

Requested by Representative MARSH

**PROPOSED AMENDMENTS TO
HOUSE BILL 2020**

1 On page 9 of the printed bill, delete lines 10 through 45.

2 On page 10, delete lines 1 and 2 and insert:

3 **“SECTION 10. Exemptions and exclusions. (1) The Carbon Policy**
4 **Office shall exempt from regulation as a covered entity under sections**
5 **8 to 26 of this 2019 Act:**

6 **“(a) A land disposal site as that term is defined in ORS 459.005.**

7 **“(b) A cogeneration facility, as defined in ORS 758.505, that is owned**
8 **or operated by a public university listed in ORS 352.002 or by the**
9 **Oregon Health and Science University established under ORS 353.020.**

10 **“(2) The office shall exclude from regulated emissions under**
11 **sections 8 to 26 of this 2019 Act:**

12 **“(a) Greenhouse gas emissions from the combustion of fuel that is**
13 **demonstrated to have been used as aviation fuel or as fuel in**
14 **watercraft or railroad locomotives.**

15 **“(b) Greenhouse gas emissions attributable to a consumer-owned**
16 **utility if the three-year average of the annual greenhouse gas emis-**
17 **sions attributable to electricity that is scheduled, by the consumer-**
18 **owned utility or by an electric generation and transmission**
19 **cooperative, for the consumer-owned utility to deliver for consumption**
20 **in this state is less than 25,000 metric tons of carbon dioxide equiv-**
21 **alent.**

1 “(c) The emissions attributable to a person that is exempt from
2 designation as a covered entity under this section.

3 “(3) For purposes of section 9 (2)(f) of this 2019 Act, the office may
4 exempt from designation as a covered entity any person that imports
5 in a calendar year less than a de minimis amount of gasoline and
6 diesel fuel, in total, as determined by the office by rule. Gasoline and
7 diesel fuel imported by persons that are related or share common
8 ownership or control shall be aggregated in determining whether a
9 person may be exempted under this subsection.”.

10 On page 11, delete lines 32 through 45.

11 On page 12, delete lines 1 through 10 and insert:

12 **“SECTION 15. Direct distribution of allowances for electric compa-**
13 **nies. (1) The Director of the Carbon Policy Office shall, in consultation**
14 **with the Public Utility Commission, adopt rules for allocating allow-**
15 **ances for direct distribution at no cost to covered entities that are**
16 **electric companies. Direct distributions under this section must be for**
17 **the exclusive benefit of retail electricity consumers, as defined in ORS**
18 **757.600.**

19 **“(2) Rules adopted under this section must:**

20 **“(a) Allow for an electric company to use allowances directly dis-**
21 **tributed under this section to fulfill compliance obligations associated**
22 **with electricity used to serve the load of the electric company’s retail**
23 **electricity consumers, as that term is defined in ORS 757.600, in**
24 **Oregon, subject to the oversight of the commission;**

25 **“(b) Ensure that electric companies’ use of allowances to fulfill**
26 **compliance obligations does not provide retail electricity consumers**
27 **with a cost advantage for purchasing electricity at a cost-of-service**
28 **rate rather than through direct access, as defined in ORS 757.600;**

29 **“(c) Ensure that benefits electric companies receive from using al-**
30 **lowances to fulfill compliance obligations are apportioned in a non-**

1 discriminatory manner between retail electricity consumers that
2 purchase electricity through direct access and retail electricity con-
3 sumers that purchase electricity at a cost-of-service rate; and

4 “(d) Implement direct distributions of allowances to electric com-
5 panies as described in subsections (3) and (4) of this section.

6 “(3)(a) For the purpose of aligning the effects of sections 8 to 26 of
7 this 2019 Act with the trajectory of emissions reductions by electric
8 companies resulting from the requirements of ORS 469A.005 to 469A.210
9 and 757.518:

10 “(A) The annual direct distributions to an electric company during
11 2021 and for each calendar year until and including 2029 must be in a
12 number of allowances such that the electric company receives a total
13 direct distribution of allowances over that time period equal to 100
14 percent of the electric company’s forecast regulated emissions for 2021
15 and for each calendar year until and including 2029 associated with the
16 electricity used to serve the load of the electric company’s retail
17 electricity consumers in Oregon; and

18 “(B) The direct distribution of allowances to an electric company
19 during 2030 must represent an amount equal to 100 percent of the
20 electric company’s forecast regulated emissions associated with the
21 electricity used to serve the load of the electric company’s retail
22 electricity customers in Oregon for the calendar year 2030.

23 “(b) For purposes of this subsection, forecast regulated emissions
24 for an electric company must be based on, or contained in:

25 “(A) The most recent integrated resource plan filed by the electric
26 company and acknowledged by order by the commission;

27 “(B) Any updates to the integrated resource plan filed by the elec-
28 tric company with the commission as of January 1, 2021; or

29 “(C) In the case of a multistate jurisdictional electric company,
30 other information developed consistent with a methodology approved

1 by the commission.

2 “(4) Beginning in 2031 and for each following year until and in-
3 cluding 2050, the direct distribution to an electric company under this
4 section must decline from the amount of allowances allocated to the
5 electric company in 2030 by a constant amount proportionate to the
6 decline in the amount of allowances available in annual allowance
7 budgets pursuant to section 9 (1)(b) of this 2019 Act.”.

8
