

**PROPOSED AMENDMENTS TO
SENATE BILL 477**

1 On page 1 of the printed bill, line 2, after “energy” insert a period and
2 delete the rest of the line and delete line 3.

3 Delete lines 5 through 30 and delete pages 2 through 5 and insert:

4 **“SECTION 1. (1) As used in this section:**

5 **“(a) ‘Allocation of electricity’ means the resources used to provide**
6 **electricity supply, and the costs and benefits of providing electricity**
7 **supply, that are assigned by an electric company to customers located**
8 **in this state for the purpose of setting electricity rates.**

9 **“(b) ‘Clean energy replacement portfolio’ means a portfolio of**
10 **supply-side and demand-side resources that is included as part of a**
11 **least-cost, least-risk plan to eliminate all coal-fired resources from an**
12 **electric company’s electricity supply.**

13 **“(c) ‘Coal-fired resource’ means a facility that uses coal-fired units,**
14 **or that uses units fired in whole or in part by coal-fired feedstock, to**
15 **generate electricity.**

16 **“(d) ‘Electric company’ has the meaning given that term in ORS**
17 **757.600.**

18 **“(e) ‘Electricity supply’ means all energy, capacity and other ser-**
19 **vices supplied to customers and included in the electricity rates of**
20 **customers.**

21 **“(2) Except as provided in subsections (6) and (7) of this section, an**
22 **electric company shall, on or before January 1, 2025:**

1 “(a) Eliminate, except as part of a market purchase of unspecified
2 power, all coal-fired resources from the electric company’s electricity
3 supply; and

4 “(b) Replace the coal-fired resources required to be eliminated un-
5 der this subsection with energy procured pursuant to a clean energy
6 replacement portfolio.

7 “(3)(a) Except as provided in subsection (6) of this section, the
8 Public Utility Commission shall require an electric company to develop
9 a least-cost, least-risk plan to implement the requirements of sub-
10 section (2) of this section. To facilitate the development of the plan,
11 the commission shall:

12 “(A) Identify the amount of incremental energy and capacity re-
13 quired to serve electric company customers located in this state after
14 all coal-fired resources have been eliminated as required by subsection
15 (2) of this section, recognizing that the amount of incremental energy
16 and capacity may be less than the amount of the energy and capacity
17 procured through the coal-fired resources to be eliminated; and

18 “(B) Subject to subsection (4) of this section, establish guidelines
19 for the procurement of energy pursuant to a clean energy replacement
20 portfolio.

21 “(b) The commission shall require the least-cost, least-risk plan
22 developed pursuant to this subsection to be submitted to the commis-
23 sion as part of any process that the commission establishes and con-
24 siders an appropriate process for evaluating the information or by any
25 other process that the commission establishes by rule or order.

26 “(4) A clean energy replacement portfolio must be designed to:

27 “(a) Physically deliver to the electric company an average amount
28 of energy per year that is equal to or greater than the amount of in-
29 cremental energy identified under subsection (3)(a) of this section,
30 except that the electric company may first reduce the amount of in-

1 **cremental energy by applying annual energy savings that are addi-**
2 **tional to savings achieved from cost-effective measures implemented**
3 **pursuant to ORS 757.612 and 757.689;**

4 **“(b) Produce an annual average of 90 percent less emissions of**
5 **greenhouse gases than the average annual greenhouse gas emissions**
6 **from the coal-fired resources required to be eliminated under sub-**
7 **section (2) of this section, with the average annual greenhouse gas**
8 **emissions from the coal-fired resources to be calculated on the basis**
9 **of the coal-fired resources’ three highest-emission years during the 10**
10 **years preceding the date on which the least-cost, least-risk plan is**
11 **submitted to the commission under subsection (3) of this section; and**

12 **“(c) Include, if there is no difference in terms of price or reliability**
13 **among supply-side resources, a preference for supply-side resources**
14 **that are located in this state or that allow electricity to be transmitted**
15 **to this state on a real-time basis without shaping, storage or inte-**
16 **gration services.**

17 **“(5) The commission shall determine the supply-side and demand-**
18 **side resources that are eligible for inclusion in a clean energy re-**
19 **placement portfolio, subject to the following conditions:**

20 **“(a) Supply-side and demand-side resources that contributed to the**
21 **electric company’s electricity supply before the effective date of this**
22 **2015 Act are not eligible for inclusion in the clean energy replacement**
23 **portfolio, regardless of whether the resources were used to serve cus-**
24 **tomers located in other states;**

25 **“(b) An electric company must use renewable energy certificates to**
26 **comply with ORS 469A.052 or otherwise retire renewable energy cer-**
27 **tificates associated with the procurement of energy from renewable**
28 **energy resources included in the clean energy replacement portfolio**
29 **during the year in which the energy is generated;**

30 **“(c) Demand-side resources eligible for the clean energy replace-**

1 ment portfolio must be in addition to cost-effective measures imple-
2 mented pursuant to ORS 757.612 and 757.689; and

3 “(d) Until January 1, 2032, the commission may allow a clean energy
4 replacement portfolio to include market purchases of unspecified
5 power pursuant to a contract less than five years in duration without
6 considering the greenhouse gas emissions associated with those pur-
7 chases as part of the annual average of greenhouse gas emissions re-
8 quired by subsection (4)(b) of this section.

9 “(6) This section:

10 “(a) Applies only to the allocation of electricity to electric company
11 customers located in this state;

12 “(b) Does not apply to electricity from a qualifying facility under
13 the federal Public Utility Regulatory Policies Act of 1978, 16 U.S.C. 2601
14 to 2645; and

15 “(c) Does not apply to coal-fired resources that, on or before Janu-
16 ary 1, 2025, are subject to an enforceable agreement to cease coal-fired
17 operations on or before January 1, 2030.

18 “(7) If the commission determines, after considering the extent to
19 which a clean energy replacement portfolio mitigates risks associated
20 with existing and future environmental regulations, that complying
21 with subsection (2) of this section would cause an unreasonable rate
22 increase for electric company customers in any given year, the com-
23 mission may permit an electric company to comply with subsection (2)
24 of this section in accordance with an alternative timeline, provided
25 that the commission phases in compliance between January 1, 2025,
26 and January 1, 2030.”.

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