

D R A F T

SUMMARY

Requires 100 percent of electricity sold in this state to retail electricity consumers in calendar year 2045 and subsequent calendar years to be electricity generated utilizing eligible renewable and carbon-free energy resources.

Requires electric utilities to invest in beneficial electrification programs. Imposes labor standards for certain clean energy construction projects.

Refers Act to people for their approval or rejection at next regular general election.

A BILL FOR AN ACT

1
2 Relating to clean energy; and providing that this Act shall be referred to the
3 people for their approval or rejection.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. (1) It is the policy of the State of Oregon that retail**
6 **electricity consumers in this state be supplied with electricity wholly**
7 **generated utilizing eligible renewable and carbon-free energy re-**
8 **sources.**

9 **(2) In furtherance of the policy set forth in subsection (1) of this**
10 **section and notwithstanding any contrary provision of ORS 469A.005**
11 **to 469A.210, 100 percent of the electricity sold by an electric utility or**
12 **an electricity service supplier to retail electricity consumers in the**
13 **calendar year 2045 and subsequent calendar years must be electricity**
14 **generated utilizing eligible renewable and carbon-free energy re-**
15 **sources.**

16 **(3) The Public Utility Commission, in coordination with the State**
17 **Department of Energy, shall adopt by rule standards for sources of**

1 electricity to be considered eligible renewable and carbon-free energy
2 resources in furtherance of the policy set forth in subsection (1) of this
3 section and for purposes of implementing subsection (2) of this section.
4 The standards for eligible renewable and carbon-free energy resources
5 must include hydroelectric facilities that became operational on or
6 before the effective date of this 2020 Act. In adopting the standards,
7 the commission shall take into consideration sources of electricity
8 described in ORS 469A.025.

9 (4)(a) An electric utility is not required to comply with subsection
10 (2) of this section during a compliance year to the extent that the in-
11 cremental cost of compliance with subsection (2) of this section ex-
12 ceeds four percent of the electric utility's annual revenue requirement
13 for the compliance year.

14 (b) The Public Utility Commission shall establish by rule require-
15 ments and procedures for conducting the calculations necessary to
16 determine compliance by an electric company with subsection (2) of
17 this section, pursuant to paragraph (a) of this subsection. The gov-
18 erning body of a consumer-owned utility shall establish requirements
19 and procedures for conducting the calculations necessary to determine
20 compliance by a consumer-owned utility with subsection (2) of this
21 section, pursuant to paragraph (a) of this subsection. The require-
22 ments and procedures established under this paragraph must be
23 equivalent to the requirements and procedures set forth in ORS
24 469A.100 (2) to (5) for calculating the annual revenue requirement and
25 the incremental cost of compliance for each public utility.

26 (c) The commission shall establish limits on the incremental cost
27 of compliance with subsection (2) of this section for electricity service
28 suppliers, equivalent to the limits established under ORS 469A.100 (6)
29 on the incremental cost of compliance with the renewable portfolio
30 standard for electricity service suppliers.

31 SECTION 2. (1) Electric utilities shall invest in programs, projects,

1 plans, incentives and infrastructure measures that facilitate wide-
2 spread beneficial electrification in furtherance of achieving the
3 greenhouse gas emissions reduction goals set forth in ORS 468A.205.

4 (2) The Public Utility Commission shall facilitate widespread bene-
5 ficial electrification in furtherance of achieving the greenhouse gas
6 emissions reduction goals set forth in ORS 468A.205.

7 (3) The commission may allow a rate or rate schedule of an electric
8 company to reflect prudently incurred amounts for investments that
9 facilitate widespread beneficial electrification, including but not lim-
10 ited to a nonbypassable distribution charge. Tariff schedules and rates
11 allowed shall be recovered from the retail electricity consumers of an
12 electric company in a manner determined by the commission.

13 (4) The governing body of a consumer-owned utility may allow a
14 rate or rate schedule of a consumer-owned utility to reflect invest-
15 ments that facilitate widespread beneficial electrification, including
16 but not limited to a nonbypassable distribution charge.

17 (5) For purposes of ORS 757.355, an investment in beneficial
18 electrification provides a utility service and is a benefit to the cus-
19 tomers of an electric company.

20 SECTION 3. (1) Unless otherwise prohibited by law, if a con-
21 struction project valued at \$50,000 or more is relied upon by an electric
22 utility or an electricity service supplier to establish compliance with
23 section 1 or 2 of this 2020 Act, the primary contractor participating in
24 the project shall:

25 (a) Pay the prevailing rate of wage for an hour's work in the same
26 trade or occupation in the locality where the labor is performed;

27 (b) Offer health care and retirement benefits to the employees per-
28 forming the labor on the project;

29 (c) Participate in an apprenticeship program registered with the
30 State Apprenticeship and Training Council; and

31 (d) Demonstrate a history of compliance with federal and state

1 laws, including but not limited to wage and hour laws.

2 (2) The Public Utility Commission, in coordination with the Bureau
3 of Labor and Industries, shall:

4 (a) Adopt rules to administer and enforce this section; and

5 (b) In consultation with stakeholders, including labor unions and
6 their representatives, develop guidance for the use of project labor
7 agreements by the primary contractor for projects valued at \$200,000
8 or more that are relied upon by an electric utility or electricity service
9 supplier to establish compliance with section 1 or 2 of this 2020 Act.

10 **SECTION 4.** An electric utility subject to sections 1 to 5 of this 2020
11 Act shall, to the maximum extent practicable:

12 (1) Seek to ensure that all retail electricity consumers benefit from
13 the transition to renewable and carbon-free energy resources and
14 beneficial electrification, taking into particular consideration the pro-
15 tection of and the interests of retail electricity consumers in areas
16 disproportionately impacted by geographic, socioeconomic, historic
17 disadvantage, public health and environmental criteria, including but
18 not limited to areas with high concentrations of low-income house-
19 holds, high unemployment, high rent burdens or high household en-
20 ergy burdens; and

21 (2) Seek to prioritize community-based development of renewable
22 and carbon-free energy resources and associated infrastructure, in-
23 cluding but not limited to the installation of solar electric systems,
24 paired solar and storage systems and community solar projects.

25 **SECTION 5.** As used in sections 1 to 5 of this 2020 Act:

26 (1) “Beneficial electrification” means electrification that reduces
27 greenhouse gas emissions over time, and provides one or more of the
28 following:

29 (a) A reduction of indoor or outdoor air pollution;

30 (b) A cost savings or other benefit to consumers over time;

31 (c) Increased customer choice through increased availability of and

1 access to electrification; or

2 (d) Benefits to the distribution or transmission management of the
3 electrical grid, improvements to utility system efficiencies or other
4 improvements that foster a more robust and resilient electrical grid.

5 (2) “Community solar project” has the meaning given that term in
6 ORS 757.386.

7 (3) “Consumer-owned utility” has the meaning given that term in
8 ORS 757.600.

9 (4) “Electric company” has the meaning given that term in ORS
10 757.600.

11 (5) “Electricity service supplier” has the meaning given that term
12 in ORS 757.600.

13 (6) “Electric utility” has the meaning given that term in ORS
14 757.600.

15 (7) “Electrification” means using electricity as the primary fuel or
16 power source where fossil fuel or other energy sources would otherwise
17 provide the primary fuel or power source for a vehicle, engine, appli-
18 ance, equipment, technology or other end use, including but not lim-
19 ited to transportation, space and water heating and industrial
20 processes.

21 (8) “Energy storage system” means commercially available tech-
22 nology that is capable of retaining energy, storing the energy for a
23 period of time and transmitting the energy after storage.

24 (9) “Greenhouse gas” has the meaning given that term in ORS
25 468A.210.

26 (10) “Paired solar and storage system” means a solar electric system
27 and an energy storage system purchased, constructed and installed
28 together by the same contractor and paired such that the energy
29 storage system provides storage capacity for electrical energy
30 produced by the solar electric system.

31 (11) “Renewable and carbon-free energy resource” means a source

1 of electricity that meets one or more standards adopted by rule by the
2 Public Utility Commission under section 1 (3) of this 2020 Act.

3 (12) "Retail electricity consumer" means a retail electricity con-
4 sumer, as defined in ORS 757.600, that is located in Oregon.

5 (13) "Solar electric system" has the meaning given that term in
6 ORS 469B.100.

7 SECTION 6. This 2020 Act shall be submitted to the people for their
8 approval or rejection at the next regular general election held
9 throughout this state.

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