and financial support and verifications necessary to ad-
 34 minister the energy efficiency and sustainable technology loan program in the territory served by
 35 the project manager.

36 (2) The project manager shall serve a sustainable energy territory established by the director.
 37 The project manager shall provide loan program information and technical and financial information
 38 to promote energy efficiency and use of renewable energy at the neighborhood and community lev-
 39 els. The project manager shall be responsible for small scale local energy project verification and
 40 for monitoring program effectiveness for energy efficiency and sustainable technology loans and
 41 small scale local energy program loans. The project manager may administer the energy efficiency
 42 and sustainable technology loan program within the territory.

43 (3)(a) Except as provided in this subsection, the boundaries of a sustainable energy territory
 44 must be consistent with the service territory of a local electric utility.

45 (b) The boundaries of a sustainable energy territory may be consistent with the service territory

1 of a local gas utility if:

2 (A) The local electric utility is a consumer-owned electric utility that elects not to be the
3 project manager for the sustainable energy territory; and

4 (B) The service territory of the local electric utility and the service territory of the local gas
5 utility overlap.

6 (c) Notwithstanding paragraphs (a) and (b) of this subsection, if the project manager for the
7 sustainable energy territory is other than [*the Public Purpose Fund Administrator or*] a consumer-
8 owned utility, the director may adjust the boundaries of the territory or create a larger or smaller
9 territory if the director believes that the territory boundaries as adjusted or created by the director
10 would better accomplish the goals of the energy efficiency and sustainable technology loan program.

11 (4) A city, county, metropolitan service district or other local government entity, or a nonprofit,
12 for-profit, tribal or state entity, may be a project manager if the entity meets the qualifications es-
13 tablished by the director under this section and is approved by the director to provide promotion,
14 outreach and customer support related to the energy efficiency and sustainable technology loan
15 program within a sustainable energy territory. [*The Public Purpose Fund Administrator is an ex*
16 *officio sustainable energy project manager. The Public Purpose Fund Administrator shall act as the*
17 *project manager in any sustainable energy territory that is not served by another project manager.*]

18 (5) The director shall establish a sustainable energy project manager certification program.
19 However, [*the Public Purpose Fund Administrator or*] a consumer-owned utility is not required to
20 obtain a sustainable energy project manager certificate [*and the Public Purpose Fund Administrator*
21 *is not subject to any qualifications established by the director for a project manager*].

22 **SECTION 21.** ORS 470.550 is amended to read:

23 470.550. (1) Unless the sustainable energy project manager is [*the Public Purpose Fund Admin-*
24 *istrator or*] a consumer-owned utility, the certification of a project manager shall be for a five-year
25 term. The Director of the State Department of Energy shall issue the project manager a certification
26 approval letter that states any conditions applicable to the certification.

27 (2) The director may terminate the certification of a project manager for:

28 (a) Failure to adequately implement an applicable plan for implementing the energy efficiency
29 and sustainable technology loan program;

30 (b) Noncompliance with the regulatory or statutory requirements of the energy efficiency and
31 sustainable technology loan program;

32 (c) Failure to meet any project manager criteria established by the director; or

33 (d) Failure to perform other certification conditions.

34 **SECTION 22.** ORS 470.560 is amended to read:

35 470.560. (1) The State Department of Energy shall adopt rules establishing certification stan-
36 dards for contractors participating in the construction of small scale local energy projects financed
37 through the energy efficiency and sustainable technology loan program. The department shall design
38 the standards to ensure that the project work performed by a contractor holding the certification
39 is of high quality and will result in a high degree of customer satisfaction.

40 (2) The certification standards established by the department must, at a minimum, require that
41 the contractor:

42 (a) Prove that the contractor has sufficient skill to ensure that the contractor can successfully
43 install energy efficiency, renewable energy or weatherization projects.

44 (b) Not be a contractor listed by the Commissioner of the Bureau of Labor and Industries under
45 ORS 279C.860 as ineligible to receive a contract or subcontract for public works.

1 (c) Be an equal opportunity employer or small business or be a minority or women business
 2 enterprise or disadvantaged business enterprise as those terms are defined in ORS 200.005.

3 (d) Demonstrate a history of compliance with the rules and other requirements of the Con-
 4 struction Contractors Board and of the Workers' Compensation Division and the Occupational
 5 Safety and Health Division of the Department of Consumer and Business Services.

6 (e) Employ at least 80 percent of employees used for energy efficiency and sustainable technol-
 7 ogy loan program projects from the local work force, if a sufficient supply of skilled workers is
 8 available locally.

9 (f) Demonstrate a history of compliance with federal and state wage and hour laws.

10 (g) Pay wages to employees used for energy efficiency and sustainable technology loan program
 11 projects at a rate equal to at least 180 percent of the state minimum wage.

12 (3) The State Department of Energy shall consult with [*the Public Purpose Fund Administrator*
 13 *and*] utilities when developing contractor certification standards.

14 (4) The Construction Contractors Board may issue a qualifying contractor a certification au-
 15 thorizing the contractor to participate in the construction of small scale local energy projects fi-
 16 nanced through the energy efficiency and sustainable technology loan program. A contractor
 17 seeking certification shall apply to the board as provided under ORS 701.119.

18 (5) The State Department of Energy shall identify certified contractors that provide employees
 19 with health insurance benefits as preferred service providers and may take other actions as practi-
 20 cable to encourage certified contractors to provide employees with health insurance benefits.

21 **SECTION 23.** ORS 470.815 is amended to read:

22 470.815. (1) School districts that participate in the clean energy deployment program established
 23 in ORS 470.810 may finance projects to:

24 (a) Weatherize, upgrade and retrofit kindergarten through grade 12 public schools;

25 (b) Retrofit school bus fleets to operate on compressed natural gas or other alternative fuels
 26 such as propane or to operate with high-efficiency types of engines such as hybrid electric engines;
 27 or

28 (c) Replace school bus fleets with school buses that operate on compressed natural gas or other
 29 alternative fuels such as propane or that operate with high-efficiency types of engines such as hybrid
 30 electric engines.

31 (2) The projects described in subsection (1) of this section shall be designed to improve energy
 32 efficiency, decrease fuel costs, increase use of alternative fuels and decrease emissions of air con-
 33 taminants.

34 (3) School districts may finance the projects described in subsection (1) of this section by:

35 (a) Paying directly for the projects;

36 (b) Receiving lower interest loans from the Clean Energy Deployment Fund or the Small Scale
 37 Local Energy Project Loan Fund, supported by:

38 (A) Grant moneys from the Jobs, Energy and Schools Fund;

39 [(B) *Public purpose charges directed to a school district in areas served by investor-owned utilities*
 40 *under ORS 757.612;*]

41 [(C)] (B) Qualified Energy Conservation Bonds issued under the Energy Improvement and Ex-
 42 tension Act of 2008 or other federal loan programs; or

43 [(D)] (C) Revenues generated by the savings in energy costs resulting from the energy efficiency
 44 improvements;

45 (c) Issuing general obligation bonds, subject to the bond election requirements under ORS

1 328.210; or

2 (d) Using any other source of moneys.

3 **SECTION 24.** ORS 757.365 is amended to read:

4 757.365. (1) The Public Utility Commission shall establish a pilot program for each electric
5 company to demonstrate the use and effectiveness of volumetric incentive rates and payments for
6 electricity or for the nonenergy attributes of electricity, or both, from solar photovoltaic energy
7 systems that are permanently installed in this state by retail electricity consumers and that first
8 become operational after the program begins. The cumulative nameplate capacity of the qualifying
9 systems enrolled in all of the pilot programs may not exceed 25 megawatts of alternating current.
10 Qualifying systems enrolled in the pilot program may not have nameplate generating capacity
11 greater than 500 kilowatts.

12 (2) The commission by rule shall adopt requirements for the pilot programs described in sub-
13 section (1) of this section. Each electric company shall file for commission approval tariff schedules
14 for the pilot programs that conform to the requirements.

15 (3) The commission may establish incentive rates for the pilot programs to enable the develop-
16 ment of the most efficient solar photovoltaic energy systems.

17 (4) A retail electricity consumer participating in a pilot program may receive payments based
18 on electricity generated from solar photovoltaic energy system output for 15 years from the
19 consumer's date of enrollment in the program, at rates or through a rate formula in a tariff schedule
20 established at the time of enrollment, or at rates otherwise established at the time of enrollment.
21 The consumer thereafter may receive payments based upon electricity generated from the qualifying
22 system at a rate equal to the resource value.

23 (5) The commission may adjust the tariff schedule as needed for new pilot program participants
24 for the purpose of meeting the goal established in subsection (1) of this section. Once a retail elec-
25 tricity consumer is enrolled in a program, the rates or rate formula for determining payments to the
26 consumer may not be modified.

27 (6) The commission shall establish pilot programs designed to attain a goal of 75 percent of the
28 capacity under each program to be deployed by residential qualifying systems and small commercial
29 qualifying systems. The commission by rule may adjust the percentage goal for capacity deployed
30 by residential and small commercial qualifying systems based upon the costs of the energy gener-
31 ated, the feasibility of attaining the goal and other factors.

32 (7) The commission may establish total generator nameplate capacity limits for an electric
33 company so that the rate impact of the pilot program for any customer class does not exceed 0.25
34 percent of the electric company's revenue requirement for the class in any year.

35 (8) Ownership of renewable energy certificates established under ORS 469A.130 that are asso-
36 ciated with renewable energy generation under the pilot programs must be transferred to the elec-
37 tric company and may be used to comply with the renewable portfolio standard described in ORS
38 469A.052 or 469A.055.

39 (9) To the extent that rates paid under a pilot program exceed the resource value, qualifying
40 systems participating in the pilot programs are not eligible for [*expenditures under ORS 757.612*
41 *(3)(b)(B) or*] tax credits under ORS 469B.100 to 469B.118 or 469B.130 to 469B.169.

42 (10) All prudently incurred costs associated with compliance with this section are recoverable
43 in the rates of an electric company.

44 (11) The commission shall advise and assist the owners and operators of qualifying systems in
45 identifying and using grants, incentive moneys, federal funding and other sources of noninvestment

1 financial support for the construction and operation of qualifying systems.

2 (12) The pilot programs described in subsection (1) of this section close to new participants on
3 the earlier of:

4 (a) March 31, 2015; or

5 (b) The date the cumulative nameplate capacity of solar photovoltaic energy systems that have
6 been permanently installed by retail electricity consumers under the pilot programs equals 25
7 megawatts of alternating current.

8 (13) The commission shall submit a report to the Legislative Assembly by January 1 of each
9 odd-numbered year. The report must evaluate the effectiveness of the pilot programs described in
10 subsection (1) of this section compared to the effectiveness of [*expenditures under ORS 757.612*
11 *(3)(b)(B) or*] tax credits under ORS 469B.100 to 469B.118 or 469B.130 to 469B.169 for promoting the
12 use of solar photovoltaic energy systems and reducing system costs. The report must also evaluate
13 the estimated cost of the program to retail electricity consumers.

14 **SECTION 25.** ORS 757.649 is amended to read:

15 757.649. (1)(a) A person or other entity shall not act as an electricity service supplier unless the
16 person or entity is certified by the Public Utility Commission. The commission, by rule, shall es-
17 tablish standards for certification of persons or other entities as electricity service suppliers in this
18 state. The rules shall, at a minimum, address:

19 (A) The ability of the person or entity to meet the person's or entity's obligation to provide
20 electricity services pursuant to direct access; and

21 (B) The ability of the person or entity to comply with applicable consumer protection laws.

22 (b) The commission may require an electricity service supplier to provide a bond or other se-
23 curity.

24 (c) The commission may establish a fee, not to exceed \$500, for initial certification and annual
25 recertification of electricity service suppliers.

26 (d) The commission, at any time, may revoke an electricity service supplier's certification for
27 failure to comply with applicable statutes and rules.

28 [*(e) The commission may require an electricity service supplier to provide information necessary to*
29 *ensure compliance with ORS 757.612. The commission shall ensure the privacy of all information and*
30 *the protection of any proprietary information provided.*]

31 (2) Every electric utility shall maintain the integrity of its transmission facilities and distrib-
32 ution system and provide safe, reliable service to all retail electricity consumers. Nothing in ORS
33 757.600 to 757.667 or 757.669 to 757.687 shall reduce or diminish the statutory or contractual obli-
34 gations of electric utilities to maintain the safety and reliability of their transmission facilities and
35 distribution system and other infrastructure and equipment used to deliver electricity.

36 (3) The commission for electric companies, or the governing body for other electric utilities,
37 shall adopt rules, ordinances, policies and service quality standards designed to maintain a reliable,
38 safe and efficient distribution system. The commission shall regulate electrical safety regarding
39 generation, transmission, substation and distribution facilities for electric utilities and other elec-
40 trical system owners and operators as provided under ORS 757.035.

41 (4) Every bill to a direct access retail electricity consumer from an electricity service supplier
42 shall contain at least:

43 (a) The rate and amount due for each service or product that the retail electricity consumer is
44 purchasing and other price information necessary to facilitate direct access, as determined by the
45 commission;

1 (b) The rates and amounts of state and local taxes or fees, if any, imposed on the retail elec-
2 tricity consumer;

3 (c) The amount of any public purpose charge or credit;

4 (d) The amount of any transition charge or transition credit; and

5 (e) Power source and environmental impact information necessary to ensure that all consumers
6 have useful, reliable and necessary information to exercise informed choice, as determined by the
7 commission.

8 (5)(a) A retail electricity consumer of an electric company shall receive, upon request, a sepa-
9 rate bill from every individual electricity service supplier that provides products or services to the
10 retail electricity consumer. If a retail electricity consumer of an electric company does not request
11 separate bills, or a consolidated bill from an electricity service supplier as provided in paragraph
12 (c) of this subsection, the electric company shall consolidate the bills for all electricity services into
13 a single statement, and electricity service suppliers shall provide to the electric company the infor-
14 mation necessary to prepare a consolidated statement.

15 (b) The requirement for bill consolidation by an electric company shall continue through De-
16 cember 31, 2001, after which time the commission may waive the requirement if the waiver results
17 in effective billing procedures for retail electricity consumers.

18 (c) Upon the request of a retail electricity consumer of an electric company, an electricity ser-
19 vice supplier shall consolidate the bills for all electricity services into a single statement, and
20 electric utilities and other electricity service suppliers shall provide to the billing electricity service
21 supplier any information necessary to prepare a consolidated statement.

22 (d) For retail electricity consumers of an electric company, the commission shall adopt by rule
23 provisions relating to the failure of a consumer to make full payment on a consolidated bill. The
24 rules shall address collection of payments, service disconnection and reconnection, and the allo-
25 cation of costs associated with collection, disconnection and reconnection. A distribution utility
26 shall be solely responsible for actual disconnection and reconnection.

27 **SECTION 26.** ORS 757.659 is amended to read:

28 757.659. According to the applicable provisions of ORS 756.060 and ORS chapter 183, the Public
29 Utility Commission shall adopt such rules as are necessary to implement ORS 757.600 to 757.667.
30 Rules adopted by the commission shall address at least the following:

31 (1) Requirements and methodologies for each electric company to provide unbundled rates and
32 services pursuant to ORS 757.642.

33 (2) Requirements for each electric company allowing aggregation of electricity loads pursuant
34 to ORS 757.627, which may include aggregation of demand for other services available under direct
35 access.

36 (3) Requirements for consumer protection. Consumer protection rules adopted by the commission
37 that relate to electricity service suppliers shall be applicable throughout this state and shall, at a
38 minimum, contain provisions for the disclosure of price, power source and environmental impact in
39 contract offers and marketing information.

40 (4) Market valuation methodologies for determining the amount and recovery of the costs of
41 uneconomic utility investment and the amount of and credit for economic utility investment.

42 (5) Requirements for each electric company to offer a portfolio of rate options under ORS
43 757.603.

44 (6) The method of determining a default supplier for those consumers who are not eligible to
45 participate in a portfolio program under ORS 757.603 in a manner that provides for viable competi-

1 tion among electricity service suppliers and among power generation companies. The commission
 2 may condition the use of a default service option by requiring reasonable notice and commitment
 3 from a consumer who intends to use the default service option in nonemergency situations.

4 (7) Requirements for market structure described in ORS 757.646.

5 [(8) Requirements for public purpose charges and credits under ORS 757.612.]

6 [(9)] (8) Requirements for meters, metering services, billing and collection services, and customer
 7 response functions.

8 **SECTION 27.** ORS 757.679 is amended to read:

9 757.679. (1) Nothing in ORS 757.669 to 757.687 is intended to impair the rights or obligations of
 10 any party to net billing agreements. Notwithstanding any other provision of ORS 757.600 to
 11 757.667[,] **and** 757.676 [and 757.687], and in the event a participating utility is required to make
 12 payments pursuant to a net billing agreement, the governing body of a participating utility may levy
 13 a rate, fee or charge, including a nonbypassable distribution system access charge against retail
 14 electricity consumers located within the utility's service territory, to meet its obligations.

15 (2) As used in this section:

16 (a) "EWEB" means the City of Eugene, Oregon, acting by and through the Eugene Water and
 17 Electric Board.

18 (b) "Net billing agreements" means those certain agreements that provide for the payment,
 19 through net billing of costs of certain nuclear power projects, including the payment of bonds, notes
 20 or other evidences of indebtedness issued by EWEB and by the supply system, respectively, to pay
 21 such project costs entered into prior to July 23, 1999:

22 (A) Between the administrator of the Bonneville Power Administration and EWEB;

23 (B) Among a participating utility, the administrator of the Bonneville Power Administration and
 24 EWEB; or

25 (C) Among a participating utility, the administrator of the Bonneville Power Administration and
 26 the supply system.

27 (c) "Participating utility" means a consumer-owned utility established by, or organized and ex-
 28 isting under, the Oregon Constitution and laws of the State of Oregon, and that is a party to a net
 29 billing agreement.

30 (d) "Supply system" means the Washington Public Power Supply System, a municipal corporation
 31 or joint power agency organized and existing under and pursuant to the laws of the State of
 32 Washington.

33 **SECTION 28.** ORS 757.689 is amended to read:

34 757.689. (1) [In addition to the public purpose charge established by ORS 757.612,] The Public
 35 Utility Commission may authorize an electric company to include in its rates the costs of funding
 36 or implementing cost-effective energy conservation measures implemented on or after June 6, 2007.
 37 The costs may include amounts for weatherization programs that conserve energy.

38 (2) The commission shall ensure that a retail electricity consumer with a load greater than one
 39 average megawatt:

40 (a) Is not required to pay an amount that is more than three percent of the consumer's total cost
 41 of electricity service for [the public purpose charge under ORS 757.612 and] any amounts included
 42 in rates under this section; and

43 (b) Does not receive any direct benefit from energy conservation measures if the costs of the
 44 measures are included in rates under this section.

45 **SECTION 29.** ORS 757.872 is amended to read:

1 757.872. (1) Any equity of the incumbent utility, any electric utility assets of the incumbent
 2 utility or any combination of equity and assets of the incumbent utility that Oregon Community
 3 Power acquires under ORS 757.812 to 757.950 shall be held in trust by Oregon Community Power,
 4 acting as a trustee, for the exclusive purpose of carrying out the powers, rights and privileges of
 5 Oregon Community Power under ORS 757.812 to 757.950 for the benefit of the retail electricity
 6 consumers of Oregon Community Power. Notwithstanding any other provision of law, retail elec-
 7 tricity consumers of Oregon Community Power may not pursue any judicial remedy in any court of
 8 this state for any action of Oregon Community Power, except as provided in ORS 757.812 to 757.950.

9 (2) The State of Oregon declares that it has no proprietary interest in Oregon Community Power
 10 or in any tangible or intangible property of any form owned or acquired by Oregon Community
 11 Power. The state disclaims any right to reclaim any contributions made to Oregon Community
 12 Power under ORS 757.812 to 757.950.

13 (3) Except as provided in ORS 757.812 to 757.950, Oregon Community Power may not receive
 14 any moneys from the State of Oregon other than:

15 (a) Electric utility operational revenues;

16 [(b) *Public purpose charge revenues under ORS 757.612;*]

17 [(c)] (b) Nonrecourse bond proceeds or proceeds from any other nonrecourse borrowing; or

18 [(d)] (c) Loans, grants, payments or other assistance that any local government as defined in
 19 ORS 174.116 would be eligible to receive.

20 **SECTION 30.** Section 45, chapter 753, Oregon Laws 2009, is amended to read:

21 **Sec. 45.** A contractor may construct small scale local energy projects financed under a pilot
 22 program described in sections 42 to 44 [of this 2009 Act], **chapter 753, Oregon Laws 2009**, without
 23 being certified under [section 51 of this 2009 Act] **ORS 701.119** if:

24 (1) No certified contractor is available to construct the project;

25 (2) The [Public Purpose Fund Administrator] **Director of the State Department of Energy,**
 26 **for pilot programs initiated under section 43, chapter 753, Oregon Laws 2009**, or the **appro-**
 27 **priate** sustainable energy project manager has approved allowing the contractor to implement
 28 projects financed under the energy efficiency and sustainable technology loan program; and

29 (3) The contractor pays wages to employees used for energy efficiency and sustainable technol-
 30 ogy loan program projects at a rate equal to at least 180 percent of the state minimum wage or, if
 31 the project is for a commercial structure or is subject to prevailing wage laws, the prevailing wage
 32 for each trade or occupation employed. As used in this subsection, “commercial structure” means
 33 a structure other than a residential structure as defined in ORS 701.005.

34
 35 **ABOLISHMENT OF FUNDS**

36
 37 **SECTION 31.** ORS 456.587 is amended to read:

38 456.587. (1) The Housing and Community Services Department Electricity Public Purpose Charge
 39 Fund is established in the State Treasury, separate and distinct from the General Fund. Interest
 40 earned by the Housing and Community Services Department Electricity Public Purpose Charge Fund
 41 shall be credited to the fund. Moneys in the fund are continuously appropriated to the Housing and
 42 Community Services Department to be used for [purposes specified in ORS 757.612 (3)(b)(D)] **the**
 43 **purpose of providing grants as described in ORS 458.625 (2).**

44 (2)(a) The Housing and Community Services Department Low-Income Electric Bill Payment As-
 45 sistance Fund is established in the State Treasury, separate and distinct from the General Fund.

1 Interest earned by the Housing and Community Services Department Low-Income Electric Bill Pay-
2 ment Assistance Fund shall be credited to the fund. Moneys in the fund are continuously appropri-
3 ated to the [*Housing and Community Services*] department for [*purposes described in ORS 757.612*
4 (7).] **the purpose of funding electric bill payment assistance for low-income consumers. The**
5 **department shall:**

6 (A) Use the funds first to provide electric bill payment assistance to low-income elec-
7 tricity consumers who are in danger of having their electricity service disconnected; and

8 (B) Use the funds to investigate and possibly implement alternative models for delivering
9 electricity to effectively reduce service disconnections and related costs to retail electricity
10 consumers, as defined in ORS 757.600, and electric utilities, as defined in ORS 757.600.

11 (b) Interest on moneys in the Housing and Community Services Department Low-Income
12 Electric Bill Payment Assistance Fund may be used to provide bill payment and crisis as-
13 sistance to electricity consumers whose primary source of heat is not electricity.

14 **SECTION 32. ORS 456.587 is repealed on January 1, 2016.**

15 **SECTION 33. (1) On the date specified in section 32 of this 2013 Act, the Housing and**
16 **Community Services Department Electricity Public Purpose Charge Fund and the Housing**
17 **and Community Services Department Low-Income Electric Bill Payment Assistance Fund are**
18 **abolished.**

19 (2) Moneys remaining in the Housing and Community Services Department Electricity
20 Public Purpose Charge Fund and the Housing and Community Services Department Low-
21 Income Electric Bill Payment Assistance Fund on the date specified in section 32 of this 2013
22 Act shall be transferred to the General Fund for general governmental purposes.

23
24 **UNIT CAPTIONS**

25
26 **SECTION 33. The unit captions used in this 2013 Act are provided only for the conven-**
27 **ience of the reader and do not become part of the statutory law of this state or express any**
28 **legislative intent in the enactment of this 2013 Act.**