

HB 3456 A STAFF MEASURE SUMMARY**Carrier:** Rep. Smith G**House Committee On Rules****Action Date:** 05/30/17**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 8-0-1-0**Yeas:** 8 - Barreto, Holvey, Kennemer, McLane, Nosse, Rayfield, Smith Warner, Williamson**Exc:** 1 - Hack**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Erin Seiler, LPRO Analyst**WHAT THE MEASURE DOES:**

Permits establishment of photovoltaic solar power generation facility on certain High-Value Farmland, under specific conditions. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- History of American Viticultural Areas (AVAs)
- Conflict between AVA land zoning and Umatilla Electric Cooperative
- Ability of Umatilla Electric to meet obligations of Renewable Portfolio Standard (RPS)
- Importance of maintaining farmland

EFFECT OF AMENDMENT:

Limits location of solar facility to within service area of utility, and acreage of facility must not be bigger than what utility anticipates being necessary to meet RPS obligations.

BACKGROUND:

A photovoltaic (PV) system is a power system designed to supply usable solar power by means of PVs. A solar array (PV power facility) is a large-scale PV system designed for the supply of merchant power into the electricity grid. Solar arrays are differentiated from most building-mounted and other decentralized solar power applications because they supply power at the utility level, rather than to a local user or users. They are sometimes also referred to as solar farms or solar ranches, especially when sited in agricultural areas.

American Viticultural Areas (AVAs) were created in federal code to allow wineries to provide the geographic pedigree of their wines, most commonly referred to as an Appellation of Origin. In 2007, AVAs were recognized in Oregon statutes (ORS 195.300) and, by rule, Exclusive Farm Use (EFU) within an AVA is treated as High-Value Farmland for purposes of citing solar facilities. Solar facilities sited on High-Value Farmland are limited to 12 acres.

The Umatilla Electric Cooperative (UEC) is obliged to provide 100 megawatts of renewable energy by 2025 as part of its Renewable Portfolio Standard (RPS). It has chosen to meet part of that obligation as a Large Utility, through the development of solar arrays in its service territory. When the UEC attempted to site a solar array on EFU land - within an AVA and therefore treated as High-Value Farmland for siting purposes - it was discovered that an exception would be required from Goal 3 of Oregon's statewide land use planning goals.

House Bill 3456-A resolves the conflict between the UEC's obligation to meet its RPS requirements, and current provisions that treat EFU land as High-Value Farmland by virtue of location within an AVA. The measure allows the citing of a solar array on such EFU land provided that the land does not otherwise qualify as High-Value Farmland; it is located within the Columbia Valley AVA; it does not have access to water and has not had access to water for the last 20 years; the location is within the utilities' service area; and the acreage of the solar facility is not bigger than what the utility anticipates is necessary to meet its RPS obligations.