

A-Engrossed
Senate Bill 1044

Ordered by the Senate May 31
Including Senate Amendments dated May 31

Sponsored by Senator BEYER, Representative REARDON; Senators DEMBROW, WAGNER, Representatives EVANS, HELM, MARSH, NERON, SALINAS, SCHOUTEN (at the request of Oregon Environmental Council, Climate Solutions, Portland General Electric)

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.

Establishes goals that promote zero-emission vehicle use and requires entities of executive department to promote zero-emission vehicle use.

Requires State Department of Energy to *[assess market for zero-emission vehicles and]* **biennially** report to Governor and Legislative Assembly certain information related to zero-emission vehicles.

Establishes certain requirements for purchases and leases of zero-emission vehicles for state fleet purchases or leases.

[Authorizes public utilities to submit public benefit proposals to recover in rates no more than \$500,000 per year from customers of public utilities costs of installing electric vehicle charging stations.]

Requires agencies owning motor vehicles to provide certain additional information in annual report to Department of Environmental Quality and State Department of Energy.

Authorizes school districts to use public purpose charge moneys for school **district** fleet audits, for purchase or lease of zero-emission vehicles and for purchase or installation of electric vehicle charging stations.

A BILL FOR AN ACT

1
2 Relating to transportation electrification; creating new provisions; and amending ORS 283.327,
3 283.337, 283.343 and 757.612.

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

5 **SECTION 1.** (1) **As used in this section and section 2 of this 2019 Act, “zero-emission**
6 **vehicle” means a battery electric vehicle, a plug-in hybrid electric vehicle or a hydrogen fuel**
7 **cell vehicle or any type of vehicle defined by the State Department of Energy or the Envi-**
8 **ronmental Quality Commission by rule as a “zero-emission vehicle” if the vehicle’s type and**
9 **fuel are consistent with the goals set forth in this section.**

10 **(2) The Legislative Assembly finds that:**

11 **(a) Motor vehicle emissions contribute significantly to air pollution in this state.**

12 **(b) In 2019, the Oregon transportation sector was responsible for approximately 40 per-**
13 **cent of this state’s greenhouse gas emissions, and light-duty vehicles were responsible for**
14 **more than half of the transportation sector’s emissions.**

15 **(c) Motor vehicle emissions, especially greenhouse gases, are difficult to reduce and will**
16 **rise over time if not limited by additional laws and regulations.**

17 **(d) Absent significant changes in the types of motor vehicles used by people and busi-**
18 **nesses in Oregon, the state will not meet the greenhouse gas emissions reduction goals set**
19 **forth in ORS 468A.205.**

20 **(e) In ORS 757.357, the Legislative Assembly found that transportation electrification is**

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 necessary to reduce petroleum use, achieve optimum levels of energy efficiency and carbon
2 reduction, meet federal and state air quality standards, meet this state's greenhouse gas
3 emissions reduction goals set forth in ORS 468A.205 and improve the public health and
4 safety.

5 (f) Existing federal and state incentives and programs are insufficient to transform the
6 motor vehicle market on a timeline that will protect Oregonians from the worst impacts of
7 global climate change.

8 (g) The purchase and ownership of zero-emission vehicles can reduce the overall energy
9 costs paid by Oregon households and the specific costs associated with meeting transporta-
10 tion needs.

11 (h) A robust and well-operating market for zero-emission vehicles is essential to meeting
12 this state's greenhouse gas emissions reduction goals.

13 (i) Certain residents and communities face greater barriers to purchasing or leasing
14 zero-emission vehicles, and additional support and innovative solutions are necessary to en-
15 sure that all Oregon households benefit from transportation electrification.

16 (3) The Legislative Assembly declares the following goals:

17 (a) Transformation of the motor vehicle market must occur no later than 2035.

18 (b) Programs and support must be provided to accelerate Oregonians' purchase and use
19 of zero-emission vehicles until greenhouse gas emissions from vehicles are declining at a rate
20 consistent with this state's greenhouse gas emissions reduction goals set forth in ORS
21 468A.205.

22 (c) The adoption and use of zero-emission vehicles must be evaluated regularly to deter-
23 mine whether the rate of the adoption and use of zero-emission vehicles will put the state
24 on course to meet its greenhouse gas emissions reduction goals.

25 (4) To promote acquisition and use of zero-emission vehicles, all entities of the executive
26 department, as defined in ORS 174.112, shall lead by example by:

27 (a) Purchasing or leasing light-duty or medium-duty zero-emission vehicles, consistent
28 with ORS 283.327, when purchasing or leasing vehicles;

29 (b) Adopting policies and rules that promote the goals set forth in this section; and

30 (c) Considering recommendations submitted in the report required by section 2 of this
31 2019 Act that relate to zero-emission vehicles and adopting the recommendations when fea-
32 sible.

33 **SECTION 2.** (1) On or before September 15 of each odd-numbered year, the State De-
34 partment of Energy shall submit to the Governor and an interim committee of the Legisla-
35 tive Assembly related to the environment a report on adoption of zero-emission vehicles in
36 this state and the progress the state is making to achieve reductions in greenhouse gas
37 emissions in the transportation sector. The report shall provide:

38 (a) A review, using existing studies, market reports, polling data or other publicly avail-
39 able information, of the market in this state for zero-emission vehicles and any barriers to
40 adopting zero-emission vehicles in this state;

41 (b) An assessment of the state's progress in promoting the goals set forth in section 1
42 of this 2019 Act; and

43 (c) The date on which the state is predicted to meet the goals set forth in section 1 of
44 this 2019 Act.

45 (2) The department may contract with third parties to assist in performing the duties

1 described in subsection (1) of this section.

2 (3) The department shall assess the state's progress under subsection (1)(b) of this sec-
3 tion. The assessment must focus on commercially available, or near-commercially available,
4 zero-emission vehicle technology, to the extent possible, and rely on existing studies, data
5 and analysis. In the assessment, the department shall evaluate:

6 (a) Whether the transportation sector is on course to reduce the share of greenhouse
7 gas emissions from motor vehicles, as defined in ORS 801.360, consistent with the greenhouse
8 gas emissions reduction goals set forth in ORS 468A.205.

9 (b) The sales figures and numbers of zero-emission vehicles that are owned in Oregon,
10 including forecasts as to whether:

11 (A) By 2020, 50,000 registered motor vehicles will be zero-emission vehicles;

12 (B) By 2025, at least 250,000 registered motor vehicles will be zero-emission vehicles;

13 (C) By 2030, at least 25 percent of registered motor vehicles, and at least 50 percent of
14 new motor vehicles sold annually, will be zero-emission vehicles; and

15 (D) By 2035, at least 90 percent of new motor vehicles sold annually will be zero-emission
16 vehicles.

17 (c) The sales figures and numbers of zero-emission vehicles that are owned in Oregon,
18 differentiated, to the extent feasible, by demographic factors, including whether persons that
19 own zero-emission vehicles reside in urban or rural areas.

20 (d) The availability and reliability of public and private electric vehicle charging
21 infrastructure that is needed to support the targets for zero-emission vehicle sales and reg-
22 istration identified in paragraph (b) of this subsection. The department shall assess reliability
23 under this paragraph only if the department requests and obtains information on reliability
24 from providers of electric vehicle charging infrastructure.

25 (e) The incremental purchase cost difference, before and after federal and state incen-
26 tives, between the purchase cost of a zero-emission vehicle and the purchase cost of a com-
27 parable vehicle powered by an internal combustion engine.

28 (f) The zero-emission vehicles that are available for purchase in all market segments.

29 (g) Oregonians' awareness of motor vehicle options, the benefits of owning zero-emission
30 vehicles and the true costs of motor vehicle ownership.

31 (h) The carbon intensity of fuel consumed by the Oregon transportation sector as a
32 whole.

33 (i) The general progress toward electrification of all fossil fuel-based transportation
34 modes.

35 (j) Opportunities to minimize impacts to the electric grid from transportation
36 electrification, including rate design, managed charging, vehicle-to-grid services and elec-
37 tricity conservation techniques.

38 (k) In consultation with the Department of Transportation, the impact of the sales and
39 ownership of zero-emission vehicles on revenues that would otherwise accrue to the State
40 Highway Fund under ORS 366.505.

41 (4) If the State Department of Energy determines that the state is not on course to meet
42 the goals set forth in section 1 of this 2019 Act, the department shall make recommendations
43 in the report required by this section, including recommendations for legislation. Recom-
44 mended legislation:

45 (a) May not mandate required levels of motor vehicle sales.

1 **(b) Must promote the zero-emission vehicle market, address barriers to adoption of**
2 **zero-emission vehicles in the light-duty portion of the transportation sector, encourage**
3 **transportation electrification and further the goals set forth in section 1 of this 2019 Act.**

4 **SECTION 3.** ORS 283.327 is amended to read:

5 283.327. (1)(a) **Unless a state agency finds that it is not feasible for a zero-emission vehi-**
6 **cle, as defined in section 1 of this 2019 Act, to meet the specific use for which a vehicle will**
7 **be purchased or leased, by 2025 the agency shall purchase or lease zero-emission vehicles for**
8 **at least 25 percent of new state light-duty vehicle purchases and leases, to the extent zero-**
9 **emission vehicles are available.**

10 **(b) If the agency finds that purchasing or leasing zero-emission vehicles is not feasible,**
11 **the agency may purchase or lease light-duty vehicles that are capable of using alternative**
12 **fuel and that meet the requirements established by the Comprehensive National Energy**
13 **Policy Act of 1992 (P.L. 102-486).**

14 **(c) If the agency finds that purchasing or leasing zero-emission vehicles is not feasible**
15 **and that purchasing or leasing light-duty vehicles that are capable of using alternative fuel**
16 **and that meet the requirements established by the Comprehensive National Energy Policy**
17 **Act of 1992 (P.L. 102-486) is not feasible, the agency may purchase or lease vehicles that the**
18 **Department of Environmental Quality has identified by rule as low-emission vehicles.**

19 **[(1)] (2) To the maximum extent [economically possible] feasible, state-owned motor vehicles shall**
20 **be zero-emission vehicles or use alternative fuel for operation.**

21 **[(2) State agencies shall acquire only motor vehicles capable of using alternative fuel, except that**
22 **acquired vehicles assigned to areas unable economically to dispense alternative fuel need not be so**
23 **configured.]**

24 **(3) Each agency owning motor vehicles shall comply with all safety standards established by the**
25 **United States Department of Transportation in the conversion, operation and maintenance of vehi-**
26 **cles using alternative fuel.**

27 **(4) To the maximum extent economically possible, state-owned structures shall use biofuel, or**
28 **direct-application electricity generated from biofuel, where diesel is currently utilized for stationary**
29 **or back-up generation.**

30 **(5) As used in this section:**

31 **(a) "Light-duty vehicle" includes passenger cars, sedans, station wagons, pickup trucks**
32 **with a gross vehicle rating of 8,000 pounds or less, minivans equipped for passengers or**
33 **cargo, sports utility vehicles, crossover utility vehicles and specialty vehicles similar to ve-**
34 **hicles identified in this paragraph.**

35 **(b) "Light-duty vehicle" does not include police vehicles, fire vehicles, trucks to which a**
36 **load-carrying device or container is not attached or trucks that are equipped with a dump,**
37 **flatbed, tank, boom lift, crane or similar device.**

38 **SECTION 4.** ORS 283.327, as amended by section 3 of this 2019 Act, is amended to read:

39 283.327. (1)(a) **Unless a state agency finds that it is not feasible for a zero-emission vehicle, as**
40 **defined in section 1 of this 2019 Act, to meet the specific use for which a vehicle will be purchased**
41 **or leased, [by 2025 the agency shall purchase or lease zero-emission vehicles for at least 25 percent of**
42 **new state light-duty vehicle purchases and leases, to the extent zero-emission vehicles are available.]**
43 **the agency shall purchase or lease zero-emission vehicles for all new state light-duty vehicle**
44 **purchases and leases.**

45 **(b) If the agency finds that purchasing or leasing zero-emission vehicles is not feasible, the**

1 agency may purchase or lease light-duty vehicles that are capable of using alternative fuel and that
2 meet the requirements established by the Comprehensive National Energy Policy Act of 1992 (P.L.
3 102-486).

4 (c) If the agency finds that purchasing or leasing zero-emission vehicles is not feasible and that
5 purchasing or leasing light-duty vehicles that are capable of using alternative fuel and that meet the
6 requirements established by the Comprehensive National Energy Policy Act of 1992 (P.L. 102-486)
7 is not feasible, the agency may purchase or lease vehicles that the Department of Environmental
8 Quality has identified by rule as low-emission vehicles.

9 (2) To the maximum extent feasible, state-owned motor vehicles shall be zero-emission vehicles
10 or use alternative fuel for operation.

11 (3) Each agency owning motor vehicles shall comply with all safety standards established by the
12 United States Department of Transportation in the conversion, operation and maintenance of vehi-
13 cles using alternative fuel.

14 (4) To the maximum extent economically possible, state-owned structures shall use biofuel, or
15 direct-application electricity generated from biofuel, where diesel is currently utilized for stationary
16 or back-up generation.

17 (5) As used in this section:

18 (a) "Light-duty vehicle" includes passenger cars, sedans, station wagons, pickup trucks with a
19 gross vehicle rating of 8,000 pounds or less, minivans equipped for passengers or cargo, sports utility
20 vehicles, crossover utility vehicles and specialty vehicles similar to vehicles identified in this para-
21 graph.

22 (b) "Light-duty vehicle" does not include police vehicles, fire vehicles, trucks to which a load-
23 carrying device or container is not attached or trucks that are equipped with a dump, flatbed, tank,
24 boom lift, crane or similar device.

25 **SECTION 5.** ORS 283.337 is amended to read:

26 283.337. (1) Prior to December 31 of each year, each agency owning motor vehicles shall submit
27 an annual report to the Department of Environmental Quality and the State Department of Energy.
28 The report shall contain at a minimum:

29 [(1)] (a) The number of vehicles acquired that are capable of using alternative fuel;

30 [(2)] (b) The number of vehicles converted from the use of gasoline to the use of alternative fuel;

31 [(3)] (c) The [*quantity*] **amount** of each type of alternative fuel used **in the vehicles**; [*and*]

32 **(d) The number of zero-emission vehicles, as defined in section 1 of this 2019 Act, ac-**
33 **quired;**

34 **(e) The amount of electricity used in the zero-emission vehicles; and**

35 [(4)] (f) Any other information required by the Department of Environmental Quality and the
36 State Department of Energy.

37 **(2) In the report, an agency that purchases or leases a vehicle that is not a zero-emission**
38 **vehicle shall explain the reason for the purchase of an alternative fuel, hybrid or low-**
39 **emission vehicle and demonstrate that purchasing or leasing a zero-emission vehicle was not**
40 **feasible. To assess the feasibility of a zero-emission vehicle under this subsection, an agency**
41 **may not consider any incremental cost of a zero-emission vehicle over a comparable vehicle.**

42 **(3) For purposes of the report, plug-in hybrid electric vehicles are not vehicles that are**
43 **capable of using alternative fuel.**

44 **SECTION 6.** ORS 283.343 is amended to read:

45 283.343. At least biennially, the Oregon Department of Administrative Services shall examine

1 compliance with rules adopted pursuant to ORS 283.340 by state agencies owning vehicles. The
2 department shall submit biennially to the Joint Legislative Audit Committee a management report
3 on state-owned motor vehicles that includes:

4 (1) Summaries of agency compliance examinations, with specific emphasis on noncomplying state
5 agency fleets;

6 (2) Numbers of motor vehicles, listed by model and by state agency;

7 (3) Mileage utilization of motor vehicles, listed by state agency;

8 (4) Operating cost per mile of motor vehicles, listed by state agency; and

9 (5) Recommendations for increasing motor vehicle utilization, for decreasing the overall motor
10 vehicle population, **for increasing the percentage of zero-emission vehicles within the motor**
11 **pool and agency fleets** and for absorbing noncomplying state agency fleets into the motor pool.

12 **SECTION 7.** ORS 757.612 is amended to read:

13 757.612. (1) There is established an annual public purpose expenditure standard for electric
14 companies and Oregon Community Power to fund new cost-effective energy conservation, new mar-
15 ket transformation efforts, the above-market costs of new renewable energy resources and new
16 low-income weatherization. The public purpose expenditure standard shall be funded by the public
17 purpose charge described in subsection (2) of this section.

18 (2)(a) Beginning on the date an electric company or Oregon Community Power offers direct ac-
19 cess to retail electricity consumers, except residential electricity consumers, the electric company
20 or Oregon Community Power shall collect a public purpose charge from all of the retail electricity
21 consumers located within the electric company's or Oregon Community Power's service area until
22 January 1, 2026. Except as provided in paragraph (b) of this subsection, the public purpose charge
23 shall be equal to three percent of the total revenues collected by the electric company, Oregon
24 Community Power or the electricity service supplier from retail electricity consumers for electricity
25 services, distribution services, ancillary services, metering and billing, transition charges and other
26 types of costs included in electric rates on July 23, 1999.

27 (b) For an aluminum plant that averages more than 100 average megawatts of electricity use
28 per year, the electric company or Oregon Community Power, whichever serves territory that abuts
29 the greatest percentage of the site of the aluminum plant, shall collect from the aluminum company
30 a public purpose charge equal to one percent of the total revenue from the sale of electricity ser-
31 vices to the aluminum plant from any source.

32 (3)(a) The Public Utility Commission shall establish rules implementing the provisions of this
33 section relating to electric companies and Oregon Community Power.

34 (b) Except as provided in paragraph (e) of this subsection, funds collected through public pur-
35 pose charges under subsection (2) of this section shall be allocated as follows:

36 (A) Sixty-three percent for new cost-effective energy conservation and new market transforma-
37 tion efforts.

38 (B) Nineteen percent for the above-market costs of constructing and operating new renewable
39 energy resources with a nominal electric generating capacity, as defined in ORS 469.300, of 20
40 megawatts or less.

41 (C) Thirteen percent for new low-income weatherization.

42 (D) Five percent for deposit in the Housing and Community Services Department Electricity
43 Public Purpose Charge Fund established by ORS 456.587 (1) for the purpose of providing grants as
44 described in ORS 458.625 (2).

45 (c) The costs of administering subsections (1) to (6) of this section for an electric company or

1 Oregon Community Power shall be paid out of the funds collected through public purpose charges.
 2 The commission may require an electric company or Oregon Community Power to direct funds col-
 3 lected through public purpose charges to state agencies responsible for implementing subsections (1)
 4 to (6) of this section in order to pay the costs of administering subsections (1) to (6) of this section.

5 (d) The commission shall direct the manner in which public purpose charges are collected and
 6 spent by an electric company or Oregon Community Power and may require an electric company
 7 or Oregon Community Power to expend funds through competitive bids or other means designed to
 8 encourage competition, except that funds dedicated for new low-income weatherization shall be di-
 9 rected to the Housing and Community Services Department for purposes related to new low-income
 10 weatherization. The commission may also require funds collected through public purpose charges to
 11 be paid to a nongovernmental entity for investment in public purposes described in subsection (1)
 12 of this section. Notwithstanding any other provision of this subsection:

13 (A) If an electric company collected the funds, at least 80 percent of the funds allocated for new
 14 cost-effective energy conservation shall be spent within the service area of the electric company;
 15 or

16 (B) If Oregon Community Power collected the funds, at least 80 percent of the funds allocated
 17 for new cost-effective energy conservation shall be spent within the service area of Oregon Com-
 18 munity Power.

19 (e)(A) The first 10 percent of funds collected each year by an electric company or Oregon
 20 Community Power under subsection (2) of this section shall be distributed to school districts that
 21 are located in the service territory of the electric company or Oregon Community Power. The funds
 22 shall be distributed to individual school districts according to the weighted average daily member-
 23 ship (ADMw) of each school district for the prior fiscal year as calculated under ORS 327.013. The
 24 commission shall establish by rule a methodology for distributing a proportionate share of funds
 25 under this paragraph to school districts that are only partially located in the service territory of the
 26 electric company or Oregon Community Power.

27 (B) A school district that receives funds under this paragraph shall use the funds first to pay
 28 for energy audits for schools located within the school district **or for a fleet audit for the school**
 29 **district.** [*A school district may not expend additional funds received under this paragraph on a school*
 30 *until an energy audit has been completed for that school.*] To the extent practicable, a school district
 31 shall coordinate with the State Department of Energy and incorporate federal funding in complying
 32 with this paragraph. Following completion of an [*energy*] audit [*for an individual school*], the school
 33 district may expend funds received under this paragraph to implement the [*energy*] audit.

34 (C) Once an energy audit has been conducted and completely implemented for each school
 35 within the school district, the school district may expend funds received under this paragraph for
 36 any of the following purposes:

37 (i) Conducting additional energy audits. A school district shall conduct an energy audit prior to
 38 expending funds on any other purpose authorized under this paragraph unless the school district has
 39 performed an energy audit within the three years immediately prior to receiving the funds.

40 (ii) Weatherizing school district facilities and upgrading the energy efficiency of school district
 41 facilities.

42 (iii) Energy conservation education programs.

43 (iv) Purchasing electricity from environmentally focused sources.

44 (v) Investing in renewable energy resources.

45 **(D) Once a fleet audit has been conducted for the school district, the school district may**

1 **expend funds received under this paragraph for any of the following purposes:**

2 (i) **Purchasing or leasing zero-emission vehicles, as defined in section 1 of this 2019 Act,**
3 **including buses.**

4 (ii) **Purchasing or installing electric vehicle charging stations to provide electricity to**
5 **zero-emission vehicles.**

6 (f) The commission may not establish a different public purpose charge than the public purpose
7 charge described in subsection (2) of this section.

8 (g) If the commission requires funds collected through public purpose charges to be paid to a
9 nongovernmental entity, the entity shall:

10 (A) Include on the entity's board of directors an ex officio member designated by the commis-
11 sion, who shall also serve on the entity's nominating committee for filling board vacancies.

12 (B) Require the entity's officers and directors to provide an annual disclosure of economic in-
13 terest to be filed with the commission on or prior to April 15 of each calendar year for public review
14 in a form similar to the statement of economic interest required for public officials under ORS
15 244.060.

16 (C) Require the entity's officers and directors to declare actual and potential conflicts of interest
17 at regular meetings of the entity's governing body when such conflicts arise, and require an officer
18 or director to abstain from participating in any discussion or voting on any item where that officer
19 or director has an actual conflict of interest. For the purposes of this subparagraph, "actual conflict
20 of interest" and "potential conflict of interest" have the meanings given those terms in ORS 244.020.

21 (D) Annually, arrange for an independent auditor to audit the entity's financial statements, and
22 direct the auditor to file an audit opinion with the commission for public review.

23 (E) Annually file with the commission the entity's budget, action plan and quarterly and annual
24 reports for public review.

25 (F) At least once every five years, contract for an independent management evaluation to review
26 the entity's operations, efficiency and effectiveness, and direct the independent reviewer to file a
27 report with the commission for public review.

28 (h) The commission may remove from the board of directors of a nongovernmental entity an of-
29 ficer or director who fails to provide an annual disclosure of economic interest, or who fails to de-
30 clare an actual or potential conflict of interest, as described in paragraph (g)(B) and (C) of this
31 subsection, if the failure is connected to the allocation or expenditure of funds collected through
32 public purpose charges and paid to the entity.

33 (4)(a) An electric company that satisfies its obligations under this section:

34 (A) Has no further obligation to invest in new cost-effective energy conservation, new market
35 transformation or new low-income weatherization, or to provide a commercial energy conservation
36 services program; and

37 (B) Is not subject to ORS 469.631 to 469.645 and 469.860 to 469.900.

38 (b) Oregon Community Power, for any period during which Oregon Community Power collects
39 a public purpose charge under subsection (2) of this section:

40 (A) Has no further obligation to invest in new cost-effective energy conservation, new market
41 transformation or new low-income weatherization, or to provide a commercial energy conservation
42 services program; and

43 (B) Is not subject to ORS 469.631 to 469.645 and 469.860 to 469.900.

44 (5)(a) A retail electricity consumer that uses more than one average megawatt of electricity at
45 any site in the prior year shall receive a credit against public purpose charges billed by an electric

1 company or Oregon Community Power for that site. The amount of the credit shall be equal to the
 2 total amount of qualifying expenditures for new cost-effective energy conservation, not to exceed 68
 3 percent of the annual public purpose charges, and the above-market costs of new renewable energy
 4 resources incurred by the retail electricity consumer, not to exceed 19 percent of the annual public
 5 purpose charges, less administration costs incurred under this paragraph and paragraphs (b) and (c)
 6 of this subsection. The credit may not exceed, on an annual basis, the lesser of:

7 (A) The amount of the retail electricity consumer's qualifying expenditures; or

8 (B) The portion of the public purpose charge billed to the retail electricity consumer that is
 9 dedicated to new cost-effective energy conservation, new market transformation or the above-market
 10 costs of new renewable energy resources.

11 (b) To obtain a credit under paragraph (a) of this subsection, a retail electricity consumer shall
 12 file with the State Department of Energy a description of the proposed conservation project or new
 13 renewable energy resource and a declaration that the retail electricity consumer plans to incur the
 14 qualifying expenditure. The State Department of Energy shall issue a notice of precertification
 15 within 30 days of receipt of the filing, if such filing is consistent with paragraph (a) of this sub-
 16 section. The credit may be taken after a retail electricity consumer provides a letter from a certified
 17 public accountant to the State Department of Energy verifying that the precertified qualifying ex-
 18 penditure has been made.

19 (c) Credits earned by a retail electricity consumer as a result of qualifying expenditures that
 20 are not used in one year may be carried forward for use in subsequent years.

21 (d)(A) A retail electricity consumer that uses more than one average megawatt of electricity at
 22 any site in the prior year may request that the State Department of Energy hire an independent
 23 auditor to assess the potential for conservation investments at the site. If the independent auditor
 24 determines there is no available conservation measure at the site that would have a simple payback
 25 of one to 10 years, the retail electricity consumer shall be relieved of 54 percent of its payment
 26 obligation for public purpose charges related to the site. If the independent auditor determines that
 27 there are potential conservation measures available at the site, the retail electricity consumer shall
 28 be entitled to a credit against public purpose charges related to the site equal to 54 percent of the
 29 public purpose charges less the estimated cost of available conservation measures.

30 (B) A retail electricity consumer shall be entitled each year to the credit described in this par-
 31 agraph unless a subsequent independent audit determines that new conservation investment oppor-
 32 tunities are available. The State Department of Energy may require that a new independent audit
 33 be performed on the site to determine whether new conservation measures are available, provided
 34 that the independent audits occur no more than once every two years.

35 (C) The retail electricity consumer shall pay the cost of the independent audits described in this
 36 paragraph.

37 (6) Electric utilities and retail electricity consumers shall receive a fair and reasonable credit
 38 for the public purpose expenditures of their energy suppliers. The State Department of Energy shall
 39 adopt rules to determine eligible expenditures and the method by which such credits are accounted
 40 for and used. The State Department of Energy also shall adopt methods to account for eligible public
 41 purpose expenditures made through consortia or collaborative projects.

42 (7)(a) In addition to the public purpose charge provided under subsection (2) of this section, an
 43 electric company or Oregon Community Power shall collect funds for low-income electric bill pay-
 44 ment assistance in an amount determined under paragraph (b) of this subsection.

45 (b) The commission shall establish the amount to be collected by each electric company from

1 retail electricity consumers, and the rates to be charged by each electric company to retail elec-
2 tricity consumers, so that the forecasted collection by all electric companies in calendar year 2018
3 is \$20 million. In subsequent calendar years, the commission may not decrease the rates below those
4 established for calendar year 2018. The commission may temporarily adjust the rates if forecasted
5 collections or actual collections are less than \$20 million in any calendar year. A retail electricity
6 consumer may not be required to pay more than \$500 per month per site for low-income electric bill
7 payment assistance.

8 (c) Funds collected through the low-income electric bill payment assistance charge shall be paid
9 into the Housing and Community Services Department Low-Income Electric Bill Payment Assistance
10 Fund established by ORS 456.587 (2). Moneys deposited in the fund under this paragraph shall be
11 used by the Housing and Community Services Department solely for purposes related to low-income
12 electric bill payment assistance and for the Housing and Community Services Department's cost of
13 administering this subsection. Funds collected by an electric company or Oregon Community Power
14 under this subsection shall be expended in the service area of the electric company or Oregon
15 Community Power from which the funds are collected.

16 (d)(A) The Housing and Community Services Department shall determine the manner in which
17 funds collected under this subsection will be allocated by the Housing and Community Services
18 Department to energy assistance program providers for the purpose of providing low-income bill
19 payment and crisis assistance.

20 (B) The Housing and Community Services Department, in consultation with electric companies,
21 shall investigate and may implement alternative delivery models to effectively reduce service dis-
22 connections and related costs to retail electricity consumers and electric utilities.

23 (C) Priority assistance shall be directed to low-income electricity consumers who are in danger
24 of having their electricity service disconnected.

25 (D) The Housing and Community Services Department shall maintain records and provide those
26 records upon request to an electric company, Oregon Community Power and the Citizens' Utility
27 Board established under ORS chapter 774 on a quarterly basis. Records maintained must include
28 the numbers of low-income electricity consumers served, the average amounts paid to low-income
29 electricity consumers and the type of assistance provided to low-income electricity consumers.
30 Electric companies and Oregon Community Power shall, if requested, provide the Housing and
31 Community Services Department with aggregate data relating to low-income electricity consumers
32 served on a quarterly basis to support program development.

33 (e) Interest on moneys deposited in the Housing and Community Services Department Low-
34 Income Electric Bill Payment Assistance Fund established by ORS 456.587 (2) may be used to pro-
35 vide bill payment and crisis assistance to electricity consumers whose primary source of heat is not
36 electricity.

37 (f) Notwithstanding ORS 757.310, the commission may allow an electric company or Oregon
38 Community Power to provide reduced rates or other bill payment or crisis assistance or low-income
39 program assistance to a low-income household eligible for assistance under the federal Low Income
40 Home Energy Assistance Act of 1981, as amended and in effect on July 23, 1999.

41 (8) For purposes of this section, "retail electricity consumers" includes any direct service in-
42 dustrial consumer that purchases electricity without purchasing distribution services from the elec-
43 tric utility.

44 (9) For purposes of this section, funds collected by Oregon Community Power through public
45 purpose charges are not considered moneys received from electric utility operations.

