

House Bill 2888

Sponsored by COMMITTEE ON VETERANS AND EMERGENCY PREPAREDNESS

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Establishes Oregon Public Utility Homeland Security Commission in Office of Emergency Management.

Establishes Oregon Public Utility Homeland Security Fund.

Establishes grant program for purpose of providing financial assistance to consumer-owned utilities for developing projects associated with mitigating damage resulting from natural disasters or responding to or recovering from natural disasters.

Authorizes issuance of lottery bonds to finance projects associated with mitigating damage resulting from natural disasters or responding to or recovering from natural disasters.

A BILL FOR AN ACT

1
2 Relating to utilities.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. (1) The Oregon Public Utility Homeland Security Commission is established**
5 **in the Office of Emergency Management.**

6 **(2) The commission shall consist of five members appointed by the Governor, subject to**
7 **confirmation by the Senate in the manner provided by ORS 171.562 and 171.565.**

8 **(3) The commission shall carry out the duties and functions described in section 2 of this**
9 **2017 Act.**

10 **(4) A majority of the members of the commission constitutes a quorum for the trans-**
11 **action of business.**

12 **(5) Official action by the commission requires the approval of a majority of the members**
13 **of the commission.**

14 **(6) The commission shall elect one of its members to serve as chairperson.**

15 **(7) If there is a vacancy for any cause, the Governor shall make an appointment to be-**
16 **come immediately effective.**

17 **(8) The commission shall meet at times and places specified by the call of the chairperson**
18 **or of a majority of the members of the commission.**

19 **(9) The commission may adopt rules necessary for the operation of the commission.**

20 **SECTION 2. (1) As used in this section, "consumer-owned utility" means a people's utility**
21 **district organized under ORS chapter 261, a municipal utility organized under ORS chapter**
22 **225 or an electric cooperative organized under ORS chapter 62.**

23 **(2) The Office of Emergency Management shall award grants from the Oregon Public**
24 **Utility Homeland Security Fund established under section 3 of this 2017 Act to consumer-**
25 **owned utilities for the purposes of implementing projects related to mitigating damage re-**
26 **sulting from the occurrence of a natural disaster or responding to or recovering from the**
27 **occurrence of a natural disaster. Projects to which the office may award a grant under this**
28 **section may include:**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 (a) The evaluation of facilities owned by consumer-owned utilities to determine whether
 2 the facilities meet state safety standards;

3 (b) The assessment of facilities owned by consumer-owned utilities to determine capabil-
 4 ities and vulnerabilities;

5 (c) The review of facility construction standards related to service reliability that are
 6 used by consumer-owned utilities;

7 (d) The establishment of resiliency measures;

8 (e) The development of a prioritization schedule for restoring power to certain critical
 9 infrastructure, such as hospitals, after a power outage; and

10 (f) The review of operations, planning and infrastructure protection processes.

11 (3) To receive a grant under this section, a consumer-owned utility shall submit to the
 12 Oregon Public Utility Homeland Security Commission a proposal for a project described in
 13 subsection (2) of this section. The proposal must include a description of the proposed
 14 project, an explanation of the need for the project, the estimated cost of the project and the
 15 estimated amount of grant moneys that the consumer-owned utility needs to complete the
 16 project.

17 (4) The commission shall prescribe the form and manner of making a proposal under this
 18 section.

19 (5) Upon receiving a proposal under this section, the commission shall evaluate the pro-
 20 posal to determine whether to recommend to the Office of Emergency Management the
 21 awarding of a grant to the consumer-owned utility that submitted the proposal. In evaluat-
 22 ing a proposal, the commission shall consider:

23 (a) The need for the proposed project;

24 (b) The degree to which the project will mitigate damage resulting from the occurrence
 25 of a natural disaster or enhance a consumer-owner utility's ability to respond to or recover
 26 from the occurrence of a natural disaster;

27 (c) The feasibility of a consumer-owned utility completing the project; and

28 (d) The feasibility of a consumer-owned utility completing the project at the estimated
 29 cost.

30 **SECTION 3.** (1) The Oregon Public Utility Homeland Security Fund is established in the
 31 State Treasury, separate and distinct from the General Fund. Interest earned by the Oregon
 32 Public Utility Homeland Security Fund shall be credited to the fund.

33 (2) The fund shall consist of moneys appropriated by the Legislative Assembly to the
 34 Office of Emergency Management for the purposes described in section 2 of this 2017 Act.

35 (3) Moneys in the fund are continuously appropriated to the office for the purposes of:

36 (a) Awarding grants as described in section 2 of this 2017 Act; and

37 (b) Paying the administrative costs incurred under sections 1 and 2 of this 2017 Act.

38 **SECTION 4.** (1) In addition to and not in lieu of the budget authorization to issue lottery
 39 bonds under ORS 286A.035, for the biennium beginning July 1, 2017, at the request of the
 40 Oregon Department of Administrative Services, after the department consults with the Of-
 41 fice of Emergency Management, the State Treasurer is authorized to issue lottery bonds
 42 pursuant to ORS 286A.560 to 286A.585 in an amount that produces \$_____ in net proceeds
 43 and interest earnings for the purposes described in section 2 of this 2017 Act, plus an addi-
 44 tional amount estimated by the State Treasurer to be necessary to pay bond-related costs.

45 (2) Net proceeds of lottery bonds issued under this section and interest earnings in an

1 amount sufficient to provide \$_____ must be transferred to the department to provide a
2 grant to the Office of Emergency Management. The office shall use the grant to fund
3 projects as described in section 2 of this 2017 Act.

4 (3) The Legislative Assembly finds that the use of lottery bond proceeds pursuant to this
5 section for the purposes of projects related to mitigating damage resulting from the occur-
6 rence of a natural disaster, or to responding to or recovering from the occurrence of a na-
7 tural disaster, creates jobs and furthers economic development.

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