

SB 38 STAFF MEASURE SUMMARY

House Committee On Energy and Environment

Prepared By: Misty Freeman, LPRO Analyst

Meeting Dates: 3/7, 4/18

WHAT THE MEASURE DOES:

Clarifies that renewable energy certificates (RECs) under ORS 469A.130 may be issued for thermal energy at a facility that generates electricity using biomass, subject to the same requirements for issuance, transfer, and use as all other RECs. Establishes that thermal energy RECs may be used to meet the renewable portfolio standard if the facility generating the thermal energy meets statutory requirements for the electricity generated using biomass and if the thermal energy is not generated through the combustion of wood treated with certain chemical preservatives.

REVENUE: No revenue impact

FISCAL: No fiscal impact

Senate Vote (2/5/19): Carried by Prozanski. Passed. Ayes, 28; Excused, 2--Gelser, Thomsen.

ISSUES DISCUSSED:

- Bill came out of Oregon Department of Energy work with stakeholders as part of a 2016 rulemaking to integrate thermal energy into the renewable energy certificate (REC) system as T-RECs, or thermal RECs
- History of the renewable portfolio standard (RPS)
- Co-generation of electricity and thermal energy currently meets definition of qualifying electricity to meet RPS, per Senate Bill 1547 (2016)
- Examples of facilities that would generate thermal energy for T-RECs include wastewater treatment plants and pulp and paper operations

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Oregon Renewable Portfolio Standard (RPS) directs Oregon utilities to source a defined percentage of their retail electricity sales with generation from qualified renewable resources by specific dates. Originally adopted in 2007, the 2016 update set the RPS for Oregon utilities at 50 percent by 2040. ORS 469A.130 requires the Oregon Department of Energy (ODOE) to establish a system of renewable energy certificates (RECs) that can be used by an electric utility or service supplier to establish compliance with the RPS. If a facility that produces electricity using biomass also produces thermal energy as a secondary purpose, ODOE must provide renewable energy certificates for the generation of thermal energy.

Senate Bill 38 would clarify that RECs may be issued for the generation of thermal energy at a facility that generates electricity using biomass, subject to the same requirements for issuance, transfer, and use as all other renewable energy RECs issued under ORS 469A.130.