

Senate Bill 540

Sponsored by Senator GIROD; Senators FINDLEY, KNOPP, THATCHER (Pre-session filed.)

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**.

Specifies that electricity generated by hydroelectric facility or other equipment that generates electricity through use of hydroelectric energy may be used to comply with renewable portfolio standard.

A BILL FOR AN ACT

1
2 Relating to the use of hydroelectric energy to comply with a renewable portfolio standard; amending
3 ORS 469A.020, 469A.025, 469A.027, 469A.029 and 469A.031.

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

5 **SECTION 1.** ORS 469A.020 is amended to read:

6 469A.020. (1) Except as provided in this section, electricity may be used to comply with a
7 renewable portfolio standard only if the electricity is generated by:

8 (a) A facility that becomes operational on or after January 1, 1995[.]; **or**

9 (b) **A hydroelectric facility or any other equipment that generates electricity through the**
10 **use of hydroelectric energy.**

11 (2) Electricity from a generating facility, other than a [*hydroelectric*] facility **described in sub-**
12 **section (3) or (4) of this section**, that became operational before January 1, 1995, may be used to
13 comply with a renewable portfolio standard if the electricity is attributable to capacity or efficiency
14 upgrades made on or after January 1, 1995.

15 [*(3) Electricity from a hydroelectric facility that became operational before January 1, 1995, may*
16 *be used to comply with a renewable portfolio standard if the electricity is attributable to efficiency up-*
17 *grades made on or after January 1, 1995. If an efficiency upgrade is made to a Bonneville Power*
18 *Administration facility, only that portion of the electricity generation attributable to Oregon's share of*
19 *the electricity may be used to comply with a renewable portfolio standard.*]

20 [(4) *Subject to the limit imposed by ORS 469A.025 (5), electricity from a hydroelectric facility that*
21 *became operational before January 1, 1995, may be used to comply with a renewable portfolio standard*
22 *if the facility is certified as a low-impact hydroelectric facility on or after January 1, 1995, by a na-*
23 *tional certification organization recognized by the State Department of Energy by rule, and if the fa-*
24 *ility is either:*]

25 [(a) *Owned by an electric utility; or*]

26 [(b) *Not owned by an electric utility and located in Oregon and licensed by the Federal Energy*
27 *Regulatory Commission under the Federal Power Act, 16 U.S.C. 791a et seq., or exempt from such li-*
28 *cense.*]

29 [(5)] (3) Electricity from a generating facility located in this state that uses biomass and that
30 became operational before January 1, 1995, may be used to comply with a renewable portfolio
31 standard if the facility meets the requirements of the federal Public Utility Regulatory Policies Act

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 of 1978 (P.L. 95-617) on March 4, 2010.

2 [(6)] (4) A facility located in this state that generates electricity from direct combustion of mu-
 3 nicipal solid waste and that became operational before January 1, 1995, may be used to comply with
 4 a renewable portfolio standard for up to 11 average megawatts of electricity generated per calendar
 5 year.

6 **SECTION 2.** ORS 469A.025 is amended to read:

7 469A.025. (1) Electricity generated utilizing the following [types] **sources** of energy may be used
 8 to comply with a renewable portfolio standard:

- 9 (a) Wind energy.
- 10 (b) Solar photovoltaic and solar thermal energy.
- 11 (c) Wave, tidal and ocean thermal energy.
- 12 (d) Geothermal energy.
- 13 **(e) Hydroelectric energy.**

14 (2) Except as provided in subsection (3) of this section, electricity generated from biomass and
 15 biomass by-products may be used to comply with a renewable portfolio standard, including but not
 16 limited to electricity generated from:

- 17 (a) Organic human or animal waste;
- 18 (b) Spent pulping liquor;
- 19 (c) Forest or rangeland woody debris from harvesting or thinning conducted to improve forest
 20 or rangeland ecological health and to reduce uncharacteristic stand replacing wildfire risk;
- 21 (d) Wood material from hardwood timber grown on land described in ORS 321.267 (3);
- 22 (e) Agricultural residues;
- 23 (f) Dedicated energy crops; and
- 24 (g) Landfill gas or biogas produced from organic matter, wastewater, anaerobic digesters or
 25 municipal solid waste.

26 (3) Electricity generated from the direct combustion of biomass may not be used to comply with
 27 a renewable portfolio standard if any of the biomass combusted to generate the electricity includes
 28 wood that has been treated with chemical preservatives such as creosote, pentachlorophenol or
 29 chromated copper arsenate.

30 [(4) *Electricity generated by a hydroelectric facility may be used to comply with a renewable port-
 31 folio standard only if:*]

32 [(a) *The facility is located outside any protected area designated by the Pacific Northwest Electric
 33 Power and Conservation Planning Council as of July 23, 1999, or any area protected under the federal
 34 Wild and Scenic Rivers Act, P.L. 90-542, or the Oregon Scenic Waterways Act, ORS 390.805 to
 35 390.925; or]*

36 [(b) *The electricity is attributable to efficiency upgrades made to the facility on or after January
 37 1, 1995.*]

38 [(5)(a) *Up to 50 average megawatts of electricity per year generated by an electric utility from cer-
 39 tified low-impact hydroelectric facilities described in ORS 469A.020 (4)(a) may be used to comply with
 40 a renewable portfolio standard, without regard to the number of certified facilities operated by the
 41 electric utility or the generating capacity of those facilities. A hydroelectric facility described in this
 42 paragraph is not subject to the requirements of subsection (4) of this section.*]

43 [(b) *Up to 40 average megawatts of electricity per year generated by certified low-impact hydro-
 44 electric facilities described in ORS 469A.020 (4)(b) may be used to comply with a renewable portfolio
 45 standard, without regard to the number of certified facilities or the generating capacity of those facili-*

1 *ties. A hydroelectric facility described in this paragraph is not subject to the requirements of subsection*
 2 *(4) of this section.]*

3 [(6)(a)] **(4)(a)** Direct combustion of municipal solid waste in a generating facility located in this
 4 state may be used to comply with a renewable portfolio standard. The qualification of a municipal
 5 solid waste facility for use in compliance with a renewable portfolio standard has no effect on the
 6 qualification of the facility for a tax credit under ORS 469B.130 to 469B.169.

7 (b) The total amount of electricity generated in this state by direct combustion of municipal
 8 solid waste by generating facilities that became operational in this state on or after January 1, 1995,
 9 may not exceed nine average megawatts per year for the purpose of complying with a renewable
 10 portfolio standard.

11 [(7)] **(5)** Electricity generated from hydrogen gas, including electricity generated by hydrogen
 12 power stations using anhydrous ammonia as a fuel source, may be used to comply with a renewable
 13 portfolio standard if:

14 [(a) *The electricity is derived from:*]

15 [(A) *Any source of energy described in subsection (1) or (2) of this section; or*]

16 [(B) *A hydroelectric facility that complies with subsection (4) of this section and that is certified*
 17 *as a low-impact hydroelectric facility as described in ORS 469A.020 (4); and*]

18 **(a) The hydrogen is produced using any source of energy described in subsection (1) or**
 19 **(2) of this section; and**

20 (b) The output of the original source of energy is not also used to comply with a renewable
 21 portfolio standard.

22 [(8)] **(6)** If electricity generation employs multiple energy sources, that portion of the electricity
 23 generated that is attributable to energy sources described in this section may be used to comply
 24 with a renewable portfolio standard.

25 [(9)] **(7)** The State Department of Energy by rule may approve energy sources other than those
 26 described in this section that may be used to comply with a renewable portfolio standard. The de-
 27 partment may not approve petroleum, natural gas, coal or nuclear fission as an energy source that
 28 may be used to comply with a renewable portfolio standard.

29 **SECTION 3.** ORS 469A.027 is amended to read:

30 469A.027. The State Department of Energy may certify as eligible for renewable energy certif-
 31 icates a facility that qualifies under ORS 469A.020 [(5) and (6)] **(3) and (4)** and 469A.025 [(6) and
 32 (7)] **(4) and (5)** only for electricity generated on or after January 1, 2011.

33 **SECTION 4.** ORS 469A.029 is amended to read:

34 469A.029. To be eligible for renewable energy certificates, the owner or operator of a generating
 35 facility that qualifies under ORS 469A.020 [(5) and (6)] **(3) and (4)** and 469A.025 [(6) and (7)] **(4) and**
 36 **(5)** must register the generating facility with the Western Renewable Energy Generation Information
 37 System or other regional system or trading program designated by the State Department of Energy
 38 before January 1, 2011.

39 **SECTION 5.** ORS 469A.031 is amended to read:

40 469A.031. Notwithstanding ORS 469A.029, a facility described in ORS 469A.020 [(5)] **(3)** is eligi-
 41 ble for renewable energy certificates if the owner or operator of the generating facility registered
 42 the generating facility with the Western Renewable Energy Generation Information System on or
 43 after January 1, 2011.