

SB 589 A STAFF MEASURE SUMMARY

House Committee On Energy and Environment

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Meeting Dates: 4/28, 5/5

WHAT THE MEASURE DOES:

Requires the Oregon Department of Energy (ODOE), in consultation with the Public Utility Commission (PUC), to prepare a report identifying benefits, opportunities, and challenges posed by the development or expansion of a regional transmission organization. Requires ODOE to review literature and relevant studies and reports made available between January 1, 2019 and July 1, 2021. Establishes 13-member review advisory committee. Requires ODOE, in consultation with PUC, to provide advisory committee with summary of reviews and scoping questions. Requires ODOE to hold at least two meetings with advisory committee to gather advice and written responses to scoping questions. Requires ODOE to gather advice from other entities and consider relevant reports, studies, literature, or drafts made available after July 1, 2021 but before report finalization. Requires ODOE to provide report to legislative committees related to energy no later than December 31, 2021. Repeals Act January 2, 2022. Declares emergency, effective on passage.

Senate vote: Ayes, 27; Nays, 1--Heard; Excused, 2--Johnson, Thatcher

No fiscal impact; no revenue impact

ISSUES DISCUSSED:

- Need to understand the state and regional energy grid
- Potential efficiency of regional transmission organizations
- Building infrastructure to meet future needs
- Moving Oregon to energy independence

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the Federal Energy Regulatory Commission, a traditional wholesale electricity market is a market where utilities are responsible for system operations and management, and, typically, for providing power to retail consumers. Utilities in these markets are frequently vertically integrated – they own the generation, transmission, and distribution systems used to serve electricity consumers. Wholesale physical power trade typically occurs through bilateral transactions.

A regional transmission organization (RTO) operates transmission systems and develops procedures to manage transmission. Each RTO has energy and ancillary service markets in which buyers and sellers bid for or offer generation. The RTOs use bid-based markets to determine economic dispatch. While major sections of the country operate under more traditional market structures, two-thirds of the nation's electricity load is served in RTO regions.

Senate Bill 589 A requires the Oregon Department of Energy (ODOE), in consultation with the Public Utility Commission, to prepare a report identifying benefits, opportunities, and challenges posed by the development or expansion of an RTO. Requires ODOE to report the findings to interim committees of the Legislative Assembly related to energy no later than December 31, 2021.