

**PROPOSED AMENDMENTS TO  
HOUSE BILL 2193**

1 On page 1 of the printed bill, line 2, delete “; and declaring an  
2 emergency”.

3 Delete lines 4 through 29 and delete pages 2 and 3 and insert:

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

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

9 **“(2) ‘Energy storage system’ means a technology that is capable of**  
10 **retaining energy, storing the energy for a period of time and delivering**  
11 **the energy after storage to retail consumers.**

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

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

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

19 **“SECTION 2. (1) If authorized under section 3 (3) of this 2015 Act,**  
20 **an electric company shall procure, on or before January 1, 2020, as**  
21 **part of a project described in section 3 of this 2015 Act, one or more**  
22 **energy storage systems that have the capacity to store at least five**

1 megawatt-hours of electricity.

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

6 **“SECTION 3. (1) The Public Utility Commission shall by rule adopt**  
7 **guidelines for an electric company to use in submitting a proposal**  
8 **under subsection (2) of this section. In developing the guidelines, the**  
9 **commission shall:**

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

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

14 “(B) Reduced need for additional generation of electricity during  
15 times of peak demand;

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

17 “(D) Reduced greenhouse gas emissions;

18 “(E) Improved reliability of electrical transmission or distribution  
19 systems;

20 “(F) Reduced portfolio variable power costs; or

21 “(G) Any other value reasonably related to the application of energy  
22 storage system technology.

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

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

27 “(2)(a) An electric company may submit one or more proposals to  
28 the commission for developing a project that includes one or more  
29 energy storage systems.

30 “(b) Each proposal submitted under this subsection must include

1 an evaluation of the potential to store energy in the electric  
2 company's electric system, including an analysis of:

3 “(A) The types and sizes of energy storage technologies and energy  
4 storage systems that meet the requirements developed under sub-  
5 section (1)(a) of this section.

6 “(B) How the addition of an energy storage system would comple-  
7 ment proposed actions submitted pursuant to any plan submitted to  
8 the commission in which the electric company has proposed an inte-  
9 grated, least-cost combination of resources to meet the expected needs  
10 of the electric company's customers.

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

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

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

16 “(ii) The location of the project;

17 “(iii) A description of the electric company's electric system needs  
18 and the application that the energy storage system will fulfill as the  
19 basis for the project;

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

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

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

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

30 “(B) The estimated capital cost and ongoing operating and mainte-

1 nance costs of each project, including:

2 “(i) The estimated cost of stored energy from the project;

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

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

6 “(C) The benefits of each project to the electric company’s electric  
7 system.

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

10 “(3)(a) The commission shall consider each proposal submitted un-  
11 der subsection (2) of this section and evaluate each proposal to deter-  
12 mine whether the proposal:

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

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

19 “(C) Is in the public interest.

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

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