

**PROPOSED AMENDMENTS TO
HOUSE BILL 2193**

1 On page 1 of the printed bill, delete lines 4 through 29 and delete pages
2 2 and 3 and insert:

3 **“SECTION 1. As used in sections 1 to 3 of this 2015 Act:**

4 **“(1) ‘Electric company’ means an electric company, as defined in**
5 **ORS 757.600, that makes sales of electricity to retail electricity con-**
6 **sumers in an amount that equals three percent or more of all elec-**
7 **tricity sold to retail electricity consumers.**

8 **“(2) ‘Energy storage system’ means commercially available tech-**
9 **nology that is capable of retaining energy, storing the energy for a**
10 **period of time and transmitting the energy after storage.**

11 **“(3)(a) ‘Procure’ means to acquire by ownership a qualifying energy**
12 **storage system or to acquire by contract the right to use the capacity**
13 **of or the energy transmitted by a qualifying energy storage system.**

14 **“(b) ‘Procure’ includes the acquisition of ancillary services that are**
15 **related to an acquisition described in paragraph (a) of this subsection.**

16 **“(4) ‘Qualifying energy storage system’ means an energy storage**
17 **system included in a project that the Public Utility Commission au-**
18 **thorizes for development under section 3 of this 2015 Act.**

19 **“(5) ‘Retail electricity consumer’ means a retail electricity con-**
20 **sumer, as defined in ORS 757.600, that is located in this state.**

21 **“SECTION 2. (1) If authorized under section 3 (3) of this 2015 Act,**
22 **an electric company shall procure, on or before January 1, 2020, as**

1 part of a project described in section 3 of this 2015 Act, one or more
2 qualifying energy storage systems that have the capacity to store at
3 least five megawatts of electricity.

4 “(2)(a) The total capacity of qualifying energy storage systems pro-
5 cured under this section by any one electric company may not exceed
6 one percent of the electric company’s peak load for the year 2014.

7 “(b) The Public Utility Commission may waive the limit described
8 in paragraph (a) of this subsection if the commission determines, in
9 consultation with the State Department of Energy, that a qualifying
10 energy storage system is of statewide significance and one or more
11 public utilities, as defined in ORS 757.005, or consumer-owned utilities,
12 as defined in ORS 757.600, participates in procuring the qualifying en-
13 ergy storage system and shares the costs and benefits associated with
14 procuring the qualifying energy storage system.

15 “(3) An electric company may recover in the electric company’s
16 rates all costs prudently incurred by the electric company in procuring
17 one or more qualifying energy storage systems under this section, in-
18 cluding any above-market costs associated with procurement.

19 “SECTION 3. (1) Not later than January 1, 2017, the Public Utility
20 Commission shall by rule or order adopt guidelines for an electric
21 company to use in submitting a proposal under subsection (2) of this
22 section. In developing the guidelines, the commission shall:

23 “(a) Examine the potential value of applying energy storage system
24 technology, including:

25 “(A) Deferred investment in generation, transmission or distrib-
26 ution of electricity;

27 “(B) Reduced peak demand for electricity;

28 “(C) Improved integration of different types of renewable resources;

29 “(D) Reduced greenhouse gas emissions;

30 “(E) Improved reliability of electrical transmission or distribution

1 systems; or

2 “(F) Any other value reasonably related to the application of energy
3 storage system technology.

4 “(b) Consider ways in which to encourage electric companies to in-
5 vest in different types of energy storage systems.

6 “(c) Consider any other factor reasonably related to the procure-
7 ment of qualifying energy storage systems.

8 “(2)(a) Not later than January 1, 2018, an electric company shall
9 submit one or more proposals to the commission for developing a
10 project that includes one or more energy storage systems.

11 “(b) Each proposal submitted under this subsection must include
12 an evaluation of the potential to store energy in the electric
13 company’s electric system, including an analysis of:

14 “(A) The electric company’s current operations and the electric
15 company’s electric system data, including customer-side data, distrib-
16 ution data, transmission data and data related to existing energy
17 storage systems, including any energy storage system developed as
18 part of a pilot or demonstration project. The analysis shall be used to
19 identify areas in the electric company’s electric system where there
20 may be opportunities to incentivize the value potentially derived from
21 energy storage systems.

22 “(B) The effect of an energy storage system on any plan previously
23 submitted to the commission in which the electric company has pro-
24 posed an integrated, least-cost combination of resources to meet the
25 expected needs of the electric company’s customers.

26 “(c) Each proposal submitted under this subsection also must in-
27 clude a description of each proposed project. The description must in-
28 clude:

29 “(A) Technical specifications for each project, including:

30 “(i) The capacity of the project to store energy;

1 “(ii) The location of the project;

2 “(iii) A description of the electric company’s electric system needs
3 and the application that the energy storage system will fulfill as the
4 basis for the project;

5 “(iv) A description of the technology necessary to construct, oper-
6 ate and maintain the project, including a description of any data or
7 communication system necessary to operate the project;

8 “(v) A description of the types of services that the electric company
9 expects the project to provide upon completion;

10 “(vi) An analysis of the risk that the electric company will not be
11 able to complete the project; and

12 “(vii) Any other reasonable technical specification required by the
13 commission pursuant to the guidelines adopted under subsection (1)
14 of this section.

15 “(B) The estimated cost of each project, including:

16 “(i) The estimated capital cost of the project;

17 “(ii) The estimated output cost of the project; and

18 “(iii) The amount of grant moneys available to offset the cost of the
19 project.

20 “(C) The benefits of each project to the electric company’s electric
21 system, including:

22 “(i) Projected in-state benefits to the electric system;

23 “(ii) Projected regional benefits to the electric system; and

24 “(iii) The potential benefits to the electric company’s entire electric
25 system if the electric company installs the energy storage system
26 technology that is the basis for the project system-wide.

27 “(D) An evaluation of the cost-effectiveness of each project, con-
28 ducted in a manner established by the commission by rule or order.

29 “(3)(a) The commission shall consider each proposal submitted un-
30 der subsection (2) of this section and evaluate each proposal to deter-

1 mine whether the proposal:

2 “(A) Is consistent with the guidelines adopted under subsection (1)
3 of this section;

4 “(B) Reasonably balances the value for ratepayers and utility oper-
5 ations that is potentially derived from the application of energy stor-
6 age system technology and the costs of construction, operation and
7 maintenance of energy storage systems; and

8 “(C) Is in the public interest.

9 “(b) After considering the factors described in paragraph (a) of this
10 subsection, the commission may authorize an electric company to de-
11 velop one or more projects that include one or more qualifying energy
12 storage systems.

13 “(4) If authorized to develop a project under subsection (3) of this
14 section, an electric company shall develop the project in accordance
15 with any competitive bidding guidelines prescribed by the commission.

16 “SECTION 4. In the manner required by ORS 192.245, the Public
17 Utility Commission shall report on the implementation of sections 1,
18 2 and 3 of this 2015 Act to the interim committees of the Legislative
19 Assembly related to energy:

20 “(1) On or before September 15, 2016;

21 “(2) On or before September 15, 2017; and

22 “(3) On or before September 15, 2018.

23 “SECTION 5. This 2015 Act being necessary for the immediate
24 preservation of the public peace, health and safety, an emergency is
25 declared to exist, and this 2015 Act takes effect on its passage.”.

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