

Comparison Matrix of Elements of HB 4036 to Proposed Ballot Measures

POLICY ELEMENT	BALLOT MEASURES (IPS 63,64,72 AND 73)	HB 4036	COMMENTS
Coal Transition	2030 or current end of depreciation life, whichever is earlier.	2030 (Up to five years later for PGE's share of the Colstrip plant).	Legislation gives greater flexibility to use power from facilities past depreciation date, resulting in significant cost savings and increases in system planning and investment flexibility over the ballot measure.
Renewable Portfolio Standard	<p>Applies to IOUs and COUs that provide 3% or greater of Oregon's retail electricity sales.</p> <p>Targets by Date: 2020 - 22% 2025 - 30% 2030 - 40% 2035 - 45% 2040 - 50%</p>	<p>Applies to IOUs that provide 3% or greater of Oregon's retail electricity sales, currently only to PGE and Pacific Power.</p> <p>Targets by Date: 2025 - 27% 2030 - 35% 2035 - 45% 2040 - 50%</p>	Legislation better aligns renewable requirements with anticipated utility resource needs. PGE and Pacific Power will need new generation between now and 2040, some motivated by retirement of assets. Sets preference for new generation to be qualifying renewable resources. Backloads the dates for RPS stair steps, providing more flexibility to achieve targets at a lower cost.

POLICY ELEMENT	BALLOT MEASURES (IPS 63,64,72 AND 73)	HB 4036	COMMENTS
Renewable Energy Certificate Accounting and REC Compliance Life	After passage of Measure, new RECs limited to 3 years. No expressed change to current REC bank but continuation of "first in, first out" requirement effectively places new limits on use of current bank of RECs and diminishes their value.	After passage of Act, new RECs limited to 5 years. No change to the unlimited life of existing banked RECs; "first in, first out" is repealed. Creates incentive for early investment in new resources. New projects on line by Dec. 31, 2022 generate RECs with unlimited lives for their first 5 years in service.	The ballot measure would have destroyed significant customer value of the current REC banks of all utilities statewide. The legislation protects customer value by leaving consumer owned utility customers unaffected and making sure IOU customers can use all RECs they paid for to-date. Repeal of "first in, first out" provides additional flexibility in managing compliance costs.
Reliability	None	OPUC may temporarily exempt IOU from RPS compliance if compliance conflicts with North American Energy Reliability Corporation (NERC) reliability standards. If exempted, IOU to file progress report and may file for extension.	The ballot measures have no language to give a 'safety valve' for the utilities if complying with this act could impact the reliability of the grid. This measure is another customer protection provided by the legislation that is not provided by the ballot measures.
Consumer Protection (Other than REC compliance life and accounting)	No additional protections provided.	Existing provisions unchanged, but additional linkage to integrated resource plan process provided for creation of implementation plans.	Existing cost protections include: <ul style="list-style-type: none"> • 4% cost cap • Alternative compliance payment • Non-displacement of current resources • No requirement for procurement beyond load Linkage to IRP ensures that resources used to meet RPS will be acquired in least-cost, least-risk manner.

POLICY ELEMENT	BALLOT MEASURES (IPS 63,64,72 AND 73)	HB 4036	COMMENTS
Rate-Smoothing Mechanism and Production Tax Credit Tracker	None	Allows utility to specify timing and potential phase-in of RPS-related costs; annually adjusts federal PTC between forecast credits and actual wind production.	The smoothing mechanism allows the utility to better time new resource costs to coincide with anticipated cost decreases and therefore limit rate impacts; prevents over or under collection of PTCs in rates.
Renewable Energy Credit Definition	Codifies ODOE rule-based definition in statute.	No statutory inclusion of a definition of REC.	The impact of including this language in statute would have been to remove potential least-cost options for Clean Power Plan compliance. Legislation maintains flexibility to find the lowest cost path forward for Oregon in meeting new federal carbon obligations.
Community Solar Program (Initiative Petition 72 only)	<p>By 2018, OPUC to adopt permanent rules mandating community solar program. 15% of program capacity provided to and used by low income customers, defined as at or below 60% of area median income, as determined by State Housing Council using federal data.</p> <p>No discussion of amount of energy utilities must procure from community solar projects or limits increases in such amount.</p>	<p>By 2017, OPUC to adopt rules establishing a community solar program.</p> <p>15% of program capacity made available for use by low income customers to be defined in a commission process.</p> <p>Establishes that Commission determines amount of energy utilities must procure from community solar projects and limits increases in such amount.</p>	The legislation includes the community solar program, consistent with the recommendations made by the OPUC to the legislature as provided by UM 1746.

POLICY ELEMENT	BALLOT MEASURES (IPS 63,64,72 AND 73)	HB 4036	COMMENTS
Energy Efficiency (Initiative Petition 73 only)	<p>Only addresses energy conservation standards in the state building code. Directs Director of the Department of Consumer and Business Services to require updates to these standards in the code to ensure a 65% reduction in the annual net energy consumption of newly constructed buildings by 2032.</p>	<p>Articulates state policy for energy efficiency and demand response programs. Sets standards for electric companies servicing customers in Oregon that govern their investments in energy efficiency and demand response resources.</p>	<p>Consistent with current, long-term utility resource planning practices, energy efficiency and then demand response must “come first” before building additional resources and IOUs must plan for and procure energy efficiency. The ballot measures do not address these issues in any programmatic fashion.</p>
Level-playing Field and Customer Cost-shifting Provisions	<p>None</p>	<p>Energy Service Suppliers must serve retail load on same supply basis as IOUs. In cases of non-consensual service territory acquisition (e.g. eminent domain actions), requires acquiring utility to serve retail load on same supply basis as IOUs.</p>	<p>Continues and updates current law regarding provision of retail service by ESS companies and increased renewable energy procurement requirement in cases of hostile takeover of a large RPS category utility.</p>

POLICY ELEMENT	BALLOT MEASURES (IPS 63,64,72 AND 73)	HB4036	COMMENTS
Solar Capacity Standard	None	Repeals requirements for investor owned utilities to install utility scale solar up to 5MW in size.	The legislation repeals the solar capacity mandate that was nearly subscribed and is no longer necessary in light of the increased RPS targets and the high likelihood of future solar development to meet the increased RPS targets. New utility scale solar projects are often larger than 5MW in size. Repeal of requirement retains the 2:1 RECs provided for in the original legislation for already installed facilities.
Electric Vehicles	None	By September 30, 2016, OPUC to initiate proceeding to allow for electric vehicle programs / investments	This provision responds to concerns that private charging market has proven difficult as a standalone business venture and that charging infrastructure may provide utility benefits to all customers. Requires prudence for investment recovery and other showings in filings made by utilities with commission.

Contacts:

Annette Price, Pacific Power - (971) 284-6996

Varner Seaman, Portland General Electric - (503) 201-0021