

Requested by Representative SMITH G

**PROPOSED AMENDMENTS TO
HOUSE BILL 2020**

1 On page 7 of the printed bill, delete lines 24 through 32 and insert:

2 “(c) The office shall calculate baseline emissions to be equal to a forecast
3 of regulated emissions for 2021, informed by the three-year average of the
4 total, expressed in metric tons of carbon dioxide equivalent, of anthropogenic
5 greenhouse gas emissions attributable to all persons that the office desig-
6 nates to be covered entities under the program. In calculating baseline
7 emissions, the office shall use greenhouse gas emissions information from the
8 three most recent years prior to 2021 for which greenhouse gas emissions
9 information is available and verified by the office. In calculating baseline
10 emissions, the office may also use electricity load growth forecasts for the
11 five year period following 2021 that are available and verified by the office.
12 The office shall exclude from the calculation of baseline emissions those
13 greenhouse gas emissions during the three most recent years prior to 2021
14 that would not have been regulated emissions if the Oregon Climate Action
15 Program had been in effect during the time that the greenhouse gas emis-
16 sions occurred.”.

17 On page 12, delete lines 11 through 35 and insert:

18 **“SECTION 16. Direct distribution of allowances for certain electric**
19 **system managers.** (1) The Carbon Policy Office shall allocate allow-
20 **ances for direct distribution at no cost to covered entities that are**
21 **electric system managers other than electric companies as follows:**

1 “(a)(A) The direct distribution to an electric system manager under
2 this subsection during calendar year 2021 shall represent an amount
3 equal to 100 percent of the verified anthropogenic greenhouse gas
4 emissions that are:

5 “(i) Forecast for 2021 to be attributable to electricity scheduled by
6 the electric system manager for final delivery by consumer-owned
7 utilities for consumption in this state; and

8 “(ii) Not excluded from regulated emissions under section 10 (2)(c)
9 of this 2019 Act.

10 “(B) The emissions forecast under subparagraph (A) of this para-
11 graph may be based on representative prior years, electricity load
12 growth forecasts for the period of five years following 2021 or both.

13 “(b) Beginning in 2022 and for each subsequent calendar year until
14 and including 2050, the direct distribution received by an electric sys-
15 tem manager for emissions described in paragraph (a) of this sub-
16 section shall decline annually by a constant amount proportionate to
17 the decline in the amount of allowances available in annual allowance
18 budgets pursuant to section 9 (1)(b) of this 2019 Act.

19 “(2) When making an allocation under subsection (1) of this section,
20 the office shall account for any unbundled renewable energy certifi-
21 cates used by an electric system manager to satisfy the requirements
22 of ORS 469A.005 to 469A.210 and shall adjust the allocation to reduce
23 the electric system manager’s compliance obligation accordingly. In
24 making an adjustment pursuant to this subsection, the office shall
25 consider:

26 “(a) The electricity scheduled by the electric system manager for
27 which unbundled renewable energy certificates may be used to comply
28 with ORS 469A.005 to 469A.210; and

29 “(b) The emissions attributable to nonspecified market purchases
30 by the electric system manager.

1 **“(3) The Director of the Carbon Policy Office shall adopt rules for**
2 **the accounting and adjustments required by subsection (2) of this**
3 **section.**

4 **“(4) Proceeds from the sale by a consumer-owned utility of allow-**
5 **ances distributed at no cost under this section must be used by the**
6 **consumer-owned utility for the benefit of ratepayers, consistent with**
7 **the purposes stated in section 7 of this 2019 Act and as further required**
8 **by the governing body of the consumer-owned utility.**

9 **“(5) The governing body of a consumer-owned utility that receives**
10 **or sells directly distributed allowances under this section shall, no**
11 **later than September 15 of each even-numbered year, submit a report**
12 **to the Joint Committee on Climate Action on the use by the**
13 **consumer-owned utility of the directly distributed allowances. The re-**
14 **port must include, but not be limited to, a description of the uses by**
15 **the consumer-owned utility of proceeds from the sale of allowances**
16 **distributed to the consumer-owned utility under this section.”.**

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