

**HB 4066 A STAFF MEASURE SUMMARY**

**Senate Committee On Environment and Natural Resources**

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**Prepared By:** Beth Patrino, LPRO Analyst

**Meeting Dates:** 2/21

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**WHAT THE MEASURE DOES:**

Authorizes the Public Utility Commission (PUC) to allow an electric company to recover costs from retail electricity consumers for prudent infrastructure measures to support transportation electrification (EV Infrastructure) if it is consistent with and meets certain requirements. Stipulates that EV Infrastructure measures taken by electric company are a benefit to the customer if they can be reasonably anticipated to support reductions of greenhouse gas emissions over time, and provide customer benefits that include: distribution or transmission management; revenues from charging to offset fixed costs; system efficiencies or other economic values; or increased customer choice. Requires PUC to consider certain factors when considering expenditures for an EV infrastructure program that is not an infrastructure measure. Requires that if an electric company is undertaking measures that involve the installation of one or more charging stations, the company must allow for customer choice in the selection of the type of electric vehicle charging station. Authorizes electric company to prequalify multiple types of electric vehicle charging stations. Declares that nothing restricts or prohibits certain entities that furnish natural gas, electricity, ethanol, methanol, methane, biodiesel or other alternative fuel for use in motor vehicles and does not furnish any utility service from furnishing electricity to any number of customers for use in motor vehicles. Requires electric company participating in the Clean Fuels Program (Program) to use revenues from the sale of credits for programs to accelerate transportation electrification. Requires a consumer-owned utility to register as a credit aggregator and credit generator under the Program. Requires electric company to file proposed programs with the PUC. Specifies requirements for qualifying electrification programs and authorizes PUC to adopt additional requirements via rulemaking. Requires the PUC to submit an annual report on the programs funded using Program revenues. Requires consumer-owned utility (COU) participating in the Program to use revenue from the sale of credits generated from the sale of electricity for residential charging programs, that meets certain requirements, to accelerate transportation electrification. Requires a COU governing body to submit an annual report on the programs funded using Program revenues. Repeals portion of Act regarding COUs and the use of Program revenue January 2, 2026. Stipulates that Act refers to Program revenue and programs implemented on or after January 1, 2021. Requires an electric company to have and operate in compliance with a risk-based wildfire protection plan (Plan) approved by the PUC. Requires the Plan to be submitted by the electric company every three years. Requires at a minimum that the Plan: 1) identify areas at heightened risk of wildfire; 2) identify cost-effective means for mitigating risk that reflects a balancing of mitigation costs with reduction of wildfire risk; 3) identify preventive actions and programs; 4) identify protocol for deenergizing power lines and adjusting system operations; 5) describe infrastructure inspection procedures, standards, and time frames in identified heightened-risk areas; 6) describe vegetation management procedures, standards and time frames in identified heightened-risk areas; 7) identify the development, implementation, and administration costs of the Plan; and 8) identify community and public outreach efforts. Requires the PUC, in consultation with State Forestry Department and local emergency service agencies, to review the Plan and approve the submitted Plan or disapprove the Plan and inform the electric company of necessary modifications. Requires the PUC to adopt rules for the review process. Requires a COU to have and operate in compliance with a risk-based wildfire mitigation plan (Mitigation Plan) approved by governing body. Requires COU's Mitigation Plan to be updated on a schedule the governing body deems consistent with prudent utility practices. Requires the COU to submit a copy of the Mitigation Plan to the PUC to facilitate statewide wildfire mitigation planning and preparedness functions. Requires PUC to convene

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periodic workshops. Stipulates electric company must submit first plan no later than December 31, 2020 and a COU must submit no later than December 31, 2021. Stipulates language does not affect the terms or conditions of easements held by electric utility over private land. Declares emergency, effective on passage.

*Minimal fiscal impact*

*No revenue impact*

*House vote: Passed. Ayes, 41; Nays, 17; Excused, 1; EBOH, 1*

### **ISSUES DISCUSSED:**

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

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 SB 978 (2017) report was that an efficient way to reduce emissions is 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 4066-A would authorize the PUC to allow electric companies to recover costs for prudent investments in infrastructure measures that support the adoption of electric vehicles if certain criteria are met. In addition, the Act would direct electric companies and consumer-owned utilities (COU) to use revenues from participating in the Clean Fuels Program for programs to accelerate transportation electrification.

Oregon Governor Kate Brown created the Governor's Council on Wildfire Response by executive order in January of 2019. The Council was tasked with reviewing Oregon's current model for wildfire prevention, preparedness, and response, and analyzing whether the current model is sustainable given increasing wildfire risks. The Council met regularly for nine months and formed three active subcommittees that focused on mitigation, fire suppression, and adaptation and recovery. The product of the Council's extensive work was a final report that concluded that some or all of the current models are not sufficient to ensure Oregon is prepared for increasingly severe wildfire seasons. House Bill 4066-A would require electric companies and COU to create and operate under approved risk-based wildfire protection plans.