77th OREGON LEGISLATIVE ASSEMBLY – 2014 Regular Session STAFF MEASURE SUMMARY

Senate Committee on Rural Communities & Economic Development

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed and Rescind the Subsequent Referral to the

MEASURE: SB 1578 A

CARRIER: Sen. Knopp

Committee on Finance & Revenue

Vote: 5 - 0 - 0

Yeas: Baertschiger Jr, Burdick, Close, Prozanski, Roblan

Nays: 0 **Exc.:** 0

Prepared By: Beth Patrino, Administrator

Meeting Dates: 2/13

WHAT THE MEASURE DOES: Adds woody biomass and other renewable energy technology identified by rule by Oregon Department of Energy as fuel for space or water heating or to generate electricity to definition of "green energy technology." Specifies that green energy technologies located away from site of public building may not replace or constitute purchase and use of energy generated from woody biomass or another renewable energy technology that existed on date original building permit for public building was issued. Takes effect on 91st day after date on which 2014 session adjourns.

ISSUES DISCUSSED:

- Adding options for communities to invest in renewable energy
- Examples of woody biomass projects in Oregon
- Location affects choice of technology
- If local contracting agencies should be able to apply for waiver to reserve requirement

EFFECT OF COMMITTEE AMENDMENT: Deletes measure provisions except those amending ORS 279C.527 (green energy technology in public improvement contracts) and effective date of Act. Revises definition of "green energy technology." Specifies that green energy technologies located away from site of public building may not replace or constitute purchase and use of energy generated from woody biomass or another renewable energy technology that existed on date original building permit for public building was issued.

BACKGROUND: Oregon law requires public entities to spend 1.5 percent of the total contract price of a public improvement contract for new construction or the major renovation of a public building on green energy technology. Public entities include, but are not limited to, state agencies, community colleges, school districts and education services districts, and local government. This requirement was originally established by the 2007 Legislative Assembly and amended in 2012 to include geothermal energy. In 2013, the Legislature amended the law to allow a contracting agency to meet the green energy technology requirement using off-site energy generation provided it meets certain requirements. The bill also required reporting by contracting agencies and the Oregon Department of Energy (ODOE) regarding actions taken to comply with the requirement. Senate Bill 1578 A would add woody biomass and other renewable energy technology identified by rule by ODOE to the definition of "green energy technology" for use in public buildings.