

**Minority Report**  
**B-Engrossed**  
**Senate Bill 324**

Ordered by the House March 3  
Including Senate Amendments dated February 11 and House Minority  
Report Amendments dated March 3

Sponsored by nonconcurring members of the House Committee on Energy and Environment: Representatives  
BENTZ, JOHNSON

**SUMMARY**

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

- [Repeals sunset on provisions related to low carbon fuel standards.]*
- [Extends target date for meeting certain emission goals under phased implementation of low carbon fuel standards.]*
- [Requires Environmental Quality Commission to adopt by rule provisions for managing and containing costs of compliance with low carbon fuel standards.]*
- [Prohibits fuels that contain biodiesel from being considered alternative fuels unless certain standards are met.]*
- [Adds certain exemptions to low carbon fuel standards.]*
- [Declares emergency, effective on passage.]*

**Requires State Department of Agriculture to annually determine commercial availability of ethanol in this state and annually adopt certain standards for blending ethanol and gasoline. Requires department to notify certain dealers of standards. Requires certain dealers to sell only gasoline that meets standards adopted by department.**

**Requires department to annually determine commercial availability of biodiesel and other renewable diesel in this state and annually adopt certain standards for blending biodiesel or other renewable diesel and diesel fuel. Requires department to notify certain dealers of standards. Requires certain dealers to sell only diesel fuel that meets standards adopted by department.**

**Requires that certain funds collected through public purpose charges are directed in equal amounts to nongovernmental entity for investment in certain public purposes and to Carbon Reduction Technology Research and Development Fund.**

**Establishes Carbon Reduction Technology Research and Development Fund. Appropriates moneys in fund to Higher Education Coordinating Commission to fund consortium of Oregon universities created for purpose of promoting and advancing research and development of carbon reduction technologies related to transportation fuels. Requires commission to develop, maintain and manage consortium.**

**A BILL FOR AN ACT**

Relating to reducing greenhouse gas emissions from transportation fuels; creating new provisions; amending ORS 646.912, 646.913, 646.921, 646.922 and 757.612; and providing for revenue raising that requires approval by a three-fifths majority.

**Be It Enacted by the People of the State of Oregon:**

**VEHICLE FUEL BLENDING**

**SECTION 1. The Legislative Assembly finds and declares that it is the policy of this state to reduce carbon emissions through the continuation of state programs and policies that promote:**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (1) **Research efforts into developing new or improved technologies to reduce carbon**  
2 **emissions from automobiles or trucks;**

3 (2) **The use of electric vehicles in this state through the provision of incentives for the**  
4 **purchase of electric vehicles;**

5 (3) **The conversion of vehicles that use gasoline or diesel to alternative fuel vehicles;**

6 (4) **The development of electric vehicle charging stations and natural gas fueling stations;**  
7 **and**

8 (5) **The blending of gasoline in order to reduce greenhouse gas emissions per unit of fuel**  
9 **energy.**

10 **SECTION 2.** ORS 646.912 is amended to read:

11 646.912. (1) The State Department of Agriculture shall study and monitor ethanol fuel pro-  
12 duction, use and sales in this state.

13 *[(2) When capacity of ethanol production facilities in Oregon reaches a level of at least 40 million*  
14 *gallons, the department shall notify all retail dealers, nonretail dealers and wholesale dealers in this*  
15 *state, in a notice that meets the requirements of subsection (3) of this section.]*

16 (2) **By June 30 of each year, the department shall:**

17 (a) **Determine the commercial availability of ethanol in this state;**

18 (b) **Adopt a standard for the quality and percentage of ethanol by volume that must be**  
19 **blended with any gasoline to be sold or offered for sale in this state during the next calendar**  
20 **year; and**

21 (c) **Provide notice to all retail dealers, nonretail dealers and wholesale dealers in this**  
22 **state, in a notice that meets the requirements of subsection (4) of this section.**

23 (3) **The annual standard adopted under subsection (2) of this section shall ensure com-**  
24 **pliance with the standards adopted under ORS 646.913 and shall, to the extent feasible, pri-**  
25 **oritize the use of commercially available ethanol:**

26 (a) **With the lowest greenhouse gas emissions attributable to the ethanol throughout its**  
27 **lifecycle; and**

28 (b) **At a level that maximizes the use of ethanol commercially available in this state for**  
29 **the calendar year.**

30 *[(3)]* (4) The notice under subsection (2) of this section shall inform retail dealers, nonretail  
31 dealers and wholesale dealers that:

32 (a) *[The capacity of ethanol production facilities in Oregon has reached the levels described in*  
33 *subsection (2) of this section]* **The department has adopted a standard for the percentage; of**  
34 **ethanol by volume that must be blended with any gasoline to be sold or offered for sale in**  
35 **this state during the next calendar year; and**

36 (b) *[Three months]* **Beginning on January 1 of the year** after the date of the notice, a retail  
37 dealer, nonretail dealer or wholesale dealer may sell or offer for sale only gasoline described in ORS  
38 646.913.

39 **SECTION 3.** ORS 646.913 is amended to read:

40 646.913. (1) Except as provided in subsection *[(5)]* (4) of this section, a retail dealer, nonretail  
41 dealer or wholesale dealer may not sell or offer for sale gasoline unless the gasoline contains *[10*  
42 *percent ethanol by volume]* **the quality and percentage of ethanol by volume required by the**  
43 **State Department of Agriculture pursuant to the department's annually adopted standard**  
44 **under ORS 646.912.**

45 *[(2) Gasoline containing ethanol that is sold or offered for sale meets the requirements of this sec-*

1 *tion if the gasoline, exclusive of denaturants and permitted contaminants, contains not less than 9.2*  
2 *percent by volume of agriculturally derived, denatured ethanol that complies with the standards for*  
3 *ethanol adopted by the State Department of Agriculture.]*

4 [(3)] (2) The department shall adopt standards for ethanol blended with gasoline sold in this  
5 state. The standards adopted shall require that the gasoline blended with ethanol:

6 (a) Contains ethanol that is derived from agricultural or woody waste or residue;

7 (b) Contains ethanol denatured as specified in 27 C.F.R. parts 20 and 21;

8 (c) Complies with the volatility requirements specified in 40 C.F.R. part 80;

9 (d) Complies with or is produced from a gasoline base stock that complies with ASTM Interna-  
10 tional specification D 4814;

11 (e) Is not blended with casinghead gasoline, absorption gasoline, drip gasoline or natural gaso-  
12 line after the gasoline has been sold, transferred or otherwise removed from a refinery or terminal;  
13 and

14 (f) Contains ethanol that complies with ASTM International specification D 4806.

15 [(4)] (3) The department may review specifications adopted by ASTM International, or equiv-  
16 alent organizations, and federal regulations and revise the standards adopted pursuant to this sec-  
17 tion as necessary.

18 [(5)] (4) A retail dealer, nonretail dealer or wholesale dealer may sell or offer for sale gasoline  
19 that is not blended with ethanol if the gasoline has an octane rating, as defined in ORS 646.945, of  
20 91 or above or if the gasoline is for use in:

21 (a) An aircraft:

22 (A) With a supplemental type certificate approved by the Federal Aviation Administration that  
23 allows the aircraft to use gasoline that is intended for use in motor vehicles; or

24 (B) Issued a type certificate by an aircraft engine manufacturer that allows the aircraft to use  
25 gasoline that is intended for use in motor vehicles;

26 (b) An aircraft that has been issued an experimental certificate, described in 14 C.F.R. 21.191,  
27 by the Federal Aviation Administration and that is required by the manufacturer's specifications to  
28 use gasoline that is intended for use in motor vehicles;

29 (c) A light-sport aircraft, as defined in 14 C.F.R. 1.1, that is required by the manufacturer's  
30 specifications to use gasoline that is intended for use in motor vehicles;

31 (d) A vintage aircraft, as defined by the Oregon Department of Aviation by rule, that is required  
32 by the manufacturer's specifications to use gasoline that is intended for use in motor vehicles;

33 (e) An antique vehicle, as defined in ORS 801.125;

34 (f) A Class I all-terrain vehicle, as defined in ORS 801.190;

35 (g) A Class III all-terrain vehicle, as defined in ORS 801.194;

36 (h) A Class IV all-terrain vehicle, as defined in ORS 801.194 (2);

37 (i) A racing activity vehicle, as defined in ORS 801.404;

38 (j) A snowmobile, as defined in ORS 801.490;

39 (k) Tools, including but not limited to lawn mowers, leaf blowers and chain saws; or

40 (L) A watercraft.

41 **SECTION 4.** ORS 646.921 is amended to read:

42 646.921. (1) The State Department of Agriculture shall study and monitor biodiesel fuel pro-  
43 duction, use and sales and certificates of analysis in this state.

44 [(2) *When the capacity of biodiesel production facilities in Oregon reaches a level of at least 15*  
45 *million gallons on an annualized basis, the department shall notify all retail dealers, nonretail dealers*

1 *and wholesale dealers in this state that the capacity of biodiesel production facilities in Oregon has*  
 2 *reached a level of at least 15 million gallons on an annualized basis and that a retail dealer, nonretail*  
 3 *dealer or wholesale dealer may sell or offer for sale diesel fuel only as described in ORS 646.922 (2)*  
 4 *after the date that is two months after the date of the notice given by the department under this sub-*  
 5 *section.]*

6 **(2) By June 30 of each year, the department shall:**

7 **(a) Determine the commercial availability of biodiesel and other renewable diesel in this**  
 8 **state;**

9 **(b) Adopt a standard for the quality and percentage of biodiesel or other renewable diesel**  
 10 **by volume that diesel fuel must contain to be sold or offered for sale in this state during the**  
 11 **next calendar year; and**

12 **(c) Notify all retail dealers, nonretail dealers and wholesale dealers in this state:**

13 **(A) Of the annual standard adopted under this subsection; and**

14 **(B) That beginning on January 1 of the year following the date of the notice, a retail**  
 15 **dealer, nonretail dealer or wholesale dealer may sell or offer for sale diesel fuel only as de-**  
 16 **scribed in ORS 646.922.**

17 **(3) The annual standard adopted under subsection (2) of this section shall ensure com-**  
 18 **pliance with the standards adopted under ORS 646.922 and shall, to the extent feasible, pri-**  
 19 **oritize the use of commercially available biodiesel and other renewable diesels:**

20 **(a) With the lowest greenhouse gas emissions attributable to the fuels throughout their**  
 21 **lifecycles; and**

22 **(b) At a level that maximizes the use of biodiesel and other renewable diesels commer-**  
 23 **cially available in this state for the calendar year.**

24 *[(3)] (4) All retail dealers, nonretail dealers and wholesale dealers in Oregon are required to*  
 25 *provide, upon the request of the department, a certificate of analysis for biodiesel received.*

26 **SECTION 5. ORS 646.922 is amended to read:**

27 **646.922. (1) A retail dealer, nonretail dealer or wholesale dealer may not sell or offer for sale**  
 28 **diesel fuel unless the diesel fuel contains** *[at least two percent biodiesel by volume or other renewable*  
 29 *diesel with at least two percent renewable component by volume]* **the quality and percentage of**  
 30 **biodiesel or other renewable diesel by volume required by the State Department of Agricul-**  
 31 **ture pursuant to the department's annually adopted standard under ORS 646.921.**

32 *[(2) Two months after the date of the notice given under ORS 646.921 (2), a retail dealer, nonretail*  
 33 *dealer or wholesale dealer may not sell or offer for sale diesel fuel unless the diesel fuel contains at*  
 34 *least five percent biodiesel by volume or other renewable diesel with at least five percent renewable*  
 35 *component by volume. Diesel fuel that contains more than five percent biodiesel by volume or other*  
 36 *renewable diesel with more than five percent renewable component by volume must be labeled as the*  
 37 *State Department of Agriculture provides by rule.]*

38 *[(3)] (2) A retail dealer, nonretail dealer or wholesale dealer may sell or offer for sale diesel fuel*  
 39 *that otherwise meets the requirements of* *[subsections (1) and (2)]* **subsection (1)** *of this section and*  
 40 *rules adopted pursuant to ORS 646.957 but to which there have been added substances to prevent*  
 41 *congealing or gelling of diesel fuel containing biodiesel or other renewable diesel, without violating*  
 42 *the requirements of* *[subsections (1) and (2)]* **subsection (1)** *of this section and rules adopted pursu-*  
 43 *ant to ORS 646.957. This subsection applies only to diesel fuel sold or offered for sale during the*  
 44 *period from October 1 of any year to February 28 of the following year.*

45 *[(4)] (3) The department shall adopt standards, including labeling standards, for biodiesel or*

1 other renewable diesel sold in this state. The department shall consult the specifications established  
 2 for biodiesel or other renewable diesel by ASTM International in forming the department's stan-  
 3 dards. The department may review specifications adopted by ASTM International, or equivalent or-  
 4 ganizations, and revise the standards adopted pursuant to this subsection as necessary.

5 [(5)] (4) The minimum biodiesel fuel content and renewable component in other renewable diesel  
 6 requirements under [subsections (1) and (2)] **subsection (1)** of this section do not apply to diesel fuel  
 7 sold or offered for sale for use by:

8 (a) Railroad locomotives[.];

9 (b) Marine engines;

10 (c) **Motor vehicles that are not designed primarily to transport persons or property, that**  
 11 **are operated on highways only incidentally, and that are used primarily for construction**  
 12 **work;** or

13 (d) Home heating or to facilities that store more than 50 gallons of diesel fuel for use in emer-  
 14 gency power generation.

## 15 16 REDEDICATION OF CERTAIN PUBLIC PURPOSE CHARGE FUNDS

17  
18 **SECTION 6.** ORS 757.612 is amended to read:

19 757.612. (1) There is established an annual public purpose expenditure standard for electric  
 20 companies and Oregon Community Power to fund new cost-effective local energy conservation, new  
 21 market transformation efforts, the above-market costs of new renewable energy resources and new  
 22 low-income weatherization. The public purpose expenditure standard shall be funded by the public  
 23 purpose charge described in subsection (2) of this section.

24 (2)(a) Beginning on the date an electric company or Oregon Community Power offers direct ac-  
 25 cess to [its] retail electricity consumers, except residential electricity consumers, the electric com-  
 26 pany or Oregon Community Power shall collect a public purpose charge from all of the retail  
 27 electricity consumers located within [its] **the electric company's or Oregon Community Power's**  
 28 service area until January 1, 2026. Except as provided in paragraph (b) of this subsection, the public  
 29 purpose charge shall be equal to three percent of the total revenues collected by the electric com-  
 30 pany, Oregon Community Power or the electricity service supplier from [its] retail electricity con-  
 31 sumers for electricity services, distribution **services**, ancillary services, metering and billing,  
 32 transition charges and other types of costs included in electric rates on July 23, 1999.

33 (b) For an aluminum plant that averages more than 100 average megawatts of electricity use  
 34 per year, [beginning on March 1, 2002,] the electric company or Oregon Community Power [whose],  
 35 **whichever's** territory abuts the greatest percentage of the site of the aluminum plant, shall collect  
 36 from the aluminum company a public purpose charge equal to one percent of the total revenue from  
 37 the sale of electricity [services] to the aluminum plant [from any source].

38 (3)(a) The Public Utility Commission shall establish rules implementing the provisions of this  
 39 section relating to electric companies and Oregon Community Power.

40 (b) [Subject to paragraph (e)] **Except as provided in paragraph (d)(B)** of this subsection, funds  
 41 collected [by an electric company or Oregon Community Power] through public purpose charges **un-**  
 42 **der subsection (2) of this section** shall be allocated as follows:

43 (A) **Subject to paragraph (d)(B) of this subsection**, sixty-three percent for new cost-effective  
 44 **local energy** conservation[,] **and** new market transformation **efforts**.

45 (B) **Subject to paragraph (d)(B) of this subsection**, nineteen percent for the above-market

1 costs of constructing and operating new renewable energy [*resources*] **resource projects** with a  
2 nominal electric generating capacity, as defined in ORS 469.300, of 20 megawatts or less.

3 (C) Thirteen percent for new low-income weatherization.

4 (D) Five percent [*shall be transferred to*] **for deposit in** the Housing and Community Services  
5 Department Electricity Public Purpose Charge Fund established by ORS 456.587 (1) [*and used*] for  
6 the purpose of providing grants as described in ORS 458.625 (2).

7 (c) The costs of administering subsections (1) to (6) of this section for an electric company or  
8 Oregon Community Power shall be paid out of the funds collected through public purpose charges.  
9 The commission may require [*that*] an electric company or Oregon Community Power **to** direct funds  
10 collected through public purpose charges to [*the*] state agencies responsible for implementing sub-  
11 sections (1) to (6) of this section in order to pay the costs of [*administering such responsibilities*]  
12 **implementation.**

13 (d)(A) The commission shall direct the manner in which public purpose charges are collected  
14 and spent by an electric company or Oregon Community Power and may require an electric company  
15 or Oregon Community Power to expend funds through competitive bids or other means designed to  
16 encourage competition, except that funds dedicated for **new** low-income weatherization shall be di-  
17 rected to the Housing and Community Services Department as provided in subsection (7) of this  
18 section.

19 (B) [*The commission may also direct that*] **The commission also may require** funds collected  
20 [*by an electric company or Oregon Community Power*] through public purpose charges **to** be paid **by**  
21 **an electric company or Oregon Community Power:**

22 (i) To a nongovernmental entity for investment in public purposes described in subsection (1)  
23 of this section[.]; **and**

24 (ii) **Into the Carbon Reduction Technology Research and Development Fund established**  
25 **under section 8 of this 2015 Act.**

26 (C) **If the commission requires public purpose charges to be paid as described in subpar-**  
27 **agraph (B) of this paragraph, the commission shall require an electric company and Oregon**  
28 **Community Power to make payments in equal amounts to the nongovernmental entity and**  
29 **into the Carbon Reduction Technology Research and Development Fund established under**  
30 **section 8 of this 2015 Act.**

31 (D) [*Notwithstanding any other provision of this subsection:*] **Except as provided in paragraph**  
32 **(d)(B) and (C) of this subsection:**

33 [(A)] (i) At least 80 percent of the funds allocated for **new cost-effective local energy** conser-  
34 vation shall be spent within the service area of the electric company that collected the funds; or

35 [(B)] (ii) If Oregon Community Power collected the funds, at least 80 percent of the funds allo-  
36 cated for **new cost-effective local energy** conservation shall be spent within the service area of  
37 Oregon Community Power.

38 (e)(A) The first 10 percent of [*the*] funds collected [*annually*] **each year** by an electric company  
39 or Oregon Community Power under subsection (2) of this section shall be distributed to school dis-  
40 tricts that are located in the service territory of the electric company or Oregon Community Power.  
41 The funds shall be distributed to individual school districts according to the weighted average daily  
42 membership (ADMw) of each school district for the prior fiscal year as calculated under ORS  
43 327.013. The commission shall establish by rule a methodology for distributing a proportionate share  
44 of funds under this paragraph to school districts that are only partially located in the service ter-  
45 ritory of the electric company or Oregon Community Power.

1 (B) A school district that receives funds under this paragraph shall use the funds first to pay  
 2 for energy audits for schools located within the school district. A school district may not expend  
 3 additional funds received under this paragraph on a school [*facility*] until an energy audit has been  
 4 completed for that school [*facility*]. To the extent practicable, a school district shall coordinate with  
 5 the State Department of Energy and incorporate federal funding in complying with this paragraph.  
 6 Following completion of an energy audit for an individual school, the school district may expend  
 7 funds received under this paragraph to implement the energy audit. Once an energy audit has been  
 8 conducted and completely implemented for each school within the school district, the school district  
 9 may expend funds received under this paragraph for any of the following purposes:

10 (i) Conducting **additional** energy audits. A school district shall conduct an energy audit prior  
 11 to expending funds on any other purpose authorized under this paragraph unless the school district  
 12 has performed an energy audit within the three years immediately prior to receiving the funds.

13 (ii) [*Weatherization*] **Weatherizing school district facilities** and upgrading the energy effi-  
 14 ciency of school district facilities.

15 (iii) Energy conservation education programs.

16 (iv) Purchasing electricity from [*environmentally focused*] sources **that protect the environ-**  
 17 **ment.** [*and*]

18 (v) Investing in renewable energy resources.

19 (f) The commission may not establish a different public purpose charge than the public purpose  
 20 charge described in subsection (2) of this section.

21 (g) If the commission [*directs*] **requires** funds collected through public purpose charges to **be**  
 22 **paid to** a nongovernmental entity, the entity shall, **pursuant to an agreement entered into or**  
 23 **renewed between the commission and the entity:**

24 (A) Include on the entity's board of directors an ex officio member designated by the commis-  
 25 sion, who shall also serve on the entity's nominating committee for filling board vacancies.

26 (B) Require the entity's officers and directors to provide an annual disclosure of economic in-  
 27 terest to be filed with the commission on or prior to April 15 of each calendar year for public review  
 28 in a form similar to the statement of economic interest required for public officials under ORS  
 29 244.060.

30 (C) Require the entity's officers and directors to declare actual and potential conflicts of interest  
 31 at regular meetings of the entity's governing body when such conflicts arise, and require an officer  
 32 or director to abstain from participating in any discussion or [*vote*] **voting** on any item where that  
 33 officer or director has an actual conflict of interest. For the purposes of this subparagraph, "actual  
 34 conflict of interest" and "potential conflict of interest" have the meanings given those terms in ORS  
 35 244.020.

36 (D) **Annually**, arrange for an independent auditor to audit the entity's financial statements  
 37 [*annually*], and direct the auditor to file an audit opinion with the commission for public review.

38 (E) **Annually** file with the commission [*annually*] the entity's budget, action plan and quarterly  
 39 and annual reports for public review.

40 (F) At least once every five years, contract for an independent management evaluation to review  
 41 the entity's operations, efficiency and effectiveness, and direct the independent reviewer to file a  
 42 report with the commission for public review.

43 (h) The commission may remove from the board of directors of a nongovernmental entity an of-  
 44 ficer or director who fails to provide an annual disclosure of economic interest, or **who fails to**  
 45 declare **an** actual or potential conflict of interest, as described in paragraph (g)(B) and (C) of this

1 subsection, [*in connection with*] **if the failure is connected to** the allocation or expenditure of funds  
2 collected through public purpose charges and [*directed*] **paid** to the entity.

3 (4)(a) An electric company that satisfies its obligations under this section [*shall have*]:

4 (A) **Has** no further obligation to invest in **new cost-effective local energy** conservation, new  
5 market transformation or new low-income weatherization or to provide a commercial energy con-  
6 servation services program; and

7 (B) Is not subject to ORS 469.631 to 469.645 and 469.860 to 469.900.

8 (b) Oregon Community Power, for any period during which Oregon Community Power collects  
9 a public purpose charge under subsection (2) of this section:

10 (A) [*Shall have*] **Has** no [*other*] **further** obligation to invest in **new cost-effective local energy**  
11 conservation, new market transformation or new low-income weatherization or to provide a com-  
12 mercial energy conservation services program; and

13 (B) Is not subject to ORS 469.631 to 469.645 and 469.860 to 469.900.

14 (5)(a) A retail electricity consumer that uses more than one average megawatt of electricity at  
15 any site in the prior year shall receive a credit against public purpose charges billed by an electric  
16 company or Oregon Community Power for that site. The amount of the credit shall be equal to the  
17 total amount of qualifying expenditures for new **cost-effective local** energy conservation, not to  
18 exceed 68 percent of the annual public purpose charges, and the above-market costs [*of purchases*]  
19 of new renewable energy resources incurred by the retail electricity consumer, not to exceed 19  
20 percent of the annual public purpose charges, less administration costs incurred under this sub-  
21 section. The credit may not exceed, on an annual basis, the lesser of:

22 (A) The amount of the retail electricity consumer's qualifying expenditures; or

23 (B) The portion of the public purpose charge billed to the retail electricity consumer that is  
24 dedicated to new **cost-effective local** energy conservation, new market transformation or the  
25 above-market costs of new renewable energy resources.

26 (b) To obtain a credit under this subsection, a retail electricity consumer shall file with the  
27 State Department of Energy a description of the proposed conservation project or new renewable  
28 energy resource and a declaration that the retail electricity consumer plans to incur the qualifying  
29 expenditure. The State Department of Energy shall issue a notice of precertification within 30 days  
30 of receipt of the filing, if such filing is consistent with this subsection. The credit may be taken after  
31 a retail electricity consumer provides a letter from a certified public accountant to the State De-  
32 partment of Energy verifying that the precertified qualifying expenditure has been made.

33 (c) Credits earned by a retail electricity consumer as a result of qualifying expenditures that  
34 are not used in one year may be carried forward for use in subsequent years.

35 (d)(A) A retail electricity consumer that uses more than one average megawatt of electricity at  
36 any site in the prior year may request that the State Department of Energy hire an independent  
37 auditor to assess the potential for conservation investments at the site. If the independent auditor  
38 determines there is no available conservation measure at the site that would have a simple payback  
39 of one to 10 years, the retail electricity consumer shall be relieved of 54 percent of its payment  
40 obligation for public purpose charges related to the site. If the independent auditor determines that  
41 there are potential conservation measures available at the site, the retail electricity consumer shall  
42 be entitled to a credit against public purpose charges related to the site equal to 54 percent of the  
43 public purpose charges less the estimated cost of available conservation measures.

44 (B) A retail electricity consumer shall be entitled each year to the credit described in this sub-  
45 section unless a subsequent independent audit determines that new conservation investment oppor-



1 tunities are available. The State Department of Energy may require that a new independent audit  
 2 be performed on the site to determine whether new conservation measures are available, provided  
 3 that the independent audits *[shall]* occur no more than once every two years.

4 (C) The retail electricity consumer shall pay the cost of the independent audits described in this  
 5 subsection.

6 (6) Electric utilities and retail electricity consumers shall receive a fair and reasonable credit  
 7 for the public purpose expenditures of their energy suppliers. The State Department of Energy shall  
 8 adopt rules to determine eligible expenditures and the *[methodology]* **method** by which such credits  
 9 are accounted for and used. The *[rules]* **State Department of Energy** also shall adopt methods to  
 10 account for eligible public purpose expenditures made through consortia or collaborative projects.

11 (7)(a) In addition to the public purpose charge provided under subsection (2) of this section, an  
 12 electric company or Oregon Community Power shall collect funds for low-income electric bill pay-  
 13 ment assistance in an amount determined under paragraph (b) of this subsection.

14 (b) The commission shall establish the amount to be collected by each electric company in cal-  
 15 endar year 2008 from retail electricity consumers served by the company, and the rates to be  
 16 charged to retail electricity consumers served by the company, so that the total anticipated col-  
 17 lection for low-income electric bill payment assistance by all electric companies in **the** calendar  
 18 year 2008 is \$15 million. In **the** calendar year 2009 and subsequent calendar years, the commission  
 19 may not change the rates established for retail electricity consumers, but the total amount collected  
 20 in a calendar year for low-income electric bill payment assistance may vary based on electricity  
 21 usage by retail electricity consumers and changes in the number of retail electricity consumers in  
 22 this state. In no event shall a retail electricity consumer be required to pay more than \$500 per  
 23 month per site for low-income electric bill payment assistance.

24 (c) Funds collected *[by]* **through** the low-income electric bill payment assistance charge shall  
 25 be paid into the Housing and Community Services Department Low-Income Electric Bill Payment  
 26 Assistance Fund established by ORS 456.587 (2). Moneys deposited in the **Housing and Community**  
 27 **Services Department Low-Income Electric Bill Payment Assistance** Fund under this paragraph  
 28 shall be used by the Housing and Community Services Department **solely** for *[the purpose of*  
 29 *funding]* **purposes related to** low-income electric bill payment assistance*.] and for the Housing*  
 30 **and Community Services** Department's cost of administering this subsection. *[shall be paid out of*  
 31 *funds collected by the low-income electric bill payment assistance charge. Moneys deposited in the fund*  
 32 *under this paragraph shall be expended solely for low-income electric bill payment assistance.]* Funds  
 33 collected *[from]* **by** an electric company or Oregon Community Power **under this subsection** shall  
 34 be expended in the service area of the electric company or Oregon Community Power from which  
 35 the funds are collected.

36 (d)(A) The Housing and Community Services Department, in consultation with the advisory  
 37 committee on energy established by ORS 458.515, shall determine the manner in which funds col-  
 38 lected under this subsection will be allocated by the department to energy assistance program pro-  
 39 viders for the purpose of providing low-income bill payment *[and crisis]* assistance.

40 (B) The **Housing and Community Services** Department, **in consultation with electric com-**  
 41 **panies**, shall investigate and may implement alternative delivery models specified by the advisory  
 42 committee on energy*[, in consultation with electric companies,]* to effectively reduce service discon-  
 43 nections and related costs to retail electricity consumers and electric utilities.

44 (C) Priority assistance shall be directed to low-income electricity consumers who are in danger  
 45 of having their electricity service disconnected.

1 (D) The **Housing and Community Services** Department shall maintain records and provide  
 2 those records upon request to an electric company, Oregon Community Power and the Citizens'  
 3 Utility Board established under ORS chapter 774 on a quarterly basis. Records maintained must  
 4 include the numbers of low-income electricity consumers served, the average amounts paid to **low-**  
 5 **income electricity consumers** and the type of assistance provided to **low-income electricity**  
 6 **consumers**. Electric companies and Oregon Community Power shall, if requested, provide the  
 7 **Housing and Community Services** Department with aggregate data relating to consumers served  
 8 on a quarterly basis to support program development.

9 (e) Interest on moneys deposited in the Housing and Community Services Department Low-  
 10 Income Electric Bill Payment Assistance Fund established by ORS 456.587 (2) may be used to pro-  
 11 vide bill payment [*and crisis*] assistance to electricity consumers whose primary source of heat is  
 12 not electricity.

13 (f) Notwithstanding ORS 757.310, the commission may allow an electric company or Oregon  
 14 Community Power to provide reduced rates or other payment [*or crisis*] assistance or low-income  
 15 program assistance to a low-income household eligible for assistance under the federal Low Income  
 16 Home Energy Assistance Act of 1981, as amended and in effect on July 23, 1999.

17 (8) For purposes of this section, "retail electricity consumers" includes any direct service in-  
 18 dustrial consumer that purchases electricity without purchasing distribution services from the elec-  
 19 tric utility.

20 (9) For purposes of this section, [*amounts*] **funds** collected by Oregon Community Power through  
 21 public purpose charges are not considered moneys received from electric utility operations.

22 **SECTION 7. (1) The Higher Education Coordinating Commission shall develop, maintain**  
 23 **and manage a consortium created for the purpose of promoting and advancing research and**  
 24 **development of carbon reduction technologies related to transportation fuels.**

25 **(2) The consortium shall be composed of representatives from each of the following:**

26 **(a) The University of Oregon.**

27 **(b) Portland State University.**

28 **(c) Oregon State University.**

29 **(3) Members of the consortium shall:**

30 **(a) Establish a grant program and select qualified applicants to receive grants from funds**  
 31 **available in the Carbon Reduction Technology Research and Development Fund established**  
 32 **under section 8 of this 2015 Act;**

33 **(b) Make grants for the purpose of facilitating research and development of carbon re-**  
 34 **duction technologies related to transportation fuels; and**

35 **(c) Facilitate programs at the member universities for research and development of**  
 36 **carbon reduction technologies related to transportation fuels.**

37 **(3) The commission may adopt rules to implement this section.**

38 **SECTION 8. (1) The Carbon Reduction Technology Research and Development Fund is**  
 39 **established in the State Treasury, separate and distinct from the General Fund. Interest**  
 40 **earned by the Carbon Reduction Technology Research and Development Fund shall be cred-**  
 41 **ited to the fund. The purpose of the fund is to facilitate the research and development of**  
 42 **carbon reduction technology related to transportation fuels.**

43 **(2) Moneys in the Carbon Reduction Technology Research and Development Fund are**  
 44 **continuously appropriated to the Higher Education Coordinating Commission for use by the**  
 45 **consortium established under section 7 of this 2015 Act.**

1           **SECTION 9.** The amendments to ORS 757.612 by section 6 of this 2015 Act apply to re-  
2 revenues collected by electric companies, Oregon Community Power and electricity service  
3 suppliers on and after the effective date of this 2015 Act.

4

5

**CAPTIONS**

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7           **SECTION 10.** The unit captions used in this 2015 Act are provided only for the conven-  
8 ience of the reader and do not become part of the statutory law of this state or express any  
9 legislative intent in the enactment of this 2015 Act.

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