

**Seventy-Eighth Oregon Legislative Assembly - 2015 Regular Session**  
**STAFF MEASURE SUMMARY**  
**House Committee On Energy and Environment**

**MEASURE: SB 456**  
**CARRIER: Rep. Heard**

**Fiscal:** No Fiscal Impact

**Revenue:** No Revenue Impact

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**Action Date:** 03/17/15

**Action:** Do Pass.

**Meeting Dates:** 03/12, 03/17

**Vote:**  
Yeas: 8 - Bentz, Boone, Heard, Helm, Holvey, Johnson, Reardon, Weidner  
Exc: 1 - Vega Pederson

**Prepared By:** Beth Patrino, Committee Administrator

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**WHAT THE MEASURE DOES:**

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

**ISSUES DISCUSSED:**

- History of program
- Question that arose during rulemaking
- Examples of additional incentives

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**BACKGROUND:**

In 2013, the Legislative Assembly enacted Senate Bill 844, which authorized the Public Utility Commission (PUC) to create a voluntary emission reduction program for natural gas utilities. The measure's purpose was to incent natural gas utilities to propose projects or investments to reduce emissions and provide benefits to its customers that the utilities would not otherwise undertake in the normal course of business.

The PUC adopted rules to implement Senate Bill 844 in December 2014. Questions regarding the statutory language were raised during the PUC rulemaking process to implement the incentives program. 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.

Senate Bill 456 would clarify that a natural gas utility may receive additional incentives for projects approved by the PUC under the voluntary emission reduction program.