

SENATE AMENDMENTS TO A-ENGROSSED HOUSE BILL 4036

By COMMITTEE ON BUSINESS AND TRANSPORTATION

February 29

1 On page 1 of the printed A-engrossed bill, line 2, after “469A.005,” insert “469A.020,”.
2 In line 3, after “469A.075,” insert “469A.100,” and after “469A.145” insert “, 469A.210”.
3 Delete lines 6 through 18 and delete pages 2 through 18 and insert:
4

“ELIMINATION OF COAL FROM ELECTRICITY SUPPLY

5
6
7 “**SECTION 1.** (1) As used in this section:

8 “(a) ‘Allocation of electricity’ means, for the purpose of setting electricity rates, the
9 costs and benefits associated with the resources used to provide electricity to an electric
10 company’s retail electricity consumers that are located in this state.

11 “(b)(A) ‘Coal-fired resource’ means a facility that uses coal-fired generating units, or that
12 uses units fired in whole or in part by coal as feedstock, to generate electricity.

13 “(B) ‘Coal-fired resource’ does not include a facility generating electricity that is included
14 as part of a limited duration wholesale power purchase made by an electric company for
15 immediate delivery to retail electricity consumers that are located in this state for which the
16 source of the power is not known.

17 “(c) ‘Electric company’ has the meaning given that term in ORS 757.600.

18 “(d) ‘Retail electricity consumer’ has the meaning given that term in ORS 757.600.

19 “(2) On or before January 1, 2030, an electric company shall eliminate coal-fired re-
20 sources from its allocation of electricity.

21 “(3)(a) The Public Utility Commission shall adjust any schedule of depreciation approved
22 by the commission for an electric company’s coal-fired resource if:

23 “(A) The electric company holds a minority ownership share in only one coal-fired re-
24 source, with no more than four generating units; and

25 “(B) The electric company serves at least 800,000 retail electricity consumers and only
26 retail electricity consumers that are located in this state.

27 “(b) The adjusted depreciation schedule described in paragraph (a) of this subsection
28 must require the coal-fired resource described in paragraph (a)(A) of this subsection to be
29 fully depreciated on or before December 31, 2030.

30 “(4) Notwithstanding subsections (2) and (3) of this section, for the number of years re-
31 quested by the electric company, not to exceed five years after the coal-fired resource is fully
32 depreciated, the commission shall authorize an electric company described in subsection (3)
33 of this section to include in the company’s allocation of electricity the costs and benefits
34 associated with the coal-fired resource described in subsection (3)(a)(A) of this section if:

35 “(a) The electric company requests the commission to authorize the allocation of elec-

1 tricity; or

2 “(b) The owners of the coal-fired resource agree to close the coal-fired resource on or
3 before the date that is five years after the date the coal-fired resource is fully depreciated.

4 “(5) Notwithstanding ORS 757.355, this section does not prevent the full recovery of
5 prudently incurred costs related to the decommissioning or remediation of a coal-fired re-
6 source or the closure of a coal-fired resource, at the time those costs are incurred.

7 “**SECTION 2.** (1) As used in this section:

8 “(a) ‘Coal-fired resource’ has the meaning given that term in section 1 of this 2016 Act.

9 “(b) ‘Electric company’ has the meaning given that term in ORS 757.600.

10 “(2) The Public Utility Commission may exclude from rates all or any portion of:

11 “(a) The costs of an investment made by an electric company in coal-fired resources be-
12 fore January 1, 2030; and

13 “(b) The costs of complying with any state law or rule or federal law or regulation asso-
14 ciated with a coal-fired resource that is owned or operated by an electric company.

15
16 “AMENDMENTS TO STATUTES REGULATING
17 RENEWABLE PORTFOLIO STANDARDS

18 “(Definitions)

19
20 “**SECTION 3.** ORS 469A.005 is amended to read:

21 “469A.005. As used in ORS 469A.005 to 469A.210:

22 “(1) ‘Acquires service territory’ does not include an acquisition by a city of a facility,
23 plant, equipment or service territory within the boundaries of the city, pursuant to ORS
24 225.020 or city charter, if the city:

25 “(a) Already owns, controls or operates an electric light and power system for supplying
26 electricity to the inhabitants of the city and for general municipal purposes;

27 “(b) Provides fair, just and reasonable compensation to the electric company whose ser-
28 vice territory is acquired that:

29 “(A) Gives consideration for the cost of the facility, plant, equipment or service territory
30 acquired and for depreciation, fair market value, reproduction cost and any other relevant
31 factor; and

32 “(B) Is based on the present value of the facility, plant, equipment or service territory
33 acquired, including the value of poles, wires, transformers and similar and related appliances
34 necessarily required to provide electric service; and

35 “(c) Pays any stranded costs obligation established pursuant to section 18 of this 2016
36 Act.

37 “[1] (2) ‘Banked renewable energy certificate’ means a bundled or unbundled renewable energy
38 certificate that is not used by an electric utility or electricity service supplier to comply with a
39 renewable portfolio standard in a calendar year, and that is carried forward for the purpose of
40 compliance with a renewable portfolio standard in a subsequent year.

41 “[2] (3) ‘BPA electricity’ means electricity provided by the Bonneville Power Administration,
42 including [all] electricity [from] **generated by** the Federal Columbia River Power System hydro-
43 electric projects and [other] electricity acquired by the Bonneville Power Administration by con-
44 tract.

45 “[3] (4) ‘Bundled renewable energy certificate’ means a renewable energy certificate for quali-

1 fying electricity that is acquired:

2 “(a) By an electric utility or electricity service supplier by a trade, purchase or other transfer
3 of electricity that includes the **renewable energy** certificate that was issued for the electricity; or

4 “(b) By an electric utility by generation of the electricity for which the **renewable energy**
5 certificate was issued.

6 “[~~(4)~~] **(5)** ‘Compliance year’ means the calendar year for which the electric utility or electricity
7 service supplier seeks to establish compliance with the renewable portfolio standard applicable to
8 the **electric** utility or **electricity service** supplier in the compliance report submitted under ORS
9 469A.170.

10 “[~~(5)~~] **(6)** ‘Consumer-owned utility’ means a municipal electric utility, a people’s utility district
11 organized under ORS chapter 261 that sells electricity or an electric cooperative organized under
12 ORS chapter 62.

13 “**(7) ‘Distribution utility’ has the meaning given that term in ORS 757.600.**

14 “[~~(6)~~] **(8)** ‘Electric company’ has the meaning given that term in ORS 757.600.

15 “[~~(7)~~] **(9)** ‘Electric utility’ has the meaning given that term in ORS 757.600.

16 “[~~(8)~~] **(10)** ‘Electricity service supplier’ has the meaning given that term in ORS 757.600.

17 “[~~(9)~~] **(11)** ‘Qualifying electricity’ means electricity described in ORS 469A.010.

18 “[~~(10)~~] **(12)** ‘Renewable energy source’ means a source of electricity described in ORS 469A.025.

19 “[~~(11)~~] **(13)** ‘Retail electricity consumer’ means a retail electricity consumer, as defined in ORS
20 757.600, that is located in Oregon.

21 “[~~(12)~~] **(14)** ‘Unbundled renewable energy certificate’ means a renewable energy certificate for
22 qualifying electricity that is acquired by an electric utility or electricity service supplier by trade,
23 purchase or other transfer without acquiring the electricity [*for which the*] **that is associated with**
24 **the renewable energy** certificate [*was issued*].

25
26 **“(Qualifying Electricity)”**
27

28 “**SECTION 4.** ORS 469A.020 is amended to read:

29 “469A.020. (1) Except as provided in this section, electricity may be used to comply with a
30 renewable portfolio standard only if the electricity is generated by a facility that becomes opera-
31 tional on or after January 1, 1995.

32 “(2) Electricity from a generating facility, other than a hydroelectric facility, that became op-
33 erational before January 1, 1995, may be used to comply with a renewable portfolio standard if the
34 electricity is attributable to capacity or efficiency upgrades made on or after January 1, 1995.

35 “(3) Electricity from a hydroelectric facility that became operational before January 1, 1995,
36 may be used to comply with a renewable portfolio standard if the electricity is attributable to effi-
37 ciency upgrades made on or after January 1, 1995. If an efficiency upgrade is made to a Bonneville
38 Power Administration facility, only that portion of the electricity generation attributable to
39 Oregon’s share of the electricity may be used to comply with a renewable portfolio standard.

40 “(4) Subject to the limit imposed by ORS 469A.025 (5), electricity from a hydroelectric facility
41 that became operational before January 1, 1995, may be used to comply with a renewable portfolio
42 standard if the facility is certified as a low-impact hydroelectric facility on or after January 1, 1995,
43 by a national certification organization recognized by the State Department of Energy by rule, and
44 if the facility is either:

45 “(a) Owned by an electric utility; or

1 “(b) Not owned by an electric utility and located in Oregon and licensed by the Federal Energy
2 Regulatory Commission under the Federal Power Act, 16 U.S.C. 791a et seq., or exempt from such
3 license.

4 “[5)(a)] (5) Electricity from a generating facility located in this state that uses biomass and that
5 became operational before January 1, 1995, may be used to comply with a renewable portfolio
6 standard if the facility meets the requirements of the federal Public Utility Regulatory Policies Act
7 of 1978 (P.L. 95-617) on March 4, 2010, [*regardless of whether the facility qualifies under the re-*
8 *quirements of the Public Utility Commission.*]

9 “[b) Renewable energy certificates derived from electricity generated by a facility that qualifies
10 under paragraph (a) of this subsection may not be used to comply with a renewable portfolio standard
11 before January 1, 2026. However, renewable energy certificates issued before January 1, 2026, may be
12 banked pursuant to ORS 469A.005 to 469A.210 for use on or after January 1, 2026.]

13 “(6) A facility located in this state that generates electricity from direct combustion of municip-
14 al solid waste and that became operational before January 1, 1995, may be used to comply with a
15 renewable portfolio standard for up to 11 average megawatts of electricity generated per calendar
16 year. [*Renewable energy certificates derived from electricity generated by a facility described in this*
17 *subsection may not be used to comply with a renewable portfolio standard before January 1, 2026.*
18 *However, renewable energy certificates issued before January 1, 2026, may be banked pursuant to ORS*
19 *469A.005 to 469A.210 for use on or after January 1, 2026.*]

20
21 “(Compliance Requirements for
22 Renewable Portfolio Standard)
23

24 “**SECTION 5.** ORS 469A.052 is amended to read:

25 “469A.052. (1) The large utility renewable portfolio standard imposes the following requirements
26 on an electric utility that makes sales of electricity to retail electricity consumers in an amount that
27 equals three percent or more of all electricity sold to retail electricity consumers:

28 “(a) At least five percent of the electricity sold by the **electric** utility to retail electricity con-
29 sumers in each of the calendar years 2011, 2012, 2013 and 2014 must be qualifying electricity;

30 “(b) At least 15 percent of the electricity sold by the **electric** utility to retail electricity con-
31 sumers in each of the calendar years 2015, 2016, 2017, 2018 and 2019 must be qualifying electricity;

32 “(c) At least 20 percent of the electricity sold by the **electric** utility to retail electricity con-
33 sumers in each of the calendar years 2020, 2021, 2022, 2023 and 2024 must be qualifying electricity;

34 [*and*]

35 “(d) **At least 25 percent of the electricity sold by a consumer-owned utility to retail**
36 **electricity consumers in the calendar year 2025 and subsequent calendar years must be**
37 **qualifying electricity;**

38 “[d)] (e) At least [25] 27 percent of the electricity sold by [*the utility to retail electricity con-*
39 *sumers in calendar year 2025 and subsequent calendar years must be qualifying electricity.*] **an elec-**
40 **tric company to retail electricity consumers in each of the calendar years 2025, 2026, 2027,**
41 **2028 and 2029 must be qualifying electricity;**

42 “(f) **At least 35 percent of the electricity sold by an electric company to retail electricity**
43 **consumers in each of the calendar years 2030, 2031, 2032, 2033 and 2034 must be qualifying**
44 **electricity;**

45 “(g) **At least 45 percent of the electricity sold by an electric company to retail electricity**

1 consumers in each of the calendar years 2035, 2036, 2037, 2038 and 2039 must be qualifying
2 electricity; and

3 “(h) At least 50 percent of the electricity sold by an electric company to retail electricity
4 consumers in the calendar year 2040 and subsequent calendar years must be qualifying elec-
5 tricity.

6 “(2) If, on June 6, 2007, an electric utility makes sales of electricity to retail electricity con-
7 sumers in an amount that equals less than three percent of all electricity sold to retail electricity
8 consumers, but in any three consecutive calendar years thereafter makes sales of electricity to retail
9 electricity consumers in amounts that average three percent or more of all electricity sold to retail
10 electricity consumers, the **electric** utility is subject to the renewable portfolio standard described
11 in subsection (3) of this section. The **electric** utility becomes subject to the **renewable portfolio**
12 standard described in subsection (3) of this section in the calendar year following the three-year
13 period during which the **electric** utility makes sales of electricity to retail electricity consumers in
14 amounts that average three percent or more of all electricity sold to retail electricity consumers.

15 “(3) An electric utility described in subsection (2) of this section must comply with the following
16 renewable portfolio standard:

17 “(a) Beginning in the fourth calendar year after the calendar year in which the **electric** utility
18 becomes subject to the **renewable portfolio** standard described in this subsection, at least five
19 percent of the electricity sold by the **electric** utility to retail electricity consumers in a calendar
20 year must be qualifying electricity;

21 “(b) Beginning in the 10th calendar year after the calendar year in which the **electric** utility
22 becomes subject to the **renewable portfolio** standard described in this subsection, at least 15 per-
23 cent of the electricity sold by the **electric** utility to retail electricity consumers in a calendar year
24 must be qualifying electricity;

25 “(c) Beginning in the 15th calendar year after the calendar year in which the **electric** utility
26 becomes subject to the **renewable portfolio** standard described in this subsection, at least 20 per-
27 cent of the electricity sold by the **electric** utility to retail electricity consumers in a calendar year
28 must be qualifying electricity; and

29 “(d) Beginning in the 20th calendar year after the calendar year in which the **electric** utility
30 becomes subject to the **renewable portfolio** standard described in this subsection, at least 25 per-
31 cent of the electricity sold by the **electric** utility to retail electricity consumers in a calendar year
32 must be qualifying electricity.

33 “**SECTION 6.** ORS 469A.075 is amended to read:

34 “469A.075. (1) An electric company that is subject to a renewable portfolio standard shall de-
35 velop an implementation plan for meeting the requirements of the **renewable portfolio** standard and
36 file the **implementation** plan with the Public Utility Commission. Implementation plans must be
37 revised and updated at least once every two years.

38 “(2) **At a minimum**, an implementation plan must [*at a minimum*] contain:

39 “(a) Annual targets for acquisition and use of qualifying electricity; and

40 “(b) The estimated cost of meeting the annual targets, including the cost of transmission, the
41 cost of firming, shaping and integrating qualifying electricity, the cost of alternative compliance
42 payments and the cost of acquiring renewable energy certificates.

43 “(3) The commission shall acknowledge [*the*] **an** implementation plan no later than six months
44 after the **implementation** plan is filed with the commission. The commission may acknowledge the
45 **implementation** plan subject to conditions specified by the commission.

1 “(4) The commission shall adopt rules:

2 “(a) Establishing requirements for the content of implementation plans;

3 “(b) Establishing the procedure for acknowledgment of implementation plans under this section,
4 including provisions for public comment; [and]

5 “(c) Providing for the integration of [*the*] **an** implementation plan with the integrated resource
6 planning guidelines established by the commission [*and in effect on June 6, 2007.*] **for the purpose**
7 **of planning for the least-cost, least-risk acquisition of resources; and**

8 “**(d) Encouraging, through competitive bidding processes, diverse ownership of renewable**
9 **energy sources that generate qualifying electricity.**

10 “(5) [*The*] **An** implementation plan filed under this section may include procedures that will be
11 used by the electric company to determine whether the costs of constructing a facility that gener-
12 ates electricity from a renewable energy source, or the costs of acquiring bundled or unbundled
13 renewable energy certificates, are consistent with the **renewable portfolio** standards of the com-
14 mission relating to least-cost, least-risk planning for acquisition of resources.

15
16 “**(Limits on Cost of Compliance with**
17 **Renewable Portfolio Standard)**
18

19 “**SECTION 7.** ORS 469A.100 is amended to read:

20 “469A.100. (1) Electric utilities are not required to comply with a renewable portfolio standard
21 during a compliance year to the extent that the incremental cost of compliance, the cost of unbun-
22 dled renewable energy certificates and the cost of alternative compliance payments under ORS
23 469A.180 exceeds [*four*] **three** percent of the **electric** utility’s annual revenue requirement for the
24 compliance year.

25 “(2) For each electric company, the Public Utility Commission shall establish the annual revenue
26 requirement for a compliance year no later than January 1 of the compliance year. **For each**
27 **consumer-owned utility**, the governing body of [*a*] **the** consumer-owned utility shall establish the
28 annual revenue requirement for [*the consumer-owned utility*] **a compliance year.**

29 “(3) The annual revenue requirement for an electric utility shall be calculated based only on the
30 operations of the **electric** utility relating to electricity. The annual revenue requirement does not
31 include any amount expended by the **electric** utility for energy efficiency programs for customers
32 of the **electric** utility or for low income energy assistance, the incremental cost of compliance with
33 a renewable portfolio standard, the cost of unbundled renewable energy certificates or the cost of
34 alternative compliance payments under ORS 469A.180. The annual revenue requirement does in-
35 clude:

36 “(a) [*All*] **The** operating expenses of the **electric** utility during the compliance year, including
37 depreciation and taxes; and

38 “(b) For electric companies, an amount equal to the total rate base of the **electric** company for
39 the compliance year multiplied by the rate of return established by the commission for debt and
40 equity of the **electric** company.

41 “(4) For the purposes of this section, the incremental cost of compliance with a renewable
42 portfolio standard is the difference between the levelized annual delivered cost of the qualifying
43 electricity and the levelized annual delivered cost of an equivalent amount of reasonably available
44 electricity that is not qualifying electricity. For the purpose of this subsection, the commission or
45 **the** governing body of a consumer-owned utility shall use the net present value of delivered cost,

1 including:

2 “(a) Capital, operating and maintenance costs of generating facilities;

3 “(b) Financing costs attributable to capital, operating and maintenance expenditures for gener-
4 ating facilities;

5 “(c) Transmission and substation costs;

6 “(d) Load following and ancillary services costs; and

7 “(e) Costs associated with using other assets, physical or financial, to integrate, firm or shape
8 renewable energy sources on a firm annual basis to meet retail electricity needs.

9 “(5) For the purposes of this section, the governing body of a consumer-owned utility may in-
10 clude in the incremental cost of compliance with a renewable portfolio standard all expenses asso-
11 ciated with research, development and demonstration projects related to the generation of qualifying
12 electricity by the consumer-owned utility.

13 “(6) The commission shall establish limits on the incremental cost of compliance with the
14 renewable portfolio standard for electricity service suppliers under ORS 469A.065 that are the
15 equivalent of the cost limits applicable to the electric companies that serve the territories in which
16 the electricity service supplier sells electricity to retail electricity consumers. If an electricity ser-
17 vice supplier sells electricity in territories served by more than one electric company, the commis-
18 sion may provide for an aggregate cost limit based on the amount of electricity sold by the
19 electricity service supplier in each territory. Pursuant to ORS 757.676, a consumer-owned utility may
20 establish limits on the cost of compliance with the renewable portfolio standard for electricity ser-
21 vice suppliers that sell electricity in the territory served by the consumer-owned utility.

22
23 “(Acquisition of Electric Company
24 Service Territory)
25

26 “**SECTION 8.** ORS 469A.055 is amended to read:

27 “469A.055. (1) Except as provided in this section, an electric utility that makes sales of elec-
28 tricity to retail electricity consumers in an amount that equals less than three percent of all elec-
29 tricity sold to retail electricity consumers is not subject to ORS 469A.005 to 469A.210.

30 “(2) Beginning in calendar year 2025, at least five percent of the electricity sold to retail elec-
31 tricity consumers in a calendar year by an electric utility must be qualifying electricity if the elec-
32 tric utility makes sales of electricity to retail electricity consumers in an amount that equals less
33 than one and one-half percent of all electricity sold to retail electricity consumers.

34 “(3) Beginning in calendar year 2025, at least 10 percent of the electricity sold to retail elec-
35 tricity consumers in a calendar year by an electric utility must be qualifying electricity if the elec-
36 tric utility makes sales of electricity to retail electricity consumers in an amount that equals or is
37 more than one and one-half percent, and less than three percent, of all electricity sold to retail
38 electricity consumers.

39 “(4) The exemption provided by subsection (1) of this section terminates if an electric utility,
40 or a joint operating entity that includes the **electric** utility as a member, acquires electricity from
41 an electricity generating facility that uses coal as an energy source or makes an investment on or
42 after June 6, 2007, in an electricity generating facility that uses coal as an energy source. **Begin-**
43 **ning in the calendar year following the year in which an electric utility’s exemption termi-**
44 **nates under this subsection, the electric utility is subject to the renewable portfolio standard**
45 **described in ORS 469A.052 (3) and the provisions of ORS 469A.005 to 469A.210 that apply to**

1 **ORS 469A.052 (3).** This subsection does not apply to:

2 “(a) A wholesale market purchase by an electric utility for which the energy source for the
3 electricity is not known;

4 “(b) BPA electricity;

5 “(c) Acquisition of electricity under a contract entered into before June 6, 2007;

6 “(d) A renewal or replacement contract for a contract for purchase of electricity described in
7 paragraph (c) of this subsection;

8 “(e) A purchase of electricity if the electricity is included in a contract for the purchase of
9 qualifying electricity and is necessary to shape, firm or integrate the qualifying electricity;

10 “(f) Electricity provided to an electric utility under a contract for the acquisition of an interest
11 in an electricity generating facility that was entered into by the **electric** utility before June 6, 2007,
12 or entered into before June 6, 2007, by an electric cooperative organized under ORS chapter 62 of
13 which the electric utility is a member, without regard to whether the electricity is being used to
14 serve the load of the electric utility on June 6, 2007; or

15 “(g) Investments in an electricity generating facility that uses coal as an energy source if the
16 investments are for the purpose of improving the facility’s pollution mitigation equipment or the
17 facility’s efficiency or are necessary to comply with requirements or standards imposed by govern-
18 mental entities.

19 “(5)(a) The exemption provided by subsection (1) of this section terminates for a consumer-
20 owned utility if [*at any time after June 6, 2007,*] the **consumer-owned** utility acquires service terri-
21 tory of an electric company without the consent of the electric company. **Except as provided in**
22 **paragraph (b) of this subsection, beginning in the calendar year following the year in which**
23 **a consumer-owned utility’s exemption terminates under this subsection, the consumer-owned**
24 **utility is subject to the renewable portfolio standard described in ORS 469A.052 (3) and the**
25 **provisions of ORS 469A.005 to 469A.210 that apply to ORS 469A.052 (3).**

26 “(b) **If a consumer-owned utility acquires service territory of an electric company with-**
27 **out the consent of the electric company, then beginning in the calendar year following the**
28 **acquisition, the percentage of the consumer-owned utility’s electricity sold to all retail elec-**
29 **tricity consumers of the consumer-owned utility that is sold to retail electricity consumers**
30 **that are located in the acquired service territory is subject to the renewable portfolio**
31 **standard that is applicable to the electric company from which service territory was acquired**
32 **and the provisions of ORS 469A.005 to 469A.210 that apply to the renewable portfolio stand-**
33 **ard.**

34 “(6) **The provisions of subsection (5) of this section do not authorize the acquisition by**
35 **a municipal electric utility of service territory of a people’s utility district organized under**
36 **ORS chapter 261.**

37 “[*(6) Beginning in the calendar year following the year in which an electric utility’s exemption*
38 *terminates under subsection (4) or (5) of this section, the utility is subject to the renewable portfolio*
39 *standard described in ORS 469A.052 (3) and related provisions of ORS 469A.005 to 469A.210.*]

40 “(7) The provisions of this section do not affect the requirement that electric utilities offer a
41 green power rate under ORS 469A.205.

42
43 “(Electricity Service Suppliers)

44
45 “**SECTION 9.** ORS 469A.135 is amended to read:

1 “469A.135. (1) A bundled renewable energy certificate may be used to comply with a renewable
2 portfolio standard if:

3 “(a) The facility that generates the qualifying electricity for which the **bundled renewable en-**
4 **ergy** certificate is issued is located in the United States and within the geographic boundary of the
5 Western Electricity Coordinating Council; and

6 “(b) The qualifying electricity for which the **bundled renewable energy** certificate is issued is
7 delivered to:

8 “(A) The Bonneville Power Administration[, *to*];

9 “(B) The transmission system of an electric utility [*or to another*];

10 “(C) A delivery point designated by [*an*] **the** electric utility for the purpose of subsequent de-
11 livery to the electric utility; **or**

12 “(D) **A delivery point mutually agreed to by a distribution utility and an electricity ser-**
13 **vice supplier for the purpose of subsequent delivery to the distribution utility serving the**
14 **customer of the electricity service supplier.**

15 “(2) An unbundled renewable energy certificate may be used to comply with a renewable port-
16 folio standard if the facility that generates the qualifying electricity [*for*] **with** which the **unbundled**
17 **renewable energy** certificate is [*issued*] **associated** is located within the geographic boundary of
18 the Western Electricity Coordinating Council.

19 “(3) Renewable energy certificates issued for any electricity that the Bonneville Power Admin-
20 istration has designated as environmentally preferred power, or has given a similar designation for
21 electricity generated from a renewable resource, may be used to comply with a renewable portfolio
22 standard without regard to the location of the generating facility.

23 “(4) **This section does not affect the obligations or requirements:**

24 “(a) **Imposed under or agreed to in a contract with a distribution utility;**

25 “(b) **Imposed under tariff schedules approved by the Public Utility Commission;**

26 “(c) **Imposed under an approved open access transmission tariff; or**

27 “(d) **Imposed under rules adopted by the commission under ORS 757.600 to 757.689.**

28 “**SECTION 10.** ORS 469A.145 is amended to read:

29 “469A.145. (1) Except as otherwise provided in this section, unbundled renewable energy certif-
30 icates, including banked unbundled renewable energy certificates, may not be used to meet more
31 than 20 percent of the requirements of the large utility renewable portfolio standard described in
32 ORS 469A.052 for any compliance year.

33 “(2) The limitation imposed by subsection (1) of this section does not apply to **unbundled**
34 **renewable energy certificates** [*issued for*] **associated with** electricity generated in [*Oregon*] **this**
35 **state** from a renewable energy source by a net metering facility, as defined in ORS 757.300, or an-
36 other generating facility that is not directly connected to a distribution or transmission system.

37 “(3) The limitation imposed by subsection (1) of this section does not apply to **unbundled**
38 **renewable energy certificates** [*issued for*] **associated with** electricity generated in [*Oregon*] **this**
39 **state** by a qualifying facility under ORS 758.505 to 758.555.

40 “(4) The limitation imposed by subsection (1) of this section does not apply to an electricity
41 service supplier **for purposes of meeting the renewable portfolio standard described in ORS**
42 **469A.065 during compliance years before 2021.**

43
44 “(Recovery of Costs for Complying
45 with Renewable Portfolio Standard)

1 “**SECTION 11.** ORS 469A.120 is amended to read:

2 “469A.120. (1) Except as provided in ORS 469A.180 (5), all prudently incurred costs associated
3 with [*compliance with a renewable portfolio standard*] **complying with ORS 469A.005 to 469A.210**
4 are recoverable in the rates of an electric company, including interconnection costs, costs associated
5 with using physical or financial assets to integrate, firm or shape renewable energy sources on a
6 firm annual basis to meet retail electricity needs, above-market costs and other costs associated
7 with transmission and delivery of qualifying electricity to retail electricity consumers.

8 “(2)(a) The Public Utility Commission shall establish an automatic adjustment clause as defined
9 in ORS 757.210 or another method that allows timely recovery of costs prudently incurred by an
10 electric company to construct or otherwise acquire facilities that generate electricity from
11 renewable energy sources [*and for*], **costs related to** associated electricity transmission **and costs**
12 **related to associated energy storage.**

13 “(b) Notwithstanding any other provision of law, upon the request of any interested person the
14 commission shall conduct a proceeding to establish the terms of the automatic adjustment clause
15 or other method for timely recovery of costs. The commission shall provide parties to the proceeding
16 with the procedural rights described in ORS 756.500 to 756.610, including but not limited to the op-
17 portunity to develop an evidentiary record, conduct discovery, introduce evidence, conduct cross-
18 examination and submit written briefs and oral argument. The commission shall issue a written
19 order with findings on the evidentiary record developed in the proceeding.

20 “(3)(a) An electric company must file with the commission for approval of a proposed rate
21 change to recover costs under the terms of an automatic adjustment clause or other method for
22 timely recovery of costs established under subsection (2) of this section. **As part of an electric**
23 **company’s request for approval under this subsection, the electric company may specify the**
24 **date or the dates on which the electric company will begin to include in the electric**
25 **company’s rates, in full or in part, the costs recoverable under subsection (2) of this section.**
26 **The commission may accept or reject the date or dates specified by the electric company.**

27 “(b) [*Notwithstanding any other provision of law,*] Upon the request of any interested person the
28 commission shall conduct a proceeding to determine whether to approve a proposed change in rates
29 under the automatic adjustment clause or other method for timely recovery of costs. The commission
30 shall provide parties to the proceeding with the procedural rights described in ORS 756.500 to
31 756.610, including but not limited to the opportunity to develop an evidentiary record, conduct dis-
32 covery, introduce evidence, conduct cross-examination and submit written briefs and oral argument.
33 The commission shall issue a written order with findings on the evidentiary record developed in the
34 proceeding.

35 “(c) A filing made under this subsection is subject to the commission’s authority under ORS
36 757.215 to suspend a rate, or schedule of rates, for investigation.

37
38 “(Exemption for Purposes of Meeting
39 Reliability Standards of North American
40 Electric Reliability Corporation)
41

42 “**SECTION 12.** Section 13 of this 2016 Act is added to and made a part of ORS 469A.005
43 to 469A.210.

44 “**SECTION 13.** (1) Upon its own motion or at the request of an electric company, the
45 Public Utility Commission may open an investigation to determine whether an electric

1 company's compliance with one or more of the requirements of ORS 469A.052 is likely to
2 result in conflicts with or compromises to the electric company's obligation to comply with
3 the mandatory and enforceable reliability standards of the North American Electric Reli-
4 ability Corporation, or compromises to the integrity of the electric company's electrical
5 system. An electric company making a request under this subsection must submit an appli-
6 cation to the commission that includes:

7 "(a) An explanation of the reliability or integrity issue and how a temporary exemption
8 from complying with one or more of the requirements of ORS 469A.052 will avoid the reli-
9 ability or integrity issue; and

10 "(b) A plan to achieve full compliance with the requirements of ORS 469A.052.

11 "(2) In applying for a temporary exemption under this section, an electric company has
12 the burden of demonstrating that compliance with one or more of the requirements of ORS
13 469A.052 is likely to result in:

14 "(a) Conflicts with or compromises to the electric company's obligation to comply with
15 the mandatory and enforceable reliability standards of the North American Electric Reli-
16 ability Corporation; or

17 "(b) Compromises to the integrity of the electric company's electrical system.

18 "(3) If the commission determines under this section that compliance with one or more
19 of the requirements of ORS 469A.052 is likely to result in conflicts with or compromises to
20 an electric company's obligation to comply with the mandatory and enforceable reliability
21 standards of the North American Electric Reliability Corporation, or compromises to the
22 integrity of the electric company's electrical system, the commission shall issue an order:

23 "(a) Notwithstanding ORS 469A.052, temporarily exempting the electric company from
24 one or more of the requirements of ORS 469A.052 for an amount of time sufficient to allow
25 the electric company to achieve full compliance with the requirements of ORS 469A.052;

26 "(b) Directing the electric company to file a progress report on achieving full compliance
27 with the requirements of ORS 469A.052 within six months after issuing the order, or within
28 an amount of time determined to be reasonable by the commission; and

29 "(c) Directing the electric company to take specific actions to achieve full compliance
30 with the requirements of ORS 469A.052.

31 "(4) An electric company may request an extension of a temporary exemption granted
32 under this section.

33 "(5) This section does not permanently relieve an electric company of its obligation to
34 comply with the requirements of ORS 469A.052.

35
36 "(Small-Scale Community-Based
37 Renewable Energy Projects)
38

39 "**SECTION 14.** ORS 469A.210 is amended to read:

40 "469A.210. (1) The Legislative Assembly finds that community-based renewable energy projects,
41 including but not limited to marine renewable energy resources that are either developed in ac-
42 cordance with the Territorial Sea Plan adopted pursuant to ORS 196.471 or located on structures
43 adjacent to the coastal shorelands, are an essential element of [Oregon's] **this state's** energy
44 future[, and declares that it is the goal of the State of Oregon that].

45 "(2) For purposes related to the findings in subsection (1) of this section, by 2035, [by

1 2025] at least eight percent of [Oregon's] **the** retail electrical load [comes] **of an electric company**
2 **must come** from:

3 “(a) Small-scale renewable energy projects [with]:

4 “(A) **That are interconnected with a transmission or distribution system located in this**
5 **state; and**

6 “(B) **That have** a generating capacity of 20 megawatts or less.

7 “(b) **Any generating facility described in ORS 469A.020 (5) that generates thermal energy**
8 **for a secondary purpose.**

9 “(3) All agencies of the executive department as defined in ORS 174.112 shall establish policies
10 and procedures promoting the [goal declared in] **target established under subsection (2) of this**
11 **section.**

12
13 “(Renewable Energy Certificates
14 **for Generation of Thermal Energy)**

15
16 “SECTION 15. Section 16 of this 2016 Act is added to and made a part of ORS 469A.005
17 **to 469A.210.**

18 “SECTION 16. If a generating facility described in ORS 469A.020 (5) generates thermal
19 energy for a secondary purpose, the State Department of Energy, as part of the system es-
20 tablished under ORS 469A.130, shall provide that renewable energy certificates must be is-
21 sued for the generation of the thermal energy. For purposes of issuing renewable energy
22 certificates under this section, 3,412,000 British thermal units are equivalent to one
23 megawatt-hour.

24
25 “ACQUISITION OF ELECTRIC COMPANY
26 **SERVICE TERRITORY OR PROPERTY**

27
28 “SECTION 17. Section 18 of this 2016 Act is added to and made a part of ORS chapter 757.

29 “SECTION 18. (1) For purposes of this section:

30 “(a) ‘Electric company’ has the meaning given that term in ORS 757.600.

31 “(b) ‘Electric utility’ has the meaning given that term in ORS 757.600.

32 “(c) ‘Retail electricity consumer’ has the meaning given that term in ORS 757.600.

33 “(2) Upon the request of an electric company, the Public Utility Commission shall estab-
34 lish a stranded costs obligation payable by an electric utility to an electric company in as-
35 sociation with a condemnation or transaction described in subsection (3) of this section.

36 “(3)(a) An electric utility that condemns the service territory or property of an electric
37 company, or acquires property pursuant to a transaction described in ORS 757.480, must pay
38 the stranded costs obligation established by the commission under subsection (2) of this
39 section.

40 “(b) The purpose of the stranded costs obligation is to prevent shifting the costs associ-
41 ated with the loss of service territory or property of an electric company from the retail
42 electricity consumers of the electric utility to the retail electricity consumers of the electric
43 company.

44 “(4) The commission may determine the stranded costs obligation in accordance with the
45 Federal Energy Regulatory Commission’s current methodology for determining stranded

1 costs under the same or similar circumstances.

2 “(5) This section does not interfere with or supersede the jurisdiction of the Federal
3 Energy Regulatory Commission.

4
5 “ENERGY EFFICIENCY
6

7 “SECTION 19. (1) As used in this section, ‘electric company’ has the meaning given that
8 term in ORS 757.600.

9 “(2) The Legislative Assembly finds and declares that:

10 “(a) Energy efficiency programs promote lower energy bills, protect the public health and
11 safety, improve environmental benefits, stimulate sustainable economic development, create
12 new employment opportunities and reduce reliance on imported fuels; and

13 “(b) Demand response resources result in more efficient use of existing resources and
14 reduce the need for procuring new power generating resources, which, in turn, reduces en-
15 ergy bills, protects the public health and safety and improves environmental benefits.

16 “(3) For the purpose of ensuring prudent investments by an electric company in energy
17 efficiency and demand response before the electric company acquires new generating re-
18 sources, and in order to produce cost-effective energy savings, reduce customer demand for
19 energy, reduce overall electrical system costs, increase the public health and safety and im-
20 prove environmental benefits, each electric company serving customers in this state shall:

21 “(a) Plan for and pursue all available energy efficiency resources that are cost effective,
22 reliable and feasible; and

23 “(b) As directed by the Public Utility Commission by rule or order, plan for and pursue
24 the acquisition of cost-effective demand response resources.

25
26 “TRANSPORTATION ELECTRIFICATION PROGRAMS
27

28 “SECTION 20. (1) As used in this section:

29 “(a) ‘Electric company’ has the meaning given that term in ORS 757.600.

30 “(b) ‘Transportation electrification’ means:

31 “(A) The use of electricity from external sources to provide power to all or part of a
32 vehicle;

33 “(B) Programs related to developing the use of electricity for the purpose described in
34 subparagraph (A) of this paragraph; and

35 “(C) Infrastructure investments related to developing the use of electricity for the pur-
36 pose described in subparagraph (A) of this paragraph.

37 “(c) ‘Vehicle’ means a vehicle, vessel, train, boat or any other equipment that is mobile.

38 “(2) The Legislative Assembly finds and declares that:

39 “(a) Transportation electrification is necessary to reduce petroleum use, achieve opti-
40 mum levels of energy efficiency and carbon reduction, meet federal and state air quality
41 standards, meet this state’s greenhouse gas emissions reduction goals described in ORS
42 468A.205 and improve the public health and safety;

43 “(b) Widespread transportation electrification requires that electric companies increase
44 access to the use of electricity as a transportation fuel;

45 “(c) Widespread transportation electrification requires that electric companies increase

1 access to the use of electricity as a transportation fuel in low and moderate income com-
2 munities;

3 “(d) Widespread transportation electrification should stimulate innovation and competi-
4 tion, provide consumers with increased options in the use of charging equipment and in
5 procuring services from suppliers of electricity, attract private capital investments and cre-
6 ate high quality jobs in this state;

7 “(e) Deploying electric vehicles should assist in managing the electrical grid, integrating
8 generation from renewable energy resources and improving electric system efficiency and
9 operational flexibility, including the ability of an electric company to integrate variable gen-
10 erating resources;

11 “(f) Deploying electric vehicles in the manner described in paragraph (e) of this sub-
12 section creates the opportunity for an electric company to propose, to the Public Utility
13 Commission, that a net benefit for the customers of the electric company is attainable; and

14 “(g) Charging electric vehicles in a manner that provides benefits to electrical grid
15 management affords fuel cost savings for vehicle drivers.

16 “(3) The Public Utility Commission shall direct each electric company to file applications,
17 in a form and manner prescribed by the commission, for programs to accelerate transpor-
18 tation electrification. A program proposed by an electric company may include prudent in-
19 vestments in or customer rebates for electric vehicle charging and related infrastructure.

20 “(4) When determining cost recovery for investments and other expenditures related to
21 a program proposed by an electric company under subsection (3) of this section, the com-
22 mission shall consider whether the investments and other expenditures:

23 “(a) Are within the service territory of the electric company;

24 “(b) Are prudent as determined by the commission;

25 “(c) Are used and useful as determined by the commission;

26 “(d) Enable the electric company to support the electric company’s electrical system;

27 “(e) Improve the electric company’s electrical system efficiency and operational flexibil-
28 ity, including the ability of the electric company to integrate variable generating resources;

29 “(f) Stimulate innovation, competition and customer choice in electric vehicle charging
30 and related infrastructure and services; and

31 “(g) Meet any other factor determined by the commission to be reasonably related to
32 transportation electrification, including the findings and declarations specified in subsection
33 (2) of this section.

34 “(5)(a) Tariff schedules and rates allowed pursuant to subsection (3) of this section:

35 “(A) May allow a return of and a return on an investment made by an electric company
36 under subsection (3) of this section; and

37 “(B) Shall be recovered from all customers of an electric company in a manner that is
38 similar to the recovery of distribution system investments.

39 “(b) A return on investment allowed under this subsection may be earned for a period
40 of time that does not exceed the depreciation schedule of the investment approved by the
41 commission. When an electric company’s investment is fully depreciated, the commission
42 may authorize the electric company to donate the electric vehicle charging infrastructure
43 to the owner of the property on which the infrastructure is located.

44 “(6) For purposes of ORS 757.355, electric vehicle charging infrastructure provides utility
45 service to the customers of an electric company.

1 “(7) In authorizing programs described in subsection (3) of this section, the commission
2 shall review data concerning current and future adoption of electric vehicles and utilization
3 of electric vehicle charging infrastructure. If market barriers unrelated to the investment
4 made by an electric company prevent electric vehicles from adequately utilizing available
5 electric vehicle charging infrastructure, the commission may not permit additional invest-
6 ments in transportation electrification without a reasonable showing that the investments
7 would not result in long-term stranded costs recoverable from the customers of electric
8 companies.

9 “SECTION 21. For purposes of section 20 of this 2016 Act, electric vehicle charging and
10 related infrastructure must be installed on or after July 1, 2016.

11
12 **“SOLAR PROGRAM**
13 **“(Community Solar Projects)**

14
15 “SECTION 22. (1) For purposes of this section:

16 “(a) ‘Community solar project’ means one or more solar photovoltaic energy systems
17 that provide owners and subscribers the opportunity to share the costs and benefits associ-
18 ated with the generation of electricity by the solar photovoltaic energy systems.

19 “(b) ‘Electric company’ has the meaning given that term in ORS 757.600.

20 “(c) ‘Owner’ means a customer of an electric company who has proportionate ownership
21 of part of a community solar project, such as direct ownership of one or more solar panels
22 or shared ownership of the infrastructure of the community solar project.

23 “(d) ‘Project manager’ means the entity identified as having responsibility for managing
24 the operation of a community solar project and, if applicable, for maintaining contact with
25 the electric company that procures electricity from the community solar project. A project
26 manager may be:

27 “(A) An electric company; or

28 “(B) An independent third party.

29 “(e) ‘Solar photovoltaic energy system’ means equipment and devices that have the pri-
30 mary purpose of collecting solar energy and generating electricity by photovoltaic effect.

31 “(f) ‘Subscriber’ means a customer of an electric company who proportionately leases
32 part of a community solar project for a minimum of 10 years.

33 “(2)(a) The Public Utility Commission shall establish by rule a program for the procure-
34 ment of electricity from community solar projects. As part of the program, the commission
35 shall:

36 “(A) Adopt rules prescribing what qualifies a community solar project to participate in
37 the program;

38 “(B) Certify qualified community solar projects for participation in the program;

39 “(C) Prescribe the form and manner by which project managers may apply for certifica-
40 tion under the program; and

41 “(D) Require, by rule or order, electric companies to enter into a 20-year power purchase
42 agreement with a certified community solar project.

43 “(b) The commission shall adopt rules under paragraph (a)(A) of this subsection that, at
44 a minimum:

45 “(A) Incentivize consumers of electricity to be owners or subscribers;

1 **“(B) Minimize the shifting of costs from the program to ratepayers who do not own or**
2 **subscribe to a community solar project;**

3 **“(C) Where an electric company is the project manager, protect owners and subscribers**
4 **from undue financial hardship; and**

5 **“(D) Protect the public interest.**

6 **“(3) A community solar project:**

7 **“(a) Must have at least one solar photovoltaic energy system with a minimum generating**
8 **capacity of 25 kilowatts;**

9 **“(b) Must be located in this state; and**

10 **“(c) May be located anywhere in this state.**

11 **“(4) A project manager may offer ownership in or subscriptions to a community solar**
12 **project only to consumers of electricity that are located:**

13 **“(a) In this state; and**

14 **“(b) In the service territory of an electric company.**

15 **“(5)(a) A project manager may offer proportional ownership in or proportional sub-**
16 **scriptions to a community solar project in any amount that does not exceed a potential**
17 **owner’s or potential subscriber’s average annual consumption of electricity.**

18 **“(b) Any value associated with the generation of electricity in excess of an offer to own**
19 **or subscribe to a community solar project as limited by paragraph (a) of this subsection must**
20 **be used by the electric company procuring electricity from the community solar project in**
21 **support of low-income residential customers of the electric company.**

22 **“(6)(a) Except as provided in paragraph (b) of this subsection, an electric company shall**
23 **credit an owner’s or subscriber’s electric bill for the amount of electricity generated by a**
24 **community solar project for the owner or subscriber in a manner that reflects the resource**
25 **value of solar energy. For purposes of this paragraph, the commission shall determine the**
26 **resource value of solar energy.**

27 **“(b) The commission may adopt a rate for an electric company to use in crediting an**
28 **owner’s or subscriber’s electric bill other than the rate described in paragraph (a) of this**
29 **subsection if the commission has good cause to adopt the different rate.**

30 **“(7)(a) Except as otherwise provided in this section, owners and subscribers shall bear**
31 **the costs and benefits of constructing and operating a community solar project.**

32 **“(b) Costs incurred by an electric company under the terms of a power purchase agree-**
33 **ment entered into pursuant to subsection (2)(a)(D) of this section are recoverable in the**
34 **rates of the electric company. Moneys collected pursuant to imposing those rates, under the**
35 **terms of a power purchase agreement entered into pursuant to subsection (2)(a)(D) of this**
36 **section, may be transferred to a project manager for the purpose of operating a community**
37 **solar project.**

38 **“(c) All start-up costs prudently incurred during the development or modification of the**
39 **program established under this section are recoverable in the rates of an electric company.**

40 **“(d) Owners and subscribers shall bear all ongoing costs incurred during the continued**
41 **administration of the program established under this section.**

42 **“(8) Owners and subscribers own all renewable energy certificates established under ORS**
43 **469A.130 that are associated with the generation of electricity by a community solar project,**
44 **in proportion to the owner’s proportional ownership in or the subscriber’s proportional sub-**
45 **scription to the community solar project.**

1 “(Repeal of Minimum Solar Energy
2 Capacity Standard for Electric Companies)
3

4 “**SECTION 23.** ORS 757.370 is repealed.

5 “**SECTION 24.** ORS 757.375 is amended to read:

6 “757.375. (1) Any electricity produced from a [*qualifying system under ORS 757.370*] **solar**
7 **photovoltaic energy system** that is physically located in this state may be used by an electric
8 company to comply with the renewable portfolio standard established under ORS 469A.005 to
9 469A.210.

10 “(2) For each kilowatt-hour of electricity produced from a qualifying system that first becomes
11 operational before January 1, 2016, and [*generates at least 500 kilowatts, an electric company will be*
12 *credited with*] **has a nameplate capacity of between 500 kilowatts and five megawatts of al-**
13 **ternating current, the Public Utility Commission shall credit the electric company with** two
14 kilowatt-hours of qualifying electricity toward the **electric** company’s compliance with the
15 renewable portfolio standard under ORS 469A.005 to 469A.210, up to a maximum of 20 megawatts
16 of capacity.

17
18 “**CONFORMING AMENDMENTS**
19

20 “**SECTION 25.** ORS 469A.140 is amended to read:

21 “469A.140. (1) Renewable energy certificates may be traded, sold or otherwise transferred.

22 “(2) Renewable energy certificates that are not used by an electric utility or electricity service
23 supplier to comply with a renewable portfolio standard in a calendar year may be banked and car-
24 ried forward indefinitely for the purpose of complying with a renewable portfolio standard in a
25 subsequent year. For the purpose of complying with a renewable portfolio standard in any calendar
26 year:

27 “(a) Banked renewable energy certificates must be used, up to the limit imposed by ORS
28 469A.145, before other certificates are used; and

29 “(b) Banked renewable energy certificates with the oldest issuance date must be used to comply
30 with the **renewable portfolio** standard before banked renewable energy certificates with more re-
31 cent issuance dates are used.

32 “(3) An electric utility or electricity service supplier is responsible for demonstrating that a
33 renewable energy certificate used to comply with a renewable portfolio standard is derived from a
34 renewable energy source and that the **electric** utility or **electricity service** supplier has not used,
35 traded, sold or otherwise transferred the **renewable energy** certificate.

36 “(4) [*The same*] **A** renewable energy certificate may be used by an electric utility or electricity
37 service supplier to comply with **both** a federal renewable portfolio standard and a renewable port-
38 folio standard established under ORS 469A.005 to 469A.210. An electric utility or electricity service
39 supplier that uses a renewable energy certificate to comply with a renewable portfolio standard
40 imposed by [*any other*] **a state other than this** state may not use the same **renewable energy**
41 certificate to comply with a renewable portfolio standard established under ORS 469A.005 to
42 469A.210.

43 “**SECTION 26.** ORS 469A.060 is amended to read:

44 “469A.060. (1) Electric utilities are not required to comply with the renewable portfolio stan-
45 dards described in ORS 469A.052 and 469A.055 to the extent that:

1 “(a) Compliance with the standard would require the **electric** utility to acquire electricity in
2 excess of the **electric** utility’s projected load requirements in any calendar year; and

3 “(b) Acquiring the additional electricity would require the **electric** utility to substitute qualify-
4 ing electricity for electricity derived from an energy source other than coal, natural gas or petro-
5 leum.

6 “(2)(a) Electric utilities are not required to comply with a renewable portfolio standard to the
7 extent that compliance would require the **electric** utility to substitute qualifying electricity for
8 electricity available to the **electric** utility under contracts for electricity from dams that are owned
9 by Washington public utility districts and **that** are located between the Grand Coulee Dam and the
10 Columbia River’s junction with the Snake River. The provisions of this subsection apply only to
11 contracts entered into before June 6, 2007, and to renewal or replacement contracts for contracts
12 entered into before June 6, 2007.

13 “(b) If a contract described in paragraph (a) of this subsection expires and is not renewed or
14 replaced, the **electric** utility must comply, in the calendar year following the expiration of the con-
15 tract, with the renewable portfolio standard applicable to the **electric** utility.

16 “(3) A consumer-owned utility is not required to comply with a renewable portfolio standard to
17 the extent that compliance would require the **consumer-owned** utility to reduce the **consumer-**
18 **owned** utility’s purchases of the lowest priced electricity from the Bonneville Power Administration
19 pursuant to section 5 of the Pacific Northwest Electric Power Planning and Conservation Act of
20 1980, P.L. 96-501, as in effect on June 6, 2007. The exemption provided by this subsection applies
21 only to firm commitments for BPA electricity that the Bonneville Power Administration has assured
22 will be available to a **consumer-owned** utility to meet agreed portions of the **consumer-owned**
23 utility’s load requirements for a defined period of time.

24
25 **“REPORTS**

26
27 **“SECTION 27. (1) On or before January 1, 2020, the Public Utility Commission shall in-**
28 **vestigate the impacts of the amendments to ORS 469A.052 by section 5 of this 2016 Act on:**

29 **“(a) Rates;**

30 **“(b) Greenhouse gas emissions;**

31 **“(c) Electrical system reliability and operations;**

32 **“(d) The allocation of risk between customers of electric companies and electric compa-**
33 **nies;**

34 **“(e) The eligibility and timing of cost recovery for the generation of qualifying electricity;**
35 **and**

36 **“(f) The resource procurement process.**

37 **“(2) In addition to the investigation described in subsection (1) of this section, the com-**
38 **mission shall investigate:**

39 **“(a) The long-term access to and use of renewable energy generating facilities, renewable**
40 **energy sites and renewable energy resources beyond the time at which renewable energy**
41 **generating facilities are fully depreciated, and the potential for repowering, refurbishing or**
42 **retrofitting renewable energy generating facilities in a manner that ensures the ability of the**
43 **renewable energy generating facilities to continue generating electricity beyond their ex-**
44 **pected useful life;**

45 **“(b) The means by which an electric company may track, and credit or charge customers**

1 for, the difference between state or federal production tax credits included in rates charged
2 by the electric company and actual production tax credits received by the electric company;
3 and

4 “(c) Whether the requirement of ORS 469A.052 (1)(e), (f), (g) or (h), or other require-
5 ments under ORS 469A.005 to 469A.210 related to supply of electricity, necessitate changes
6 to the methodology for recovery of variable costs associated with supplying electricity.

7 “(3) On or before January 1, 2020, the commission shall report the findings of the inves-
8 tigations conducted under this section to the interim committees of the Legislative Assembly
9 related to business and energy. As part of the report, the commission may make recom-
10 mendations for legislation. The commission shall submit the report in the manner required
11 by ORS 192.245.

12 “SECTION 28. On or before January 1, 2019, the Public Utility Commission shall report
13 on the implementation of section 22 of this 2016 Act to the interim committees of the Leg-
14 islative Assembly related to business and energy. As part of the report, the commission may
15 make recommendations for legislation. The commission shall submit the report in the man-
16 ner required by ORS 192.245.

17
18 “MISCELLANEOUS

19
20 “SECTION 29. The Public Utility Commission shall direct each electric company in this
21 state to file applications as required by section 20 of this 2016 Act on or before December 31,
22 2016.

23 “SECTION 30. On or before July 1, 2017, the Public Utility Commission shall:

24 “(1) Require each electric company to implement a community solar project; and

25 “(2) Adopt rules for the implementation of community solar projects as required by sec-
26 tion 22 of this 2016 Act.

27 “SECTION 31. The unit captions used in this 2016 Act are provided only for the conven-
28 ience of the reader and do not become part of the statutory law of this state or express any
29 legislative intent in the enactment of this 2016 Act.

30 “SECTION 32. This 2016 Act being necessary for the immediate preservation of the public
31 peace, health and safety, an emergency is declared to exist, and this 2016 Act takes effect
32 on its passage.”