

HB 2471 -1 STAFF MEASURE SUMMARY

House Committee On Energy and Environment

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Meeting Dates: 4/10

WHAT THE MEASURE DOES:

Extends period of time by which electric utility that acquires service territory of other electric utility without other electric utility's consent must comply with renewable portfolio standard that applies in that service territory.

Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Stipulates Act does not limit or prohibit acquiring utility from utilizing exemptions related to renewable portfolio standard compliance (ORS 469A.060). Requires Public Utility Commission to evaluate any request made by an electric company to determine stranded costs obligation by using the Federal Energy Regulatory Commissions current methodology for determining stranded costs under the same or similar circumstances.

BACKGROUND:

The Oregon Renewable Portfolio Standard (RPS) requires the state's electric utilities to source a specific percentage of their retail sales with generation from qualified renewable resources by certain dates. The RPS sets a higher percentage for the state's three largest utilities (Portland General Electric, PacifiCorp, and the Eugene Water and Electric Board) than for the smaller consumer-owned utilities. The RPS was initially enacted in 2007 with the passage of Senate Bill 838 which adopted a 25 percent RPS by 2025 for large utilities; in 2016, Senate Bill 1547 increased the RPS to 50 percent by 2040 for large utilities while also mandating the elimination of coal generation from Oregon rates by 2030. Utilities are not required to comply with the RPS if compliance costs exceed four percent of a utility's annual revenue requirement in a given compliance year.

Under current law, when an electric utility acquires a service territory of another electric utility without the consent of that electric utility, beginning in the calendar year following the acquisition, the percentage of the acquiring utility's electricity sold to all retail electricity consumers that are located in the acquired service territory is subject to the renewable portfolio standard that is applicable to the electric utility from which service territory was acquired. House Bill 2471 would provide the acquiring electric utility 10 years before they would have to comply with the renewable portfolio standard that applies in that service territory.