

**REVENUE IMPACT OF  
PROPOSED LEGISLATION  
78th Oregon Legislative Assembly  
2016 Regular Session  
Legislative Revenue Office**

<b>Bill Number:</b>	<b>HB 4036 - A</b>
<b>Revenue Area:</b>	<b>Electric Rates</b>
<b>Economist:</b>	<b>Mazen Malik</b>
<b>Date:</b>	<b>02-11-2016</b>

***Only Impacts on Original or Engrossed  
Versions are Considered Official***

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**The revenue impact of this measure is indeterminate for the following reasons:**

- The measure is a comprehensive bill that touches on numerous aspects of regulation of electrical utilities. The bill requires each electric company located in Oregon to eliminate coal-fired resources from its electricity supply, and Increases IOU RPS requirement to 50 percent by 2040. The Public Utility Commission through the regulation of rates allows the utilities to recover costs. Those rates and operating fee assessments will additionally cover stranded costs obligation associated with condemnation of or transaction related to service territory or property of electric company. Additionally, the Commission is to allow cost recovery for early RPS investments, variable cost recovery, and a public bidding process for procurement of renewable energy generating facility. This is including value of long-term access and use of facility beyond time at which facility is fully depreciated.
- Directs Commission to establish means by which electric company may track, and credit or charge customers for, difference between state or federal production tax credits included in rates charged by electric company and actual production tax credits received by electric company.
- Requires each electric company to file applications with Commission for programs to accelerate "transportation electrification". The measure also allows return of and return on investment made by electric company for purposes of the programs. Furthermore the effect of "transportation electrification" program on the gas tax revenue is not clear.
- There are different issues around Renewable Energy Credits, low-income, resource value of solar, and rates. However, it directs the PUC to report on the program before July 2019.

More frequent reports on the different programs will be needed to track the various elements.