

Fiscal: Fiscal impact issued

Revenue: No revenue impact, statement issued (Indeterminate Impact)

Action Date: 02/25/16

Action: Do Pass With Amendments To The A-Eng Bill. (Printed B-Eng.)

Meeting Dates: 02/25

Vote:

Yeas: 7 - Barnhart, Gilliam, Hoyle, Huffman, Rayfield, Smith Warner, Williamson

Nays: 2 - Kennemer, Wilson

Prepared By: Erin Seiler, Committee Administrator

WHAT THE MEASURE DOES:

Clarifies that term “public utility” does not include people’s utility districts or electric cooperatives for the purpose of regulation by Oregon Public Utility Commission (PUC). Requires electric company providing electricity to retail consumers located in Oregon to eliminate coal-fired resources from the electric company’s electricity supply on or before January 1, 2030.

Revises large utility renewable portfolio standard (RPS) to require that at least 27 percent of electricity sold in years 2025 - 2029 be qualifying electricity generated from a renewable energy source, at least 35 percent of electricity sold in years 2030-2034 be qualifying electricity generated from a renewable energy source, at least 45 percent of electricity sold in years 2035-2039 be qualifying electricity generated from a renewable energy source and at least 50 percent of electricity sold in 2040 and beyond be qualifying electricity generated from a renewable energy source. Revises how renewable energy certificates may be banked and used by electric companies. Allows as qualifying electricity the use of electricity from a generating facility using biomass or direct combustion of municipal solid waste.

Revises provisions regarding RPS requirements for utility acquiring another utility's service territory without consent. Directs the PUC to establish a stranded costs obligation associated with condemnation of, or transaction related to, service territory or property of an electric company. Authorizes PUC to investigate if RPS compliance is likely to result in conflict or compromises to obligation to comply with North American Electric Reliability Corporation standards or compromises the integrity of the electric company’s system. Directs that by year 2025, eight percent of the aggregate electrical capacity of all electric companies that make sales of electricity to 25,000 or more consumers in this state must be composed of one or both of (1) small scale renewable energy projects with generating capacity of 20 megawatts or less or (2) generating facilities that generate thermal energy for a secondary purpose.

Directs each public utility to annually forecast the projected state and federal production tax credits received due to variable electrical production and directs PUC to allow forecasts to be included in rates.

Makes legislative findings regarding energy efficiency. Directs energy companies to plan for and pursue all available energy efficiency resources that are cost-effective, reliable and feasible and, as directed by PUC, plan for and pursue acquisition of cost-effective demand response resources.

Requires each electric company to file applications with the Commission for programs to accelerate transportation electrification by December 31, 2016. Allows the return of, and return on investment made by, an electric company for purposes of the programs.

Defines “community solar project.” Directs PUC to adopt rules for the implementation of a community solar program and require each electric company to implement such a program. Establishes required elements of program rules. Directs PUC to

report to interim legislative committees on program on or before July 1, 2019. Repeals minimum solar energy capacity standard for electric companies.

On or after January 1, 2020, directs PUC to investigate and report to Legislature the impact of changes to RPS on rates, greenhouse gas emissions, electrical system reliability and operations, allocation of risk between customers and companies, eligibility and timing of cost recovery for the generation of qualifying electricity, and the resource procurement process. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Provisions of measure
- History of renewable portfolio standard

EFFECT OF COMMITTEE AMENDMENT:

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Revises provisions regarding RPS requirements for utility acquiring another utility's service territory without consent. Directs the Public Utility Commission (PUC) to establish a stranded costs obligation associated with condemnation of, or transaction related to, service territory or property of an electric company. Authorizes PUC to investigate if RPS compliance is likely to result in conflict or compromises to obligation to comply with North American Electric Reliability Corporation standards or compromises the integrity of the electric company's system. Directs that by year 2025, eight percent of the aggregate electrical capacity of all electric companies that make sales of electricity to 25,000 or more consumers in this state must be composed of one or both of (1) small scale renewable energy projects with generating capacity of 20 megawatts or less or (2) generating facilities that generate thermal energy for a secondary purpose.

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BACKGROUND:

The Oregon Renewable Portfolio Standard (RPS) was enacted in 2007 through Senate Bill 838. The bill directed Oregon utilities to meet a percentage of their retail electricity needs with qualified renewable resources. For Oregon's three largest utilities (Portland General Electric, PacifiCorp, and the Eugene Water and Electric Board), the standard starts at 5 percent in 2011, increases to 15 percent in 2015, 20 percent in 2020, and 25 percent in 2025. Other electric utilities in the state, depending on size, have standards of 5 or 10 percent in 2025.

The Public Utility Commission (PUC) regulates customer rates and services of the state's investor-owned electric, natural gas and telephone utilities, as well as certain water companies. The PUC does not regulate consumer-owned utilities, such as people's utility districts and rural electric cooperatives.