

House Bill 2063

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor Kate Brown for State Department of Energy)

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**.

Removes requirement that person seeking exemption from requirement to obtain site certificate for standby generation facility request exemption from Energy Facility Siting Council. Prohibits council from requiring request for exemption for standby generation facility.

Becomes operative January 1, 2022.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to standby generation facilities; creating new provisions; amending ORS 469.320; and pre-
3 scribing an effective date.

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

5 **SECTION 1.** ORS 469.320 is amended to read:

6 469.320. (1) Except as provided in subsections (2) and (5) of this section, no facility shall be
7 constructed or expanded unless a site certificate has been issued for the site thereof in the manner
8 provided in ORS 469.300 to 469.563, 469.590 to 469.619, 469.930 and 469.992. No facility shall be
9 constructed or operated except in conformity with the requirements of ORS 469.300 to 469.563,
10 469.590 to 469.619, 469.930 and 469.992.

11 (2) A site certificate is not required for:

12 (a) An energy facility for which no site certificate has been issued that, on August 2, 1993, had
13 operable electric generating equipment for a modification that uses the same fuel type and increases
14 electric generating capacity, if:

15 (A) The site is not enlarged; and

16 (B) The ability of the energy facility to use fuel for electricity production under peak steady
17 state operating conditions is not more than 200 million Btu per hour greater than it was on August
18 2, 1993, or the energy facility expansion is called for in the short-term plan of action of an energy
19 resource plan that has been acknowledged by the Public Utility Commission of Oregon.

20 (b) Construction or expansion of any interstate natural gas pipeline or associated underground
21 natural gas storage facility authorized by and subject to the continuing regulation of the Federal
22 Energy Regulatory Commission or successor agency.

23 (c) An energy facility, except coal and nuclear power plants, if the energy facility:

24 (A) Sequentially produces electrical energy and useful thermal energy from the same fuel source;
25 and

26 (B) Under average annual operating conditions, has a nominal electric generating capacity:

27 (i) Of less than 50 megawatts and the fuel chargeable to power heat rate value is not greater
28 than 6,000 Btu per kilowatt hour;

29 (ii) Of 50 megawatts or more and the fuel chargeable to power heat rate value is not greater

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 than 5,500 Btu per kilowatt hour; or

2 (iii) Specified by the Energy Facility Siting Council by rule based on the council's determination
3 relating to emissions of the energy facility.

4 (d) Temporary storage, at the site of a nuclear-fueled thermal power plant for which a site cer-
5 tificate has been issued by the State of Oregon, of radioactive waste from the plant.

6 (e) An energy facility as defined in ORS 469.300 (11)(a)(G), if the plant also produces a secondary
7 fuel used on site for the production of heat or electricity, if the output of the primary fuel is less
8 than six billion Btu of heat a day.

9 (f) An energy facility as defined in ORS 469.300 (11)(a)(G), if the facility:

10 (A) Exclusively uses biomass, including but not limited to grain, whey, potatoes, oilseeds, waste
11 vegetable oil or cellulosic biomass, as the source of material for conversion to a liquid fuel;

12 (B) Has received local land use approval under the applicable acknowledged comprehensive plan
13 and land use regulations of the affected local government and the facility complies with any state-
14 wide planning goals or rules of the Land Conservation and Development Commission that are di-
15 rectly applicable to the facility;

16 (C) Requires no new electric transmission lines or gas or petroleum product pipelines that would
17 require a site certificate under subsection (1) of this section;

18 (D) Produces synthetic fuel, at least 90 percent of which is used in an industrial or refueling
19 facility located within one mile of the facility or is transported from the facility by rail or barge;
20 and

21 (E) Emits less than 118 pounds of carbon dioxide per million Btu from fossil fuel used for con-
22 version energy.

23 (g) A standby generation facility, if the facility complies with all of the following:

24 (A) The facility has received local land use approval under the applicable acknowledged com-
25 prehensive plan and land use regulations of the affected local government and the facility complies
26 with all statewide planning goals and applicable rules of the Land Conservation and Development
27 Commission;

28 (B) The standby generators have been approved by the Department of Environmental Quality
29 as having complied with all applicable air and water quality requirements. For an applicant that
30 proposes to provide the physical facilities for the installation of standby generators, the requirement
31 of this subparagraph may be met by agreeing to require such a term in the lease contract for the
32 facility; and

33 (C) The standby generators are electrically incapable of being interconnected to the trans-
34 mission grid. For an applicant that proposes to provide the physical facilities for the installation of
35 standby generators, the requirement of this subparagraph may be met by agreeing to require such
36 a term in the lease contract for the facility.

37 (3) The Energy Facility Siting Council may review and, if necessary, revise the fuel chargeable
38 to power heat rate value set forth in subsection (2)(c)(B) of this section. In making its determination,
39 the council shall ensure that the fuel chargeable to power heat rate value for facilities set forth in
40 subsection (2)(c)(B) of this section remains significantly lower than the fuel chargeable to power
41 heat rate value for the best available, commercially viable thermal power plant technology at the
42 time of the revision.

43 (4)(a)(A) Any person who proposes to construct or enlarge an energy facility and who claims
44 an exemption under subsection (2)(a), (c)[,] **or** (f) [*or* (*g*)] of this section from the requirement to ob-
45 tain a site certificate shall request the Energy Facility Siting Council to determine whether the

1 proposed facility qualifies for the claimed exemption.

2 **(B) The council may not require a person who proposes to construct or enlarge an energy**
 3 **facility to request that the council determine whether the proposed facility qualifies for ex-**
 4 **emption under subsection (2)(g) of this section.**

5 (b) The council shall make its determination within 60 days after the request for exemption is
 6 filed. An appeal from the council’s determination on a request for exemption shall be made under
 7 ORS 469.403, except that the scope of review by the Supreme Court shall be the same as a review
 8 by a circuit court under ORS 183.484. The record on review by the Supreme Court shall be the re-
 9 cord established in the council proceeding on the exemption.

10 (5) Notwithstanding subsection (1) of this section, a separate site certificate shall not be re-
 11 quired for:

12 (a) Transmission lines, storage facilities, pipelines or similar related or supporting facilities, if
 13 such related or supporting facilities are addressed in and are subject to a site certificate for another
 14 energy facility;

15 (b) Expansion within the site or within the energy generation area of a facility for which a site
 16 certificate has been issued, if the existing site certificate has been amended to authorize expansion;
 17 or

18 (c) Expansion, either within the site or outside the site, of an existing council certified surface
 19 facility related to an underground gas storage reservoir, if the existing site certificate is amended
 20 to authorize expansion.

21 (6) If the substantial loss of the steam host causes a facility exempt under subsection (2)(c) of
 22 this section to substantially fail to meet the exemption requirements under subsection (2)(c) of this
 23 section, the electric generating facility shall cease to operate one year after the substantial loss of
 24 the steam host unless an application for a site certificate has been filed in accordance with the
 25 provisions of ORS 469.300 to 469.563.

26 (7) As used in this section:

27 (a) “Standby generation facility” means an electric power generating facility, including standby
 28 generators and the physical structures necessary to install and connect standby generators, that
 29 provides temporary electric power in the event of a power outage and that is electrically incapable
 30 of being interconnected with the transmission grid.

31 (b) “Total energy output” means the sum of useful thermal energy output and useful electrical
 32 energy output.

33 (c) “Useful thermal energy” means the verifiable thermal energy used in any viable industrial
 34 or commercial process, heating or cooling application.

35 (8)(a) If the developer of a facility elects, or the governing body of the local government after
 36 consulting with the developer elects, to defer regulatory authority to the Energy Facility Siting
 37 Council, the developer of a facility shall obtain a site certificate, in the manner provided in ORS
 38 469.300 to 469.563, 469.590 to 469.619, 469.930 and 469.992, for a facility that, notwithstanding the
 39 definition of “energy facility” in ORS 469.300, is:

40 (A) An electric power generating plant with an average electric generating capacity of less than
 41 50 megawatts produced from wind energy at a single energy facility or within a single energy gen-
 42 eration area;

43 (B) An associated transmission line; or

44 (C) A solar photovoltaic power generation facility that is not an energy facility as defined in
 45 ORS 469.300 (11)(a)(D).

1 (b) An election by a developer or a local government under this subsection is final.

2 (c) An election by a local government under this subsection is not a land use decision as defined
3 in ORS 197.015.

4 (d) A local government may not make an election under this subsection after a permit applica-
5 tion has been submitted under ORS 215.416 or 227.175.

6 **SECTION 2. (1) The amendments to ORS 469.320 by section 1 of this 2021 Act become**
7 **operative on January 1, 2022.**

8 **(2) The Energy Facility Siting Council may take any action before the operative date**
9 **specified in subsection (1) of this section that is necessary for the council to exercise, on and**
10 **after the operative date specified in subsection (1) of this section, all of the duties, functions**
11 **and powers conferred on the council by the amendments to ORS 469.320 by section 1 of this**
12 **2021 Act.**

13 **SECTION 3. This 2021 Act takes effect on the 91st day after the date on which the 2021**
14 **regular session of the Eighty-first Legislative Assembly adjourns sine die.**

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