

House Bill 4170

Sponsored by COMMITTEE ON RULES (at the request of Representative Tina Kotek)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

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 people for their ap-
3 proval 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 electricity consumers**
6 **in this state be supplied with electricity wholly generated utilizing eligible renewable and**
7 **carbon-free energy resources.**

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

13 **(3) The Public Utility Commission, in coordination with the State Department of Energy,**
14 **shall adopt by rule standards for sources of electricity to be considered eligible renewable**
15 **and carbon-free energy resources in furtherance of the policy set forth in subsection (1) of**
16 **this section and for purposes of implementing subsection (2) of this section. The standards**
17 **for eligible renewable and carbon-free energy resources must include hydroelectric facilities**
18 **that became operational on or before the effective date of this 2020 Act. In adopting the**
19 **standards, the commission shall take into consideration sources of electricity described in**
20 **ORS 469A.025.**

21 **(4)(a) An electric utility is not required to comply with subsection (2) of this section**
22 **during a compliance year to the extent that the incremental cost of compliance with sub-**
23 **section (2) of this section exceeds four percent of the electric utility's annual revenue re-**
24 **quirement for the compliance year.**

25 **(b) The Public Utility Commission shall establish by rule requirements and procedures**
26 **for conducting the calculations necessary to determine compliance by an electric company**
27 **with subsection (2) of this section, pursuant to paragraph (a) of this subsection. The gov-**
28 **erning body of a consumer-owned utility shall establish requirements and procedures for**
29 **conducting the calculations necessary to determine compliance by a consumer-owned utility**

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 with subsection (2) of this section, pursuant to paragraph (a) of this subsection. The re-
 2 quirements and procedures established under this paragraph must be equivalent to the re-
 3 quirements and procedures set forth in ORS 469A.100 (2) to (5) for calculating the annual
 4 revenue requirement and the incremental cost of compliance for each public utility.

5 (c) The commission shall establish limits on the incremental cost of compliance with
 6 subsection (2) of this section for electricity service suppliers, equivalent to the limits estab-
 7 lished under ORS 469A.100 (6) on the incremental cost of compliance with the renewable
 8 portfolio standard for electricity service suppliers.

9 **SECTION 2.** (1) Electric utilities shall invest in programs, projects, plans, incentives and
 10 infrastructure measures that facilitate widespread beneficial electrification in furtherance
 11 of achieving the greenhouse gas emissions reduction goals set forth in ORS 468A.205.

12 (2) The Public Utility Commission shall facilitate widespread beneficial electrification in
 13 furtherance of achieving the greenhouse gas emissions reduction goals set forth in ORS
 14 468A.205.

15 (3) The commission may allow a rate or rate schedule of an electric company to reflect
 16 prudently incurred amounts for investments that facilitate widespread beneficial
 17 electrification, including but not limited to a nonbypassable distribution charge. Tariff
 18 schedules and rates allowed shall be recovered from the retail electricity consumers of an
 19 electric company in a manner determined by the commission.

20 (4) The governing body of a consumer-owned utility may allow a rate or rate schedule
 21 of a consumer-owned utility to reflect investments that facilitate widespread beneficial
 22 electrification, including but not limited to a nonbypassable distribution charge.

23 (5) For purposes of ORS 757.355, an investment in beneficial electrification provides a
 24 utility service and is a benefit to the customers of an electric company.

25 **SECTION 3.** (1) Unless otherwise prohibited by law, if a construction project valued at
 26 \$50,000 or more is relied upon by an electric utility or an electricity service supplier to es-
 27 tablish compliance with section 1 or 2 of this 2020 Act, the primary contractor participating
 28 in the project shall:

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

31 (b) Offer health care and retirement benefits to the employees performing the labor on
 32 the project;

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

35 (d) Demonstrate a history of compliance with federal and state laws, including but not
 36 limited to wage and hour laws.

37 (2) The Public Utility Commission, in coordination with the Bureau of Labor and Indus-
 38 tries, shall:

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

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

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

1 (1) Seek to ensure that all retail electricity consumers benefit from the transition to
 2 renewable and carbon-free energy resources and beneficial electrification, taking into par-
 3 ticular consideration the protection of and the interests of retail electricity consumers in
 4 areas disproportionately impacted by geographic, socioeconomic, historic disadvantage, pub-
 5 lic health and environmental criteria, including but not limited to areas with high concen-
 6 trations of low-income households, high unemployment, high rent burdens or high household
 7 energy burdens; and

8 (2) Seek to prioritize community-based development of renewable and carbon-free energy
 9 resources and associated infrastructure, including but not limited to the installation of solar
 10 electric systems, paired solar and storage systems and community solar projects.

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

12 (1) “Beneficial electrification” means electrification that reduces greenhouse gas emis-
 13 sions over time, and provides one or more of the following:

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

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

16 (c) Increased customer choice through increased availability of and access to
 17 electrification; or

18 (d) Benefits to the distribution or transmission management of the electrical grid, im-
 19 provements to utility system efficiencies or other improvements that foster a more robust
 20 and resilient electrical grid.

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

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

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

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

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

26 (7) “Electrification” means using electricity as the primary fuel or power source where
 27 fossil fuel or other energy sources would otherwise provide the primary fuel or power source
 28 for a vehicle, engine, appliance, equipment, technology or other end use, including but not
 29 limited to transportation, space and water heating and industrial processes.

30 (8) “Energy storage system” means commercially available technology that is capable of
 31 retaining energy, storing the energy for a period of time and transmitting the energy after
 32 storage.

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

34 (10) “Paired solar and storage system” means a solar electric system and an energy
 35 storage system purchased, constructed and installed together by the same contractor and
 36 paired such that the energy storage system provides storage capacity for electrical energy
 37 produced by the solar electric system.

38 (11) “Renewable and carbon-free energy resource” means a source of electricity that
 39 meets one or more standards adopted by rule by the Public Utility Commission under section
 40 1 (3) of this 2020 Act.

41 (12) “Retail electricity consumer” means a retail electricity consumer, as defined in ORS
 42 757.600, that is located in Oregon.

43 (13) “Solar electric system” has the meaning given that term in ORS 469B.100.

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

