

PRELIMINARY STAFF MEASURE SUMMARY**CARRIER:**

Senate Committee on Environment and Natural Resources

REVENUE: No revenue impact**FISCAL: Minimal fiscal impact (-3)****SUBSEQUENT REFERRAL: None****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Beth Reiley, Administrator**Meeting Dates:** 3/25, 4/15

WHAT THE MEASURE DOES: Requires electric companies to reduce allocation of electricity from coal-derived generating resources to zero on or before January 1, 2025 and replace with clean energy as specified. Applies only to allocation of electricity to customers of electric company that are located in this state and does not apply to market purchases of unspecified power. Requires electric company to develop least-cost plan for reducing allocation of electricity for coal-derived generating resources. Requires electric company to identify quantity and type of supply-side and demand-side resources to be used as replacements and identify least-cost method of achieving energy mix 90 percent cleaner than coal-derived resources. Authorizes Public Utility Commission to require electric company submit plan to Commission.

ISSUES DISCUSSED:

EFFECT OF COMMITTEE AMENDMENT: (Proposed -3 Amendment) Removes statutory exclusion of instillation of emission control equipment from definition of long-term financial commitment. Prohibits electric company, electricity service supplier or governing board of consumer owned utility from entering long-term financial commitment, which includes instillation of emission control equipment, unless baseload subject to commitment is produced in compliance with greenhouse gas emission standards. Prohibits Public Utilities Commission from acknowledging integrated resource plan or allowing in customer rates costs of long-term financial equipment, including instillation of emission control equipment.

BACKGROUND: Electricity used in Oregon is derived from different fuel sources and generated in several states throughout the Western Interconnection, one of the two major alternating current (AC) power grids in North America. Most of the electricity consumed in Oregon comes from a sub-region of the Western Interconnection known as the Northwest Power Pool, and includes Oregon, Washington, Utah, and portions of California, Nevada, Montana, Wyoming, and Montana. Fuel sources for Oregon's electricity are dominated by hydro power, coal, and natural gas facilities, with a smaller percentage provided from non-hydroelectric renewables. Oregonians' electricity needs are served by 40 utilities and a small number of power marketers called Electricity Service Suppliers. The 550 megawatt (MW) Boardman Coal Plant operated by Portland General Electric is Oregon's only remaining coal-fired power plant.

Recent estimates of Oregon's electricity sources, according to the Oregon Department of Energy are: Hydropower: 44.7 percent; Coal: 33.4 percent; Natural Gas: 11.8 percent; Wind: 5.2 percent; Nuclear: 2.8 percent; Biomass: 0.54 percent; and Solar: 0.02 percent. Senate Bill 477 would require electric companies to reduce allocation of electricity from coal-derived generating resources to zero on or before January 1, 2025 and develop a plan for replacing those coal-derived resources with an energy mix that is 90 percent cleaner.

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This summary has not been adopted or officially endorsed by action of the committee.

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