

**Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session**  
**STAFF MEASURE SUMMARY**  
**Senate Committee On Business and Transportation**

**MEASURE: SB 456**  
**CARRIER: Sen. Beyer**

**Fiscal:** No Fiscal Impact  
**Revenue:** No Revenue Impact

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**Action Date:** 02/02/15

**Action:** Do Pass.

**Meeting Dates:** 02/02

**Senate**

**Yeas:** 5 - Beyer, Girod, Thomsen, Riley, Monroe

**Prepared By:** James LaBar, Committee Administrator

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**WHAT THE MEASURE DOES:**

Clarifies ability of natural gas utilities to receive additional incentives for projects approved by Public Utility Commission under voluntary emission reduction program. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

- Clarifies Senate Bill 844 (2013)
- Public Utility Commission program

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

In 2013, the Legislative Assembly enacted Senate Bill 844, which created a voluntary incentive program for public utilities that furnish natural gas to invest in projects that reduce emissions. The measure's specified purpose was to incent natural gas utilities to propose projects or investments that reduce emissions and provide benefits to its customers that the utilities would not otherwise undertake in the normal course of business.

While the 2013 legislation's purpose was to allow the Public Utility Commission (PUC) to incent natural gas utilities to consider such programs, questions were raised during the PUC rulemaking process regarding the statutory language. It was suggested that additional language should be added to the statute to clarify that when the PUC approves a program, it has the authority to determine the appropriate financial mechanisms available to the utility, including cost recovery, recovery of investments, and incentives.

The PUC adopted rules for Senate Bill 844 in December 2014.