

STAFF MEASURE SUMMARY

Senate Committee On Business and Transportation

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

Action Date: 02/22/16
Action: Do Pass With Amendments To The A-Eng Bill. (Printed B-Eng.)
Meeting Dates: 02/17, 02/22
Vote:
 Yeas: 3 - Beyer, Monroe, Riley
 Nays: 2 - Girod, Thomsen

Prepared By: Patrick Brennan, Committee Administrator

WHAT THE MEASURE DOES:

Requires each electric company providing electricity to retail consumers located in Oregon to eliminate coal-fired resources from the electric company's electricity supply. Modifies compliance requirements for renewable portfolio standards and makes other changes to provisions setting forth renewable portfolio standards. Directs the Public Utility Commission to establish a stranded costs obligation associated with condemnation of, or transaction related to, service territory or property of an electric company. Directs the Commission to allow, in a public bidding process for procurement of a renewable energy generating facility, the inclusion of value of long-term access to and use of the facility beyond the time at which the facility is fully depreciated. Directs the Commission to establish the means by which an electric company may track and credit or charge customers for the difference between state or federal production tax credits included in rates charged by the electric company and the actual production tax credits received by the electric company. Requires each electric company to file applications with the Commission for programs to accelerate transportation electrification. Allows the return of, and return on investment made by, an electric company for purposes of the programs. Directs the Commission to establish a program for creation of community solar projects. Repeals minimum solar energy capacity standard for electric companies. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Pending closure of Boardman coal power plant
- Potential ballot initiatives
- Oregon's targets for electricity generated by renewable sources
- Provisions of committee amendment
- State and regional strategies for reducing carbon emissions from electricity generation
- Concern about impact of carbon reduction on ratepayers
- Methodology for calculating social and environmental costs of carbon emissions
- Process and funding for decommissioning of solar and wind power generation facilities
- Hydroelectric and hydrogen power generation
- Operating costs for fuel-driven electricity generation compared to renewable electricity generation
- Whether Oregon can or should be a leader in moving away from coal

EFFECT OF COMMITTEE AMENDMENT:

Clarifies language related to Commission's ratemaking authority. Updates definitions. Requires Commission rules to encourage diverse ownership of renewable energy sources. Reduces cost cap from four percent to three percent. Modifies provisions related to applicability of renewable portfolio standard to territory acquired by an electric utility. Adds provision for consideration of possible compromise of a company's electrical system with regard to renewable portfolio standard requirement. Postpones eight-percent requirement for community-based renewable energy projects from 2025 to 2035 and adds allowance for thermal energy generation facilities. Modifies reporting requirements.

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.

House Bill 4036-B requires electric companies to eliminate coal-fired resources from their electricity supply on or before January 1, 2030, revises the state's renewable portfolio standard, and creates a community solar program.