

**PROPOSED AMENDMENTS TO
SENATE BILL 606**

1 On page 1 of the printed bill, delete lines 5 through 27.

2 On page 2, delete lines 1 through 30 and insert:

3 **“SECTION 1.** ORS 274.867 is amended to read:

4 “274.867. (1) In accordance with applicable provisions of ORS chapter 183,
5 the Director of the Department of State Lands may adopt rules for the au-
6 thorization of wave energy facilities or devices.

7 “(2) [*Unless exempted under rules adopted by the director under this sec-*
8 *tion,*] An owner or operator of a facility or device sited within Oregon’s
9 territorial sea, as defined in ORS 196.405, that converts the kinetic energy
10 of waves into electricity shall maintain cost estimates of the amount of fi-
11 nancial assurance that is necessary, and demonstrate evidence of financial
12 assurance, for:

13 “(a) The costs of closure and post-closure maintenance, excluding the re-
14 moval of anchors that lie beneath submerged lands in Oregon’s territorial
15 sea, of the facility or device; and

16 “(b) Any corrective action required to be taken at the site of the facility
17 or device.

18 **“(3) The cost estimates required by subsection (2) of this section**
19 **must be prepared by a person that the director deems qualified by ex-**
20 **perience and knowledge to prepare such cost estimates. The director**
21 **may establish, maintain and make available upon request and payment**
22 **of actual cost a list of persons qualified by experience and knowledge**

1 **to prepare the cost estimates required by subsection (2) of this section.**

2 “[3] (4) The financial assurance requirements established by subsection
3 (2) of this section may be satisfied by any one or a combination of the fol-
4 lowing:

5 “(a) Insurance;

6 “(b) Establishment of a trust fund;

7 “(c) A surety bond; **or**

8 “(d) A letter of credit[;].

9 “[e] *Qualification as a self-insurer; or*]

10 “[f] *Any other method set forth in rules adopted by the director.*]

11 “[4] (5) In adopting rules to implement the provisions of this section, the
12 director may specify policy or other contractual terms, conditions or defenses
13 necessary to establish evidence of financial assurance.

14 “[5](a) *The owner or operator of a facility or device described in subsection*
15 *(2) of this section must provide the evidence of financial assurance required*
16 *under this section for closure, post-closure maintenance and corrective action*
17 *at the time operation of the facility or device is authorized.*]

18 **“(6)(a) Prior to the time that operation of a facility or device de-**
19 **scribed in subsection (2) of this section is authorized, the owner or**
20 **operator of the facility or device must provide the director with a plan**
21 **for decommissioning the facility or device after the cessation of use**
22 **of that facility or device for the conversion of the kinetic energy of**
23 **waves into electricity. The plan for decommissioning the facility or**
24 **device must include, but need not be limited to:**

25 **“(A) Information regarding the anticipated useful life of the facility**
26 **or device;**

27 **“(B) The cost estimates required by subsection (2) of this section;**

28 **“(C) The evidence of financial assurance required by subsections (2)**
29 **and (4) of this section;**

30 **“(D) A description of the method and schedule for updating the**

1 **costs of decommissioning the facility or device;**

2 **“(E) A description of the anticipated methods that will be used to**
3 **close the facility, engage in post-closure maintenance and take any**
4 **corrective actions required at the site of the facility or device; and**

5 **“(F) Any other information required by the director by rule.**

6 **“(b) By January 31 of each subsequent calendar year, the owner or oper-**
7 **ator of the facility or device must update the information required under this**
8 **subsection with the Department of State Lands.**

9 **“[(6)] (7) [When financial assurance is required for corrective action at the**
10 **site of a facility or device described in subsection (2) of this section, the] An**
11 **owner or operator shall provide evidence of financial assurance before be-**
12 **ginning corrective action at the site of a facility or device described in**
13 **subsection (2) of this section.**

14 **“[(7)] (8) An owner or operator [required to provide financial assurance**
15 **under this section] shall establish provisions satisfactory to the director for**
16 **disposing of any excess moneys received or interest earned on moneys re-**
17 **ceived for financial assurance.**

18 **“(9) An owner or operator of a facility or device described in sub-**
19 **section (2) of this section must remove all equipment related to that**
20 **facility or device, excluding anchors that lie beneath submerged lands**
21 **in Oregon’s territorial sea, within twelve months of the cessation of**
22 **use of that facility or device for the conversion of the kinetic energy**
23 **of waves into electricity.”.**

24 In line 31, delete “3” and insert “2”.

25 In line 34, delete “4” and insert “3”.

26 On page 3, line 3, delete “5” and insert “4”.

27 In line 20, delete “6” and insert “5”.

28 In line 23, delete “and section 2 of this 2013 Act”.

29 After line 28, insert:

30 **“SECTION 6. (1) The State Department of Energy shall study issues**

1 related to the conversion of the kinetic energy of waves into electricity
2 and the transmission of electricity from wave energy structures.

3 “(2) The scope of issues to be studied may include, but is not limited
4 to:

5 “(a) The technical potential of wave energy development in Oregon,
6 including technical limitations and electric system benefits from de-
7 velopment, the status of device efficiency rates and design trends and
8 anticipated utility acquisition costs over time;

9 “(b) Opportunities for ownership and financing of wave energy
10 structures and for transmission capacity;

11 “(c) Barriers to implementation;

12 “(d) Significant structural differences between the permitting pro-
13 cess of the Energy Facility Siting Council and the permitting process
14 adopted in part five of the Territorial Sea Plan and recommendations
15 for implementing part five of the Territorial Sea Plan in a manner
16 that is based on the site certificate process of the Energy Facility
17 Siting Council;

18 “(e) The costs and benefits of construction and maintenance of
19 structures for the conversion of the kinetic energy of waves into
20 electricity and for transmission capacity;

21 “(f) The costs and benefits of establishing consolidated transmission
22 capacity for multiple wave energy projects; and

23 “(g) Risk management and decommissioning issues related to wave
24 energy structures and to transmission capacity.

25 “(3) The department shall seek public input regarding the scope of
26 issues to be studied.

27 “(4) The department shall report the results of the study required
28 by this section to the appropriate interim committees of the Legisla-
29 tive Assembly on or before November 1, 2014.

30 “SECTION 7. Section 6 of this 2013 Act is repealed on January 2,

1 **2015.”.**

2 In line 29, delete “7” and insert “8”.

3 In line 32, delete “8” and insert “9”.

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