

STAFF MEASURE SUMMARY**House Committee On Energy and Environment****Fiscal:** Fiscal impact issued**Revenue:** No Revenue Impact**Action Date:** 04/21/15**Action:** Without Recommendation As To Passage And Be Referred To Rules.**Meeting Dates:** 04/21**Vote:**

Yeas: 5 - Boone, Helm, Holvey, Reardon, Vega Pederson

Nays: 4 - Bentz, Heard, Johnson, Weidner

Prepared By: Beth Patrino, Committee Administrator

WHAT THE MEASURE DOES:

Authorizes Public Utility Commission to include in electric company's rates cost of electricity, including above-market cost of electricity, if electricity is part of project that uses wind, has total generating capacity of 30 megawatts or less, is located in federal waters of outer continental shelf, and for which request for Outer Continental Shelf Renewable Energy Lease was submitted on or before May 14, 2013. Repeals Act January 1, 2022.

ISSUES DISCUSSED:

- Interest in creating work group to continue to work on legislation
- Proposed test site for floating offshore wind demonstration project
- Concern over project costs
- Potential economic development from project
- Federal funds for project

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The first offshore wind project was installed off the coast of Denmark in 1991. Since that time, commercial-scale offshore wind facilities have been operating in shallow waters around the world, mostly in Europe, and along the eastern United States. In 2014, Seattle-based Principle Power announced plans for the west coast's first offshore wind farm: a 30-megawatt project located 16 nautical miles from Coos Bay. The project, consisting of five units at a water depth of about 1,400 feet, would use floating wind turbine technology that has not been deployed in U.S. waters, but is in use or under development in Europe and Asia. The turbines would be connected by electrical cables and have a single power cable transmitting electricity to the mainland.

Regulation of marine renewable energy depends on whether the project is in Oregon's waters or federal waters. Within three nautical miles of the state's coastline is the Oregon Territorial Sea, under the jurisdiction of the state. Beyond the Territorial Sea boundary is the Outer Continental Shelf, under federal jurisdiction. If the project is located in Oregon's Territorial Sea, it must follow the regulatory structure laid out in the Territorial Sea Plan, adopted by the state in January of 2013. If the project is in federal waters, it must receive an ocean energy lease from the Bureau of Ocean Energy Management.

House Bill 2216 would authorize the Public Utility Commission to include in an electric company's rates the cost of electricity from an offshore wind project under certain conditions.