

**PROPOSED AMENDMENTS TO
SENATE BILL 242**

1 On page 1 of the printed bill, line 2, after “provisions;” delete the rest
2 of the line and insert “and amending ORS 757.522 and 757.524.”.

3 Delete line 3.

4 Delete lines 5 through 28 and delete pages 2 through 4 and insert:

5 **“SECTION 1. ORS 757.522 is amended to read:**

6 **“757.522. As used in ORS 757.522 to 757.536:**

7 **“(1) ‘Additional interest’ means:**

8 **“(a) The acquisition, by the holder of an interest in a generating facility**
9 **located in Oregon, of a separate interest in that generating facility that is**
10 **producing energy and is in service for tax purposes, commercially operable**
11 **or in rates on July 1, 2010; and**

12 **“(b) The renewal of an existing contract of five or more years that in-**
13 **cludes the acquisition of baseload electricity for an additional term of five**
14 **or more years where the expected greenhouse gas emissions profile of the**
15 **contract renewal is substantially similar to that of the previous contract.**

16 **“(2) ‘Annual plant capacity factor’ means the ratio of the electricity**
17 **produced by a generating facility during one year, measured in kilowatt-**
18 **hours, to the electricity the generating facility could have produced if it had**
19 **been operated at its rated capacity throughout the same year, expressed in**
20 **kilowatt-hours.**

21 **“(3)(a) ‘Baseload electricity’ means electricity produced by a generating**
22 **facility that is designed and intended, at the time a site certificate is issued**

1 to the owner of the facility **or a permit authorizing the construction and**
2 **operation of the facility is issued to the owner of the facility by an-**
3 **other state or country**, to provide electricity on a continuous basis at an
4 annual plant capacity factor of at least 60 percent.

5 “(b) ‘Baseload electricity’ does not include electricity from:

6 “(A) A qualifying facility under the federal Public Utility Regulatory
7 Policies Act of 1978, 16 U.S.C. 2601 to 2645; [*or*]

8 “(B) A generating source that uses natural gas or petroleum distillates
9 as a fuel source and that is primarily used to serve either peak demand or
10 to integrate energy from a renewable energy source described in ORS
11 469A.025[.]; **or**

12 **“(C) A generating facility that:**

13 **“(i) Previously used coal as the facility’s primary fuel source;**

14 **“(ii) Is owned in whole or in part by an electric company; and**

15 **“(iii) Currently uses natural gas or another resource as the**
16 **facility’s primary fuel source.**

17 “(4) ‘Construction’ has the meaning given that term in ORS 469.300.

18 “(5) ‘Consumer-owned utility’ has the meaning given that term in ORS
19 757.600.

20 “(6) ‘Electric company’ has the meaning given that term in ORS 757.600.

21 “(7) ‘Electricity service supplier’ has the meaning given that term in ORS
22 757.600.

23 “(8) ‘Generating facility’ includes one or more jointly operated electricity
24 generators that use the same fuel type, have the same in-service date and
25 operate at the same location as described in ORS 469.300.

26 “(9) ‘Governing board’ means the legislative authority of a consumer-
27 owned utility.

28 “(10)(a) ‘Long-term financial commitment’ means an investment in or up-
29 grade of a generating facility that produces baseload electricity, or a con-
30 tract with a term of more than five years that includes acquisition of

1 baseload electricity.

2 “(b) ‘Long-term financial commitment’ does not include:

3 “(A) Routine or necessary maintenance;

4 “(B) Installation of emission control equipment;

5 “(C) Installation, replacement or modification of equipment that improves
6 the heat rate of the facility or reduces a generating facility’s pounds of
7 greenhouse gases per megawatt-hour of electricity;

8 “(D) Installation, replacement or modification of equipment where the
9 primary purpose is to maintain reliable generation output capability and not
10 to extend the life of the generating facility, and that does not increase the
11 heat input or fuel usage as specified in existing generation air quality per-
12 mits, but that may result in incidental increases in generation capacity;

13 “(E) Repairs necessitated by sudden and unexpected equipment failure; or

14 “(F) An acquisition of an additional interest.

15 “(11) ‘Output-based methodology’ means a greenhouse gas emissions
16 standard that is expressed in pounds of greenhouse gases emitted per
17 megawatt-hour, factoring in the useful thermal energy employed for purposes
18 other than the generation of electricity.

19 “(12) ‘Site certificate’ has the meaning given that term in ORS 469.300.

20 “(13) ‘Upgrade’ means any modification made for the primary purpose of
21 increasing the electric generation capacity of a baseload facility.

22 “**SECTION 2.** ORS 757.524 is amended to read:

23 “757.524. (1) [*Unless modified by rule by the Public Utility Commission as*
24 *provided in this section,*] The greenhouse gas emissions standard that applies
25 to electric companies and electricity service suppliers is 1,100 pounds of
26 greenhouse gases per megawatt-hour for a generating facility.

27 “(2) [*Unless modified pursuant to subsection (4) of this section,*] The
28 greenhouse gas emissions standard applies only to carbon dioxide emissions.

29 “(3) For purposes of applying the emissions standard to cogeneration fa-
30 cilities, the **Public Utility** Commission shall establish an output-based

1 methodology to ensure that the calculation of emissions of greenhouse gases
2 for cogeneration facilities recognizes the total usable energy output of the
3 process and includes all greenhouse gases emitted by the facility in the pro-
4 duction of both electrical and thermal energy.

5 “[(4) *The commission shall review the greenhouse gas emissions standard*
6 *established under this section no more than once every three years. After public*
7 *notice and hearing, and consultation with the State Department of Energy, the*
8 *commission may:]*

9 “[(a) *Modify the emissions standard to include other greenhouse gases as*
10 *defined in ORS 468A.210, with the other greenhouse gases expressed as their*
11 *carbon dioxide equivalent; and]*

12 “[(b) *Modify the emissions standard based upon current information on the*
13 *rate of greenhouse gas emissions from a commercially available combined-cycle*
14 *natural gas generating facility that:]*

15 “[(A) *Employs a combination of one or more gas turbines and one or more*
16 *steam turbines and produces electricity in the steam turbines from waste heat*
17 *produced by the gas turbines;]*

18 “[(B) *Has a heat rate at high elevation within the boundaries of the West-*
19 *ern Electricity Coordinating Council; and]*

20 “[(C) *Has a heat rate at ambient temperatures when operating during the*
21 *hottest day of the year.]*

22 “[(5) *In modifying the greenhouse gas emissions standard, the commission*
23 *shall:]*

24 “[(a) *Use an output-based methodology to ensure that the calculation of*
25 *greenhouse gas emissions through cogeneration recognizes the total usable en-*
26 *ergy output of the process and includes all greenhouse gases emitted by the*
27 *generating facility in the production of both electrical and thermal energy;*
28 *and]*

29 “[(b) *Consider the effects of the emissions standard on system reliability*
30 *and overall costs to electricity consumers.]*

1 “[6] *If upon a review conducted pursuant to subsection (4) of this section,*
2 *the commission determines that a mandatory greenhouse gas emissions limit*
3 *has been established pursuant to state or federal law, the commission shall*
4 *issue a report to the appropriate legislative committees of the Legislative As-*
5 *sembly stating which portions, if any, of the greenhouse gas emissions stand-*
6 *ard are no longer necessary as a matter of state law.*]

7 “[7] *Modifications to the emissions standard made pursuant to this section*
8 *do not apply to long-term financial commitments entered into prior to the time*
9 *of such modification. A long-term financial commitment begins upon execution*
10 *of a contract for the acquisition of baseload electricity or upon construction of*
11 *a generating facility.*]

12 **“SECTION 3. Five years after the effective date of this 2013 Act, the**
13 **Public Utility Commission shall study the greenhouse gas emissions**
14 **standard established under ORS 757.524 to determine whether the**
15 **standard is still necessary to reduce greenhouse gases emitted by**
16 **electric companies and electricity service suppliers. In making the**
17 **determination, the commission shall consider whether federal or other**
18 **state laws provide for the reduction of greenhouse gas emissions more**
19 **effectively than the standard. The commission shall report the results**
20 **of the study, and shall include recommendations for legislation, to the**
21 **Eightieth Legislative Assembly in the manner described in ORS 192.245**
22 **not later than February 3, 2020.”.**

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