

Requested by Senator BEYER

**PROPOSED AMENDMENTS TO
SENATE BILL 1044**

1 On page 1 of the printed bill, delete lines 5 through 24 and delete pages
2 2 through 13 and insert:

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

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

11 **“(a) Motor vehicle emissions contribute significantly to air pol-**
12 **lution in this state.**

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

17 **“(c) Motor vehicle emissions, especially greenhouse gases, are dif-**
18 **ficult to reduce and will rise over time if not limited by additional laws**
19 **and regulations.**

20 **“(d) Absent significant changes in the types of motor vehicles used**
21 **by people and businesses in Oregon, the state will not meet the**

1 **greenhouse gas emissions reduction goals set forth in ORS 468A.205.**

2 **“(e) In ORS 757.357, the Legislative Assembly found that transpor-**
3 **tation electrification is necessary to reduce petroleum use, achieve**
4 **optimum levels of energy efficiency and carbon reduction, meet federal**
5 **and state air quality standards, meet this state’s greenhouse gas**
6 **emissions reduction goals set forth in ORS 468A.205 and improve the**
7 **public health and safety.**

8 **“(f) Existing federal and state incentives and programs are insuffi-**
9 **cient to transform the motor vehicle market on a timeline that will**
10 **protect Oregonians from the worst impacts of global climate change.**

11 **“(g) The purchase and ownership of zero-emission vehicles can re-**
12 **duce the overall energy costs paid by Oregon households and the spe-**
13 **cific costs associated with meeting transportation needs.**

14 **“(h) A robust and well-operating market for zero-emission vehicles**
15 **is essential to meeting this state’s greenhouse gas emissions reduction**
16 **goals.**

17 **“(i) Certain residents and communities face greater barriers to**
18 **purchasing or leasing zero-emission vehicles, and additional support**
19 **and innovative solutions are necessary to ensure that all Oregon**
20 **households benefit from transportation electrification.**

21 **“(3) The Legislative Assembly declares the following goals:**

22 **“(a) Transformation of the motor vehicle market must occur no**
23 **later than 2035.**

24 **“(b) Programs and support must be provided to accelerate**
25 **Oregonians’ purchase and use of zero-emission vehicles until**
26 **greenhouse gas emissions from vehicles are declining at a rate con-**
27 **sistent with this state’s greenhouse gas emissions reduction goals set**
28 **forth in ORS 468A.205.**

29 **“(c) The adoption and use of zero-emission vehicles must be evalu-**
30 **ated regularly to determine whether the rate of the adoption and use**

1 of zero-emission vehicles will put the state on course to meet its
2 greenhouse gas emissions reduction goals.

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

6 “(a) Purchasing or leasing light-duty or medium-duty zero-emission
7 vehicles, consistent with ORS 283.327, when purchasing or leasing ve-
8 hicles;

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

11 “(c) Considering proposals submitted in the report required by sec-
12 tion 2 of this 2019 Act that relate to zero-emission vehicles and
13 adopting the proposals when feasible.

14 “SECTION 2. (1) On or before September 15 of each odd-numbered
15 year, the State Department of Energy shall submit to the Governor
16 and an interim committee of the Legislative Assembly related to the
17 environment a report on adoption of zero-emission vehicles in this
18 state and the progress the state is making to achieve reductions in
19 greenhouse gas emissions in the transportation sector. The report
20 shall provide:

21 “(a) A review, using existing studies, market reports, polling data
22 or other publicly available information, of the market in this state for
23 zero-emission vehicles and any barriers to adopting zero-emission ve-
24 hicles in this state;

25 “(b) An assessment of the state’s progress in promoting the goals
26 set forth in section 1 of this 2019 Act; and

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

29 “(2) The department may contract with third parties to assist in
30 performing the duties described in subsection (1) of this section.

1 **“(3) To assess the state’s progress under subsection (1)(b) of this**
2 **section, the department shall evaluate:**

3 **“(a) Whether the transportation sector is on course to reduce the**
4 **share of greenhouse gas emissions from motor vehicles, as defined in**
5 **ORS 801.360, consistent with the greenhouse gas emissions reduction**
6 **goals set forth in ORS 268A.205.**

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

9 **“(A) By 2020, 50,000 registered motor vehicles will be zero-emission**
10 **vehicles;**

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

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

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

18 **“(c) The sales figures and numbers of zero-emission vehicles that**
19 **are owned in Oregon, differentiated by demographic factors that in-**
20 **clude an individual’s family income, ethnicity and location of resi-**
21 **dence.**

22 **“(d) The availability and reliability of public and private electric**
23 **vehicle charging infrastructure that is needed to support the targets**
24 **for zero-emission vehicle sales and registration identified in paragraph**
25 **(b) of this subsection. The department shall assess reliability under**
26 **this paragraph only if the department requests and obtains informa-**
27 **tion on reliability from providers of electric vehicle charging**
28 **infrastructure.**

29 **“(e) The incremental purchase cost difference, before and after**
30 **federal and state incentives, between the purchase cost of a zero-**

1 emission vehicle and the purchase cost of a comparable vehicle capable
2 of using alternative fuel.

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

5 “(g) Oregonians’ awareness of motor vehicle options, the benefits
6 of owning zero-emission vehicles and the true costs of motor vehicle
7 ownership.

8 “(h) The carbon intensity of fuel consumed by the Oregon trans-
9 portation sector as a whole.

10 “(i) The general progress toward electrification of all fossil fuel-
11 based transportation modes.

12 “(j) Opportunities to minimize impacts to the electric grid from
13 transportation electrification, including rate design, managed charg-
14 ing, vehicle-to-grid services and electricity conservation techniques.

15 “(4) If the department determines that the state is not on course
16 to meet the goals set forth in section 1 of this 2019 Act, the department
17 shall include recommendations for legislation in the report required
18 by subsection (1) of this section. The recommendations for legislation
19 must promote the zero-emission vehicle market, encourage transpor-
20 tation electrification and further the goals set forth in section 1 of this
21 2019 Act.

22 “SECTION 3. (1) As used in this section:

23 “(a)(A) ‘Electric vehicle charging station infrastructure’ means
24 infrastructure that supports electric vehicle charging, such as wiring,
25 conduit, concrete, electrical panel, switchgear, metering equipment,
26 controls and directly connected distribution system infrastructure, or
27 any combination thereof.

28 “(B) ‘Electric vehicle charging station infrastructure’ does not
29 mean equipment that provides alternating or direct current to a bat-
30 tery electric vehicle or a plug-in hybrid electric vehicle.

1 **“(b) ‘Public benefit location’ means real property that is owned,**
2 **leased or controlled by a public body, as defined in ORS 174.109, and**
3 **that contains at least 10 parking stalls for use by members of the**
4 **public or by public vehicle fleets.**

5 **“(c) ‘Public benefit proposal’ means a filing in which a public utility**
6 **seeks to recover in rates the costs of installing electric vehicle charg-**
7 **ing station infrastructure at public benefit locations within the public**
8 **utility’s service territory.**

9 **“(2) Under a public benefit proposal:**

10 **“(a) A public utility may not recover more than \$500,000 per year**
11 **from all customers of the public utility for the costs of installing**
12 **electric vehicle charging station infrastructure;**

13 **“(b) Amounts approved for inclusion in rates must allow for a rea-**
14 **sonable rate of return on any investment;**

15 **“(c) The public utility may use a deferred accounting mechanism**
16 **for capital investment; and**

17 **“(d) Costs that the public utility may recover include capital, con-**
18 **struction, operation and maintenance costs.**

19 **“(3)(a) In consultation with or at the request of a public body, a**
20 **public utility may file a public benefit proposal with the Public Utility**
21 **Commission as a supplemental filing to an application that the public**
22 **utility files under ORS 757.357 for a program to accelerate transporta-**
23 **tion electrification.**

24 **“(b) Notwithstanding ORS 757.357 (4), the commission shall approve**
25 **a public benefit proposal if a public utility demonstrates that:**

26 **“(A) The public utility has consulted with the public body that**
27 **owns, leases or controls the public benefit location and the public body**
28 **finds that electric vehicle charging stations are an important compo-**
29 **nent of accomplishing the goals set forth in section 1 of this 2019 Act**
30 **or the requirements under ORS 283.327;**

1 **“(B) The public benefit proposal seeks to minimize overall costs and**
2 **maximize overall benefits to utility customers from the public benefit**
3 **proposal, such as by:**

4 **“(i) Using multiple sources of funding to support the public benefit**
5 **proposal;**

6 **“(ii) Using electric vehicle charging stations to contribute to the**
7 **utility system through demand response programs or time-of-use**
8 **pricing; or**

9 **“(iii) Returning revenues from electric vehicle charging stations to**
10 **utility customers;**

11 **“(C) The public benefit proposal is supported by data or analysis**
12 **provided by the public body that indicates that an investment such as**
13 **that proposed by the public benefit proposal can improve energy effi-**
14 **ciency or travel, reduce environmental and health impacts from air**
15 **pollution, reduce greenhouse gas emissions related to transportation,**
16 **create high-quality jobs or provide other economic benefits; and**

17 **“(D) The public benefit proposal will not provide for recovery in**
18 **excess of \$500,000 per year from all customers of the public utility for**
19 **the costs of installing electric vehicle charging station infrastructure.**

20 **“(4) The commission shall take action on a public benefit proposal**
21 **within 120 days after receipt unless the commission has good cause for**
22 **delay. If the commission fails to take action on a public benefit pro-**
23 **posal within 120 days, the commission shall provide the public utility**
24 **with an explanation of the delay and an estimate of the additional time**
25 **necessary to take action.**

26 **“(5) If the commission finds that a public benefit proposal fails to**
27 **meet a criterion listed in subsection (2) of this section, the public**
28 **utility may resubmit the public benefit proposal. The commission shall**
29 **take action on the resubmitted public benefit proposal as described in**
30 **subsection (4) of this section.**

1 **“SECTION 4.** ORS 276.255, as amended by section 1, chapter 90, Oregon
2 Laws 2018, is amended to read:

3 “276.255. (1)(a) A state agency may locate, on premises the state agency
4 owns or controls, devices or facilities that the state agency installs, or has
5 installed, specifically to deliver electricity to the public for electric motor
6 vehicles.

7 “(b) A state agency may contract with a vendor, **including a public**
8 **utility pursuant to section 3 of this 2019 Act**, that will distribute, dis-
9 pense or otherwise make available electricity from devices or facilities de-
10 scribed in paragraph (a) of this subsection.

11 “(2)(a) The Oregon Department of Administrative Services may install or
12 have installed devices or facilities described in subsection (1)(a) of this sec-
13 tion in as many locations as are sufficient to meet demand for the devices
14 or facilities.

15 “(b) The department by rule shall establish criteria by means of which a
16 state agency shall determine an appropriate number of locations at which the
17 state agency may install or have installed devices or facilities described in
18 subsection (1)(a) of this section.

19 “(c) Notwithstanding paragraph (b) of this subsection, a state agency may
20 install or have installed devices or facilities described in subsection (1)(a)
21 of this section at more than the number of locations determined in accord-
22 ance with the department’s rule if the state agency obtains a grant to sup-
23 port the installations at each additional location.

24 “(3) A state agency that contracts with a vendor under subsection (1)(b)
25 of this section shall require in the contract that the vendor:

26 “(a) Indemnify the state agency against any claim related to or arising
27 out of the vendor’s operations on premises that the state agency owns or
28 controls; and

29 “(b) Obtain a policy of liability insurance in an amount sufficient to pay
30 foreseeable claims that relate to or arise out of the vendor’s operations, name

1 the state agency as an insured party in the policy and maintain coverage
2 under the policy during the term of the contract and for two years after the
3 contract term expires.

4 “(4) A state agency may by order establish and adjust prices for using
5 devices or facilities described in subsection (1)(a) of this section that are
6 located on premises the state agency owns or controls. The state agency shall
7 set the price for using the devices or facilities at a level that:

8 “(a) Recovers to the maximum extent practicable the cost of operating and
9 administering the devices or facilities described in subsection (1)(a) of this
10 section; and

11 “(b) Does not exceed 110 percent of the average market price for deliver-
12 ing electricity to the public for the purpose described in subsection (1)(a) of
13 this section in the county in which the device or facility is located.

14 “(5) Subject to subsection (4) of this section, a state agency shall set a
15 uniform price for delivering electricity at devices and facilities located on
16 premises that the state agency owns or controls. The state agency shall use
17 criteria and a methodology that the department specifies for calculating the
18 uniform price.

19 “(6) The department shall report to the Legislative Assembly in the man-
20 ner provided by ORS 192.245 not later than February 1, 2019, February 1,
21 2021, and February 1, 2023, concerning state agency implementation of the
22 authority granted in this section. Each report must, as of the date of the
23 report:

24 “(a) List the number of devices or facilities for delivering electricity to
25 the public for electric motor vehicles that state agencies installed or had
26 installed in the previous two years and the total number of installations that
27 have occurred since June 2, 2018;

28 “(b) List the number of devices or facilities that state agencies have
29 planned for installation in the next two years;

30 “(c) List the cost to the state agency of each installation and calculate:

1 “(A) An average cost for installations that state agencies have completed
2 or had completed; and

3 “(B) An overall trend line for costs that state agencies have incurred;

4 “(d) Specify the current uniform price that each state agency charges
5 under subsection (5) of this section and any changes in the uniform price
6 that occurred in the previous two years;

7 “(e) Specify for each state agency an average rate of utilization for all
8 of the devices or facilities located on premises that the state agency owns
9 or controls, calculated as the ratio of the time each day during which a
10 person is actually using the devices or facilities and the time each day in
11 which the devices and facilities are available for use; and

12 “(f) Specify whether and to what extent using electric motor vehicles and
13 devices or facilities located on premises that state agencies own or control
14 to provide electricity for state agency electric motor vehicles results in a
15 cost savings to the state agency in comparison to using motor vehicles that
16 do not use electricity for propulsion.

17 **“SECTION 5.** ORS 283.327 is amended to read:

18 **“283.327. (1)(a) Unless a state agency finds that it is not feasible for**
19 **a zero-emission vehicle, as defined in section 1 of this 2019 Act, to meet**
20 **the specific use for which a vehicle will be purchased or leased, by 2025**
21 **the agency shall purchase or lease zero-emission vehicles for at least**
22 **25 percent of new state light-duty vehicle purchases and leases, to the**
23 **extent zero-emission vehicles are available.**

24 **“(b) If the agency finds that purchasing or leasing zero-emission**
25 **vehicles is not feasible, the agency may purchase or lease light-duty**
26 **vehicles that are capable of using alternative fuel and that meet the**
27 **requirements established by the Comprehensive National Energy Pol-**
28 **icy Act of 1992 (P.L. 102-486).**

29 **“(c) If the agency finds that purchasing or leasing zero-emission**
30 **vehicles is not feasible and that purchasing or leasing light-duty ve-**

1 **hicles that are capable of using alternative fuel and that meet the re-**
2 **quirements established by the Comprehensive National Energy Policy**
3 **Act of 1992 (P.L. 102-486) is not feasible, the agency may purchase or**
4 **lease vehicles that the Department of Environmental Quality has**
5 **identified by rule as low-emission vehicles.**

6 “[~~(1)~~] **(2)** To the maximum extent [*economically possible*] **feasible**, state-
7 owned motor vehicles shall **be zero-emission vehicles or** use alternative
8 fuel for operation.

9 “[~~(2)~~] *State agencies shall acquire only motor vehicles capable of using al-*
10 *ternative fuel, except that acquired vehicles assigned to areas unable econom-*
11 *ically to dispense alternative fuel need not be so configured.]*

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

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

18 “(5) **As used in this section:**

19 “(a) **‘Light-duty vehicle’ includes passenger cars, sedans, station**
20 **wagons, pickup trucks with a gross vehicle rating of 2,000 pounds or**
21 **less, minivans equipped for passengers or cargo, sports utility vehicles,**
22 **crossover utility vehicles and specialty vehicles similar to vehicles**
23 **identified in this paragraph.**

24 “(b) **‘Light-duty vehicle’ does not include police vehicles, fire vehi-**
25 **cles, trucks to which a load-carrying device or container is not at-**
26 **tached or trucks that are equipped with a dump, flatbed, tank, boom**
27 **lift, crane or similar device.**

28 “**SECTION 6.** ORS 283.327, as amended by section 5 of this 2019 Act, is
29 amended to read:

30 “283.327. (1)(a) Unless a state agency finds that it is not feasible for a

1 zero-emission vehicle, as defined in section 1 of this 2019 Act, to meet the
2 specific use for which a vehicle will be purchased or leased, [*by 2025 the*
3 *agency shall purchase or lease zero-emission vehicles for at least 25 percent of*
4 *new state light-duty vehicle purchases and leases, to the extent zero-emission*
5 *vehicles are available.*] **the agency shall purchase or lease zero-emission**
6 **vehicles for all new state light-duty vehicle purchases and leases.**

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

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

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

19 “(3) Each agency owning motor vehicles shall comply with all safety
20 standards established by the United States Department of Transportation in
21 the conversion, operation and maintenance of vehicles using alternative fuel.

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

25 “(5) As used in this section:

26 “(a) ‘Light-duty vehicle’ includes passenger cars, sedans, station wagons,
27 pickup trucks with a gross vehicle rating of 2,000 pounds or less, minivans
28 equipped for passengers or cargo, sports utility vehicles, crossover utility
29 vehicles and specialty vehicles similar to vehicles identified in this para-
30 graph.

1 “(b) ‘Light-duty vehicle’ does not include police vehicles, fire vehicles,
2 trucks to which a load-carrying device or container is not attached or trucks
3 that are equipped with a dump, flatbed, tank, boom lift, crane or similar de-
4 vice.

5 **“SECTION 7.** ORS 283.337 is amended to read:

6 “283.337. (1) Prior to December 31 of each year, each agency owning mo-
7 tor vehicles shall submit an annual report to the Department of Environ-
8 mental Quality and the State Department of Energy. The report shall contain
9 at a minimum:

10 “[1] (a) The number of vehicles acquired that are capable of using al-
11 ternative fuel;

12 “[2] (b) The number of vehicles converted from the use of gasoline to
13 the use of alternative fuel;

14 “[3] (c) The *[quantity]* **amount** of each type of alternative fuel used **in**
15 **the vehicles; [and]**

16 **“(d) The number of zero-emission vehicles, as defined in section 1**
17 **of this 2019 Act, acquired;**

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

20 “[4] (f) Any other information required by the Department of Environ-
21 mental Quality and the State Department of Energy.

22 **“(2) In the report, an agency that purchases or leases a vehicle that**
23 **is not a zero-emission vehicle shall explain the reason for the purchase**
24 **of an alternative fuel, hybrid or low-emission vehicle and demonstrate**
25 **that purchasing or leasing a zero-emission vehicle was not feasible.**
26 **To assess the feasibility of a zero-emission vehicle under this sub-**
27 **section, an agency may not consider any incremental cost of a zero-**
28 **emission vehicle over a comparable vehicle.**

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

1 **SECTION 8.** ORS 283.343 is amended to read:

2 “283.343. At least biennially, the Oregon Department of Administrative
3 Services shall examine compliance with rules adopted pursuant to ORS
4 283.340 by state agencies owning vehicles. The department shall submit
5 biennially to the Joint Legislative Audit Committee a management report
6 on state-owned motor vehicles that includes:

7 “(1) Summaries of agency compliance examinations, with specific empha-
8 sis on noncomplying state agency fleets;

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

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

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

12 “(5) Recommendations for increasing motor vehicle utilization, for de-
13 creasing the overall motor vehicle population, **for increasing the percent-**
14 **age of zero-emission vehicles within the motor pool and agency fleets**
15 and for absorbing noncomplying state agency fleets into the motor pool.

16 **SECTION 9.** ORS 757.355 is amended to read:

17 “757.355. (1) Except as provided in **section 3 of this 2019 Act and** sub-
18 section (2) of this section, a public utility may not, directly or indirectly, by
19 any device, charge, demand, collect or receive from any customer rates that
20 include the costs of construction, building, installation or real or personal
21 property not presently used for providing utility service to the customer.

22 “(2) The Public Utility Commission may allow rates for a water utility
23 that include the costs of a specific capital improvement if the water utility
24 is required to use the additional revenues solely for the purpose of complet-
25 ing the capital improvement.

26 **SECTION 10.** ORS 757.612 is amended to read:

27 “757.612. (1) There is established an annual public purpose expenditure
28 standard for electric companies and Oregon Community Power to fund new
29 cost-effective energy conservation, new market transformation efforts, the
30 above-market costs of new renewable energy resources and new low-income

1 weatherization. The public purpose expenditure standard shall be funded by
2 the public purpose charge described in subsection (2) of this section.

3 “(2)(a) Beginning on the date an electric company or Oregon Community
4 Power offers direct access to retail electricity consumers, except residential
5 electricity consumers, the electric company or Oregon Community Power
6 shall collect a public purpose charge from all of the retail electricity con-
7 sumers located within the electric company’s or Oregon Community Power’s
8 service area until January 1, 2026. Except as provided in paragraph (b) of
9 this subsection, the public purpose charge shall be equal to three percent of
10 the total revenues collected by the electric company, Oregon Community
11 Power or the electricity service supplier from retail electricity consumers for
12 electricity services, distribution services, ancillary services, metering and
13 billing, transition charges and other types of costs included in electric rates
14 on July 23, 1999.

15 “(b) For an aluminum plant that averages more than 100 average mega-
16 watts of electricity use per year, the electric company or Oregon Community
17 Power, whichever serves territory that abuts the greatest percentage of the
18 site of the aluminum plant, shall collect from the aluminum company a
19 public purpose charge equal to one percent of the total revenue from the sale
20 of electricity services to the aluminum plant from any source.

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

24 “(b) Except as provided in paragraph (e) of this subsection, funds collected
25 through public purpose charges under subsection (2) of this section shall be
26 allocated as follows:

27 “(A) Sixty-three percent for new cost-effective energy conservation and
28 new market transformation efforts.

29 “(B) Nineteen percent for the above-market costs of constructing and op-
30 erating new renewable energy resources with a nominal electric generating

1 capacity, as defined in ORS 469.300, of 20 megawatts or less.

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

3 “(D) Five percent for deposit in the Housing and Community Services
4 Department Electricity Public Purpose Charge Fund established by ORS
5 456.587 (1) for the purpose of providing grants as described in ORS 458.625
6 (2).

7 “(c) The costs of administering subsections (1) to (6) of this section for
8 an electric company or Oregon Community Power shall be paid out of the
9 funds collected through public purpose charges. The commission may require
10 an electric company or Oregon Community Power to direct funds collected
11 through public purpose charges to state agencies responsible for implement-
12 ing subsections (1) to (6) of this section in order to pay the costs of admin-
13 istering subsections (1) to (6) of this section.

14 “(d) The commission shall direct the manner in which public purpose
15 charges are collected and spent by an electric company or Oregon Commu-
16 nity Power and may require an electric company or Oregon Community
17 Power to expend funds through competitive bids or other means designed to
18 encourage competition, except that funds dedicated for new low-income
19 weatherization shall be directed to the Housing and Community Services
20 Department for purposes related to new low-income weatherization. The
21 commission may also require funds collected through public purpose charges
22 to be paid to a nongovernmental entity for investment in public purposes
23 described in subsection (1) of this section. Notwithstanding any other pro-
24 vision of this subsection:

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

28 “(B) If Oregon Community Power collected the funds, at least 80 percent
29 of the funds allocated for new cost-effective energy conservation shall be
30 spent within the service area of Oregon Community Power.

1 “(e)(A) The first 10 percent of funds collected each year by an electric
2 company or Oregon Community Power under subsection (2) of this section
3 shall be distributed to school districts that are located in the service terri-
4 tory of the electric company or Oregon Community Power. The funds shall
5 be distributed to individual school districts according to the weighted aver-
6 age daily membership (ADMw) of each school district for the prior fiscal
7 year as calculated under ORS 327.013. The commission shall establish by rule
8 a methodology for distributing a proportionate share of funds under this
9 paragraph to school districts that are only partially located in the service
10 territory of the electric company or Oregon Community Power.

11 “(B) A school district that receives funds under this paragraph shall use
12 the funds first to pay for energy audits for schools located within the school
13 district **or for a fleet audit for the school district**. [*A school district may*
14 *not expend additional funds received under this paragraph on a school until*
15 *an energy audit has been completed for that school.*] To the extent practicable,
16 a school district shall coordinate with the State Department of Energy and
17 incorporate federal funding in complying with this paragraph. Following
18 completion of an [*energy*] audit [*for an individual school*], the school district
19 may expend funds received under this paragraph to implement the [*energy*]
20 audit.

21 “(C) Once an energy audit has been conducted and completely imple-
22 mented for each school within the school district, the school district may
23 expend funds received under this paragraph for any of the following pur-
24 poses:

25 “(i) Conducting additional energy audits. A school district shall conduct
26 an energy audit prior to expending funds on any other purpose authorized
27 under this paragraph unless the school district has performed an energy au-
28 dit within the three years immediately prior to receiving the funds.

29 “(ii) Weatherizing school district facilities and upgrading the energy ef-
30 ficiency of school district facilities.

1 “(iii) Energy conservation education programs.

2 “(iv) Purchasing electricity from environmentally focused sources.

3 “(v) Investing in renewable energy resources.

4 **“(D) Once a fleet audit has been conducted for the school district,**
5 **the school district may expend funds received under this paragraph for**
6 **any of the following purposes:**

7 **“(i) Purchasing or leasing zero-emission vehicles, as defined in sec-**
8 **tion 1 of this 2019 Act, including buses.**

9 **“(ii) Purchasing or installing electric vehicle charging stations to**
10 **provide electricity to zero-emission vehicles.**

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

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

15 “(A) Include on the entity’s board of directors an ex officio member des-
16 ignated by the commission, who shall also serve on the entity’s nominating
17 committee for filling board vacancies.

18 “(B) Require the entity’s officers and directors to provide an annual dis-
19 closure of economic interest to be filed with the commission on or prior to
20 April 15 of each calendar year for public review in a form similar to the
21 statement of economic interest required for public officials under ORS
22 244.060.

23 “(C) Require the entity’s officers and directors to declare actual and po-
24 tential conflicts of interest at regular meetings of the entity’s governing body
25 when such conflicts arise, and require an officer or director to abstain from
26 participating in any discussion or voting on any item where that officer or
27 director has an actual conflict of interest. For the purposes of this subpara-
28 graph, ‘actual conflict of interest’ and ‘potential conflict of interest’ have the
29 meanings given those terms in ORS 244.020.

30 “(D) Annually, arrange for an independent auditor to audit the entity’s

1 financial statements, and direct the auditor to file an audit opinion with the
2 commission for public review.

3 “(E) Annually file with the commission the entity’s budget, action plan
4 and quarterly and annual reports for public review.

5 “(F) At least once every five years, contract for an independent manage-
6 ment evaluation to review the entity’s operations, efficiency and effective-
7 ness, and direct the independent reviewer to file a report with the
8 commission for public review.

9 “(h) The commission may remove from the board of directors of a non-
10 governmental entity an officer or director who fails to provide an annual
11 disclosure of economic interest, or who fails to declare an actual or potential
12 conflict of interest, as described in paragraph (g)(B) and (C) of this sub-
13 section, if the failure is connected to the allocation or expenditure of funds
14 collected through public purpose charges and paid to the entity.

15 “(4)(a) An electric company that satisfies its obligations under this sec-
16 tion:

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

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

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

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

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

28 “(5)(a) A retail electricity consumer that uses more than one average
29 megawatt of electricity at any site in the prior year shall receive a credit
30 against public purpose charges billed by an electric company or Oregon

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

9 “(A) The amount of the retail electricity consumer’s qualifying expendi-
10 tures; or

11 “(B) The portion of the public purpose charge billed to the retail elec-
12 tricity consumer that is dedicated to new cost-effective energy conservation,
13 new market transformation or the above-market costs of new renewable en-
14 ergy resources.

15 “(b) To obtain a credit under paragraph (a) of this subsection, a retail
16 electricity consumer shall file with the State Department of Energy a de-
17 scription of the proposed conservation project or new renewable energy re-
18 source and a declaration that the retail electricity consumer plans to incur
19 the qualifying expenditure. The State Department of Energy shall issue a
20 notice of precertification within 30 days of receipt of the filing, if such filing
21 is consistent with paragraph (a) of this subsection. The credit may be taken
22 after a retail electricity consumer provides a letter from a certified public
23 accountant to the State Department of Energy verifying that the precertified
24 qualifying expenditure has been made.

25 “(c) Credits earned by a retail electricity consumer as a result of quali-
26 fying expenditures that are not used in one year may be carried forward for
27 use in subsequent years.

28 “(d)(A) A retail electricity consumer that uses more than one average
29 megawatt of electricity at any site in the prior year may request that the
30 State Department of Energy hire an independent auditor to assess the po-

1 tential for conservation investments at the site. If the independent auditor
2 determines there is no available conservation measure at the site that would
3 have a simple payback of one to 10 years, the retail electricity consumer
4 shall be relieved of 54 percent of its payment obligation for public purpose
5 charges related to the site. If the independent auditor determines that there
6 are potential conservation measures available at the site, the retail elec-
7 tricity consumer shall be entitled to a credit against public purpose charges
8 related to the site equal to 54 percent of the public purpose charges less the
9 estimated cost of available conservation measures.

10 “(B) A retail electricity consumer shall be entitled each year to the credit
11 described in this paragraph unless a subsequent independent audit deter-
12 mines that new conservation investment opportunities are available. The
13 State Department of Energy may require that a new independent audit be
14 performed on the site to determine whether new conservation measures are
15 available, provided that the independent audits occur no more than once
16 every two years.

17 “(C) The retail electricity consumer shall pay the cost of the independent
18 audits described in this paragraph.

19 “(6) Electric utilities and retail electricity consumers shall receive a fair
20 and reasonable credit for the public purpose expenditures of their energy
21 suppliers. The State Department of Energy shall adopt rules to determine
22 eligible expenditures and the method by which such credits are accounted for
23 and used. The State Department of Energy also shall adopt methods to ac-
24 count for eligible public purpose expenditures made through consortia or
25 collaborative projects.

26 “(7)(a) In addition to the public purpose charge provided under subsection
27 (2) of this section, an electric company or Oregon Community Power shall
28 collect funds for low-income electric bill payment assistance in an amount
29 determined under paragraph (b) of this subsection.

30 “(b) The commission shall establish the amount to be collected by each

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

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

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

25 “(B) The Housing and Community Services Department, in consultation
26 with electric companies, shall investigate and may implement alternative
27 delivery models to effectively reduce service disconnections and related costs
28 to retail electricity consumers and electric utilities.

29 “(C) Priority assistance shall be directed to low-income electricity con-
30 sumers who are in danger of having their electricity service disconnected.

1 “(D) The Housing and Community Services Department shall maintain
2 records and provide those records upon request to an electric company,
3 Oregon Community Power and the Citizens’ Utility Board established under
4 ORS chapter 774 on a quarterly basis. Records maintained must include the
5 numbers of low-income electricity consumers served, the average amounts
6 paid to low-income electricity consumers and the type of assistance provided
7 to low-income electricity consumers. Electric companies and Oregon Com-
8 munity Power shall, if requested, provide the Housing and Community Ser-
9 vices Department with aggregate data relating to low-income electricity
10 consumers served on a quarterly basis to support program development.

11 “(e) Interest on moneys deposited in the Housing and Community Services
12 Department Low-Income Electric Bill Payment Assistance Fund established
13 by ORS 456.587 (2) may be used to provide bill payment and crisis assistance
14 to electricity consumers whose primary source of heat is not electricity.

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

20 “(8) For purposes of this section, ‘retail electricity consumers’ includes
21 any direct service industrial consumer that purchases electricity without
22 purchasing distribution services from the electric utility.

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

26 **“SECTION 11. The amendments to ORS 283.327 by section 6 of this**
27 **2019 Act become operative on January 1, 2029.”.**

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