

**HB 4135 -1 STAFF MEASURE SUMMARY**  
**House Committee On Energy and Environment**

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**Meeting Dates:** 2/4

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**WHAT THE MEASURE DOES:**

Requires electric companies to invest in programs approved by the Public Utility Commission (PUC) that accelerate the pace of transportation electrification as follows: all revenues for the sale of credits in a clean fuels program that are collected by electric companies that are credit aggregators or generators, and up to one percent of total rates collected by electric companies annually from retail consumers. Specifies requirements for qualifying electrification programs and authorizes PUC to adopt additional requirements via rulemaking. Directs PUC to report on to the Legislature annually by an unspecified date. Imposes equivalent requirements and reporting on consumer-owned utilities and their governing bodies. Applicable to rates collected and programs implemented on or after January 1, 2021. Authorizes PUC to allow electric companies to recover certain infrastructure costs in support of transportation electrification from ratepayers and specifies criteria. Sunsets Act, with exception of authority to allow electric companies to recover certain infrastructure costs, January 2, 2026.

*Fiscal Impact: No statement yet issued.*

*Revenue Impact: No statement yet issued.*

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

-1 Replaces measure. Requires electric company and consumer-owned utility, that receives revenue through the sale of credits under the clean fuels program to use the revenues to support the acceleration of transportation electrification. Requires electric company to file proposed programs with the Public Utility Commission (PUC). Specifies requirements for qualifying electrification programs and authorizes PUC to adopt additional requirements via rulemaking. Requires electric company to invest no less than one-half of one percent of total rates collected by electric companies annually from retail consumers to support the acceleration of transportation electrification. Directs the PUC to report on to the Legislature annually by an unspecified date. Authorizes PUC to allow electric companies to recover certain infrastructure costs in support of transportation electrification from ratepayers and specifies criteria. Requires the governing body of a consumer-owned utility to submit an annual report to the Legislative Assembly on the programs for transportation electrification funded by the consumer-owned utility. Sunsets provisions related to consumer-owned utilities and the requirement that electric companies invest no less than one-half of one percent of total rates in to support the acceleration of transportation electrification January 2, 2026.

**BACKGROUND:**

Approximately one-third of Oregon's greenhouse gases come from the transportation sector. The 2009 Oregon Legislature passed HB 2186 authorizing the Oregon Environmental Quality Commission to adopt rules to reduce the average carbon intensity of Oregon's transportation fuels by 10 percent over a 10-year period. The 2015 Oregon Legislature passed SB 324 allowing DEQ to fully implement the Clean Fuels Program in 2016. The 2017 Oregon Legislature passed HB 2017 to include cost containment provisions for the program.

## HB 4135 -1 STAFF MEASURE SUMMARY

Senate Bill 978 (2017) directed the Oregon Public Utility Commission to establish a public process for investigating how developing industry trends, technologies, and policy drivers impact the existing regulatory system and incentives the PUC currently employs. One of the items identified by some participants in the Senate Bill 978 (2017) report was that an efficient way to reduce emissions was by electric utilities working to reduce emissions outside of the electric sector through beneficial electrification of other fuel uses, such as electric vehicles and other forms of electrified transportation.

House Bill 4135 would require an electric company or consumer-owned utility to expend any revenue from revenues from participating as a credit aggregator or credit generator in the clean fuels program on transportation electrification. House Bill 4135 would authorize the PUC to allow electric companies to recover costs for prudent investments or expenses in infrastructure measures that support transportation electrification if certain criteria are met. The Act would also requires that electric companies and COUs invest no less than one percent of total rates collected annually from retail electricity consumers in programs to accelerate transportation electrification.