

SENATE AMENDMENTS TO SENATE BILL 1574

By COMMITTEE ON ENVIRONMENT AND NATURAL RESOURCES

February 11

- 1 On page 1 of the printed bill, line 3, after “352.823,” insert “468A.020.”
- 2 On page 3, line 4, delete “the generation of electricity generated” and delete “is” and insert
3 “are attributable to the generation of electricity that is”.
- 4 In line 21, delete “emission limits” and insert “emissions levels”.
- 5 In line 32, delete “and 11” and insert “, 11 and 15”.
- 6 On page 4, line 12, delete “from sources”.
- 7 On page 5, line 9, after “project” insert a period and delete the rest of the line and delete line
8 10 and insert “One offset credit equals one allowance.”.
- 9 In line 11, after the second “project” insert “, implemented by a person that is not a covered
10 entity,”.
- 11 In line 12, delete “derive from sources” and insert “are attributable to persons”.
- 12 After line 15, insert:
- 13 “(19) ‘Project labor agreement’ means a collective bargaining agreement with one or more labor
14 organizations that establishes the terms and conditions of employment for a specific construction
15 project and that, at a minimum:
- 16 “(a) Binds all contractors and subcontractors on the construction project through the inclusion
17 of appropriate specifications in all relevant solicitation provisions and contract documents;
- 18 “(b) Allows all contractors and subcontractors to compete for contracts and subcontracts with-
19 out regard to whether they are parties to any other collective bargaining agreement;
- 20 “(c) Contains guarantees against strikes, lockouts and similar job disruptions; and
- 21 “(d) Sets forth effective, prompt and mutually binding procedures for resolving labor disputes
22 that arise during the term of the project labor agreement.”.
- 23 In line 16, delete “(19)” and insert “(20)”.
- 24 In line 18, delete “(20)” and insert “(21)” and delete “an allowance or offset credit” and insert
25 “a compliance instrument”.
- 26 In line 19, delete “allowance or offset credit” and insert “compliance instrument”.
- 27 In line 21, delete “(21)” and insert “(22)”.
- 28 In line 27, delete “(22)” and insert “(23)” and delete “an allowance or offset credit” and insert
29 “a compliance instrument”.
- 30 In line 28, delete “either” and after “obligation” insert “, to satisfy a penalty imposed”.
- 31 In line 33, delete “section” and insert “subsection”.
- 32 In line 35, delete the colon.
- 33 Delete lines 36 through 40.
- 34 In line 41, delete “(B)”.
- 35 Delete lines 44 and 45.

1 On page 6, delete lines 1 through 3 and insert:

2 “(b) Set a cap on the total combined greenhouse gas emissions allowed from covered entities
3 during the calendar year 2020, and a schedule for the cap to decrease by a predetermined amount
4 each calendar year until 2050. The cap and schedule shall reflect the total greenhouse gas emissions
5 from covered entities, as a proportionate share of statewide greenhouse gas emissions as defined in
6 section 4 of this 2016 Act, that must be reduced in order to prevent exceedance of the statewide
7 greenhouse gas emissions levels established by section 4 of this 2016 Act.

8 “(c) Establish an annual allowance budget for the calendar year 2020, and a schedule for the
9 annual allowance budget to decrease by a predetermined amount each calendar year until 2050,
10 consistent with the cap set under paragraph (b) of this subsection and taking into account the effect
11 of offset projects.”.

12 In line 4, delete “(c)” and insert “(d)”.

13 In line 13, after “be” delete the rest of the line and lines 14 through 16 and insert “consigned
14 to the state for auction under section 10 of this 2016 Act;

15 “(C) Shall, in order to address leakage and as determined necessary by the commission, distrib-
16 ute allowances directly and free of charge to covered entities that include, but are not limited to,
17 covered entities that are part of an emissions-intensive, trade-exposed industry; and”.

18 Delete lines 19 through 26.

19 After line 33, insert:

20 “(2)(a) The commission shall adopt by rule standards for offset projects that may generate offset
21 credits and standards for covered entities to use offset credits in meeting their compliance obli-
22 gations under the carbon pollution market.

23 “(b) Offset projects:

24 “(A) Must be located in this state;

25 “(B) Must not be otherwise required by law; and

26 “(C) Must result in greenhouse gas emissions reductions or removals that are in addition to
27 greenhouse gas emissions reductions or removals otherwise required by law, that would not other-
28 wise have occurred if the emissions reduction or removal activity had not been implemented as part
29 of the offset project and that meet the requirements of subsection (4) of this section.

30 “(c) Standards adopted under this subsection must ensure that offset credits may be used to
31 account for no more than 50 percent of the greenhouse gas emissions reductions required of a cov-
32 ered entity during a compliance period, relative to the previous compliance period.

33 “(d) In adopting standards under this subsection, the commission shall take into consideration
34 any standards for offset projects and offset credits established by other states and countries with
35 comparable carbon pollution markets.”.

36 In line 34, delete “(2)” and insert “(3)”.

37 In line 41, delete “(3)” and insert “(4)”.

38 In line 44, delete “(4)” and insert “(5)”.

39 On page 7, delete lines 25 through 28 and insert:

40 “(f) Require that allowances distributed free of charge to an electric utility or a natural gas
41 utility must be consigned to the state for auction and may not be surrendered under section 11 of
42 this 2016 Act to meet the utility’s compliance obligation. Proceeds from the sale of allowances
43 consigned to the state for auction under this paragraph may be used by the utility only as provided
44 in section 12 of this 2016 Act.”.

45 In line 45, after “to” insert “the state for”.

1 On page 8, delete lines 15 through 17.
2 In line 18, delete “(3)” and insert “(2)”.
3 In line 23, delete “(4)” and insert “(3)”.
4 In line 26, delete “(3)” and insert “(2)”.
5 In line 27, delete “(5)” and insert “(4)”.
6 In line 37, delete “at” and insert “consigned to the state for”.
7 On page 9, line 7, after “10” insert “(3)(b)”.
8 Delete line 17 and insert:
9 “(a) Consult with the advisory committee created under section 15a of this 2016 Act; and”.
10 Delete lines 19 through 27 and insert “that will result in the greatest greenhouse gas emissions
11 reductions.
12 “(5) If a construction project is funded in whole or in part by moneys from the account, the
13 primary contractor participating in the construction project:
14 “(a) Must participate in an apprenticeship program registered with the State Apprenticeship and
15 Training Council;
16 “(b) May not be a contractor listed by the Commissioner of the Bureau of Labor and Industries
17 under ORS 279C.860 as ineligible to receive a contract or subcontract for public works;
18 “(c) Must demonstrate a history of compliance with the rules and other requirements of the
19 Construction Contractors Board and of the Workers’ Compensation Division and the Occupational
20 Safety and Health Division of the Department of Consumer and Business Services; and
21 “(d) Must demonstrate a history of compliance with federal and state wage and hour laws.
22 “(6) If a construction project is funded in whole or in part by moneys from the account, the
23 Department of Transportation may, on a project-by-project basis, require the use of a high road
24 agreement or a project labor agreement if the use of either type of agreement would advance the
25 public interest and be consistent with law.”.
26 In line 34, after “10” insert “(3)(c)(A)”.
27 Delete lines 37 through 45.
28 On page 10, delete lines 1 through 39 and insert:
29 **“SECTION 15. (1) The Environmental Quality Commission shall adopt by rule a Climate**
30 **Investments Grant Program for distributing moneys in the Oregon Climate Investments**
31 **Fund. The grant program must carry out the purposes of sections 6 to 17 of this 2016 Act**
32 **as stated in section 6 of this 2016 Act.**
33 **“(2)(a) Moneys must be distributed through the grant program developed under this**
34 **section such that, of the moneys deposited in or credited to the Oregon Climate Investments**
35 **Fund each biennium:**
36 **“(A) At least 40 percent are distributed to projects or programs that are geographically**
37 **located in disadvantaged communities; and**
38 **“(B) At least 40 percent are distributed to projects or programs that are geographically**
39 **located in economically distressed areas, with an emphasis placed on projects or programs**
40 **funded under this paragraph that support job creation and job education and training op-**
41 **portunities.**
42 **“(b) Disadvantaged communities and economically distressed areas are not required to**
43 **be considered mutually exclusive for purposes of this subsection.**
44 **“(c) The commission shall consult with the Environmental Justice Task Force, other**
45 **state agencies, local agencies and local officials in adopting by rule a methodology for desig-**

1 nating disadvantaged communities for purposes of this subsection.

2 “(3) The grant program shall include the appointment of a grant committee. Members
3 of the grant committee shall be appointed by the Governor. The grant committee may be
4 composed of any number of individuals with qualifications that the Governor determines
5 necessary. However, the Governor shall appoint at least one member from each congres-
6 sional district in this state and shall include individuals with experience in administering
7 state grant programs. The appointment of members of the grant committee is subject to
8 confirmation by the Senate in the manner prescribed in ORS 171.562 and 171.565.

9 “(4) The commission shall determine the form and method of applying for grants from
10 the grant program, the eligibility requirements for grant applicants and general terms and
11 conditions of the grants.

12 “(5) The rules adopted by the commission under this section shall provide that the grant
13 committee consult with the advisory committee created under section 15a of this 2016 Act
14 in reviewing grant applications and making determinations of funding based on a scoring
15 system developed by the commission. The scoring system shall give funding preference to
16 projects and programs that:

17 “(a) Maximize multiple benefits in this state, including but not limited to environmental,
18 social and economic benefits;

19 “(b) Result in greenhouse gas emissions reductions that are cost effective or that are the
20 product of business and research development interests in this state;

21 “(c) Constitute investments in, and facilitate the development of, clean energy
22 infrastructure and technologies in this state;

23 “(d) Complement efforts to achieve and maintain federal and state air quality standards;

24 “(e) Protect disadvantaged communities and economically distressed areas from eco-
25 nomic uncertainties associated with climate change or climate change policies; or

26 “(f) Make use of domestically produced products to the maximum extent feasible.

27 “(6) The grant program adopted under this section may:

28 “(a) Require that a grant applicant provide matching funds for completion of the project
29 or program for which a grant is awarded.

30 “(b) Allow an applicant to appeal to the commission for reevaluation of any determination
31 of grant funding.

32 “(7) If a construction project is funded in whole or in part by a grant awarded under the
33 grant program, the grant agreement shall require that the primary contractor participating
34 in the construction project:

35 “(a) Must participate in an apprenticeship program registered with the State Appren-
36 ticeship and Training Council;

37 “(b) May not be a contractor listed by the Commissioner of the Bureau of Labor and
38 Industries under ORS 279C.860 as ineligible to receive a contract or subcontract for public
39 works;

40 “(c) Must demonstrate a history of compliance with the rules and other requirements
41 of the Construction Contractors Board and of the Workers’ Compensation Division and the
42 Occupational Safety and Health Division of the Department of Consumer and Business Ser-
43 vices; and

44 “(d) Must demonstrate a history of compliance with federal and state wage and hour
45 laws.

1 “(8) If a construction project is funded in whole or in part by a grant awarded under the
2 grant program, the Department of Environmental Quality may, on a project-by-project basis,
3 require the use of a high road agreement or a project labor agreement if the use of either
4 type of agreement would advance the public interest and be consistent with law.

5 “(9) Subject to the rules adopted by the commission, and subject to reevaluation by the
6 commission on appeal, the grant committee has the responsibility to review grant applica-
7 tions and make funding determinations under the grant program adopted pursuant to this
8 section.

9 “SECTION 15a. (1) There is created a Climate Investments in Disadvantaged Communi-
10 ties Advisory Committee consisting of 17 members appointed by the Governor, with at least
11 one member from each congressional district in this state. The Governor shall appoint
12 members to the advisory committee as follows:

13 “(a) Eight members must be recommended by the Environmental Justice Task Force and
14 have experience in working to support environmental justice in disadvantaged communities;

15 “(b) Three members must represent labor interests;

16 “(c) Three members must have experience in sustainable development;

17 “(d) One member must represent the interests of cities;

18 “(e) One member must represent the interests of counties; and

19 “(f) One member must represent the interests of business.

20 “(2) The advisory committee shall consult with and make recommendations to the fol-
21 lowing public bodies regarding the investment of funds in projects and programs that are
22 geographically located in disadvantaged communities or that otherwise benefit disadvantaged
23 communities:

24 “(a) The Department of Transportation with relation to the use of moneys in the Climate
25 Investments Account; and

26 “(b) The grant committee appointed by the Governor under section 15 of this 2016 Act
27 with relation to the award of grants under the Climate Investments Grant Program.

28 “(3) A majority of the members of the advisory committee constitutes a quorum for the
29 transaction of business.

30 “(4) The advisory committee shall elect one of its members to serve as chairperson.

31 “(5) The term of a member of the advisory committee shall be four years. Members of
32 the advisory committee may be reappointed. If there is a vacancy for any cause, the Gov-
33 ernor shall make an appointment to become immediately effective.

34 “(6) The advisory committee shall meet at times and places specified by the call of the
35 chairperson or of a majority of the members of the advisory committee.

36 “SECTION 15b. Notwithstanding the term of office specified by section 15a of this 2016
37 Act, of the members first appointed to the Climate Investments in Disadvantaged Commu-
38 nities Advisory Committee:

39 “(1) Four shall serve for a term ending January 1, 2021.

40 “(2) Four shall serve for a term ending January 1, 2022.

41 “(3) Four shall serve for a term ending January 1, 2023.

42 “(4) Five shall serve for a term ending January 1, 2024.”.

43 In line 43, after “10” insert “(3)(c)(B)”.

44 On page 11, line 3, delete “develop” and insert “adopt”.

45 In line 11, after “Governor” insert “, subject to confirmation by the Senate in the manner pro-

1 vided in ORS 171.562 and 171.565”.

2 In line 17, delete “and”.

3 In line 18, delete the period and delete lines 19 through 22 and insert “; and

4 “(e) At least one individual from each congressional district in this state.

5 “(3) Subject to the rules adopted by the department, and subject to reevaluation by the depart-

6 ment on appeal, the grant committee has the responsibility to review grant applications and make

7 funding determinations under the grant program adopted pursuant to this section.”.

8 Delete lines 26 through 30 and insert:

9 “(5) The grant program adopted under this section may:

10 “(a) Require that a grant applicant provide matching funds for completion of the project or

11 program for which a grant is awarded.

12 “(b) Allow an applicant to appeal to the department for reevaluation of any determination of

13 grant funding.”.

14 On page 17, line 33, delete “limits on” and insert “levels of”.

15 In line 39, delete “limits on” and insert “levels of”.

16 On page 18, line 26, delete “limits” and insert “levels”.

17 In line 42, delete “limits” and insert “levels”.

18 On page 19, line 15, delete “limits” and insert “levels”.

19 In line 30, delete “limits” and insert “levels”.

20 On page 22, after line 9, insert:

21 “**SECTION 39.** ORS 468A.020 is amended to read:

22 “468A.020. (1) Except as provided in subsection (2) of this section, the air pollution laws con-

23 tained in ORS chapters 468, 468A and 468B do not apply to:

24 “(a) Agricultural operations, including but not limited to:

25 “(A) Growing or harvesting crops;

26 “(B) Raising fowl or animals;

27 “(C) Clearing or grading agricultural land;

28 “(D) Propagating and raising nursery stock;

29 “(E) Propane flaming of mint stubble; and

30 “(F) Stack or pile burning of residue from Christmas trees, as defined in ORS 571.505, during the

31 period beginning October 1 and ending May 31 of the following year.

32 “(b) Equipment used in agricultural operations, except boilers used in connection with propa-

33 gating and raising nursery stock.

34 “(c) Barbecue equipment used in connection with any residence.

35 “(d) Heating equipment in or used in connection with residences used exclusively as dwellings

36 for not more than four families, except solid fuel burning devices, as defined in ORS 468A.485, that

37 are subject to regulation under this section and ORS 468A.140 and 468A.460 to 468A.515.

38 “(e) Fires set or permitted by any public agency when such fire is set or permitted in the per-

39 formance of its official duty for the purpose of weed abatement, prevention or elimination of a fire

40 hazard, or instruction of employees in the methods of fire fighting, which in the opinion of the

41 agency is necessary.

42 “(f) Fires set pursuant to permit for the purpose of instruction of employees of private industrial

43 concerns in methods of fire fighting, or for civil defense instruction.

44 “(2) Subsection (1) of this section does not apply to the extent:

45 “(a) Otherwise provided in ORS 468A.555 to 468A.620, 468A.790, 468A.992, 476.380 and 478.960;

1 “(b) Necessary to implement the federal Clean Air Act (P.L. 88-206 as amended) under ORS
2 468A.025, 468A.030, 468A.035, 468A.040, 468A.045 and 468A.300 to 468A.330; or

3 “(c) Necessary for the Environmental Quality Commission, in the commission’s discretion, to
4 implement a recommendation of the Task Force on Dairy Air Quality created under section 3,
5 chapter 799, Oregon Laws 2007, for the regulation of dairy air contaminant emissions.

6 “(3)(a) Except to the extent necessary to implement the federal Clean Air Act (P.L. 88-206 as
7 amended), [*the air pollution laws contained in*] ORS 468A.025, 468A.030, 468A.035, 468A.040, 468A.045
8 and 468A.300 to 468A.330 **and sections 6 to 17 of this 2016 Act** do not apply to carbon dioxide
9 emissions from the combustion or decomposition of biomass.

10 “(b) As used in this subsection, ‘biomass’ means:

11 “(A) Nonfossilized and biodegradable organic materials that originate from plants, animals and
12 microorganisms and that are products, byproducts, residues or wastes from agriculture, forestry and
13 related industries;

14 “(B) Nonfossilized and biodegradable organic fractions of industrial and municipal wastes; and

15 “(C) Gases and liquids recovered from the decomposition of nonfossilized and biodegradable or-
16 ganic matter.”.

17 In line 13, delete “39” and insert “40”.

18 In line 23, after “ORS” insert “468A.020,”.

19 In line 24, delete “37 and 38” and insert “37, 38 and 39”.

20 In line 37, delete “40” and insert “41”.

21 In line 43, delete “41” and insert “42”.

22 On page 23, in line 3, delete “42” and insert “43”.

23
