

**SB 825 STAFF MEASURE SUMMARY**

**Senate Committee On Energy and Environment**

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

**Sub-Referral To:** Joint Committee On Tax Expenditures

**Meeting Dates:** 3/23

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**WHAT THE MEASURE DOES:**

Creates income tax credit for energy production in Oregon equal to 50 percent of the taxes due. Applies to tax years beginning on or after January 1, 2020. Establishes 13 member Task Force on Free-Market Energy Production. Directs task force to review existing laws related to energy production in Oregon to determine how to ensure all forms of energy production are regulated equally, based on scientific analysis of risks and rewards posed by each form of energy production and deliver report to the Legislative Assembly no later than September 15, 2022. Sunsets on December 31, 2022. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Oregon generates electricity from a variety of resources — hydropower, natural gas, and wind are the largest. According to the U.S. Energy Information Administration in 2019, 49 percent of Oregon's utility-scale electricity net generation came from hydroelectric power, and 62 percent came from conventional hydroelectric power plants and other renewable energy resources combined. Wind farms produced 11 percent of Oregon's electricity net generation from more than 1,900 turbines with more than 3,400 megawatts of installed generating capacity. Resources like hydropower, wind and solar vary in their production based on the time of day and season. Many Oregon utilities also use resources like natural gas and coal to generate electricity in Oregon or they purchase electricity from neighboring states as needed to meet customer demand. Electricity from natural gas and coal can be purchased to help utilities deliver electricity cost effectively and serve varying loads. Oregon energy generation facilities import fuels like coal and natural gas from out of state. Oregon has a single site in Mist that produces natural gas, but is used primarily for natural gas storage. Oregon has no coal or petroleum resource extraction facilities.