PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2021

On page 1 of the printed A-engrossed bill, line 2, after “469A.205,” insert “469A.210,”.

On page 2, delete lines 21 through 25 and insert:

“(2) ‘Community-based renewable energy’ means one or more renewable energy systems that interconnect to utility distribution or transmission assets and may be combined with microgrids, storage systems or demand response measures, or energy-related infrastructure that promotes climate resiliency or other such measures, and that:”.

In line 26, delete “(b)” and insert “(a)”.

In line 29, delete “(c)” and insert “(b)”.

On page 3, line 10, delete “and” and begin a new paragraph and insert:

“(3) That, under existing federal and state law, the state engages in meaningful consultation with federally recognized Indian tribes. This includes consultation on the siting, permitting and construction of new energy facilities as defined in ORS 469.300, and new projects subject to the policy specified in 18 C.F.R. 2.1c, prior to such actions that are likely to adversely impact designated sites of archeological significance as defined in ORS 358.905, or properties of traditional, cultural and religious importance under the National Historical Preservation Act and the 36 C.F.R. 800 implementing regulation.”.

In line 11, delete “(3)” and insert “(4)”. 
In line 20, after “2040,” insert “and for every subsequent year,“.

In line 40, delete “short and long duration energy storage,”.

After line 41, insert:

“(c) Include a risk-based examination of resiliency opportunities that includes costs, consequences, outcomes and benefits based on reasonable and prudent industry resiliency standards and guidelines established by the Public Utility Commission;

“(d) Examine the costs and opportunities of offsetting energy generated from fossil fuels with community-based renewable energy;”.

In line 42, delete “(c)” and insert “(e)”.

In line 45, delete “(d)” and insert “(f)”.

On page 4, line 4, delete “short and”.

In line 5, delete “long duration energy storage,”.

In line 7, delete “(4)(c)” and insert “(4)(e)”.

In line 18, delete “as a result” and insert “forecasted in”.

In line 19, delete the first “of”.

On page 6, line 17, delete “or resources”.

In line 21, delete “the development of”.

In line 27, after “transmission” insert “, constraints”.

In line 39, delete “, a community solar project as defined in ORS 757.386”.

In line 43, after “electricity” insert “, other than unspecified market power,“.

On page 11, delete line 3 and insert:

“SECTION 17. Sections 1 to 15 of this 2021 Act do not apply to an electric company, as defined in ORS 757.600, that serves electricity to 25,000 or fewer retail electricity consumers, as defined in ORS 757.600, located in this state.”.

In line 24, delete “and”.

After line 24, insert:
“(L) The Public Utility Commission;
“(M) The Public Purpose Fund Administrator described in ORS 470.555;
and”.
In line 25, delete “(L)” and insert “(N)”.
After line 41, insert:
“(3) Members of the work group shall comply with requests from the State
Department of Energy for data related to the work group’s study and work
under this section.”.
In line 42, delete “(3)” and insert “(4)”.
On page 13, line 21, delete “but not limited to,.”.
On page 17, line 14, delete “section 20 of this 2021 Act” and insert “ORS
757.603 (5)”.
Delete pages 23 through 26.
On page 27, delete lines 1 through 28 and insert:

“SECTION 29. Definitions. As used in sections 29 to 32 of this 2021
Act:
“(1) ‘Community renewable energy project’ means one or more
renewable energy systems, storage systems, microgrids or energy-
related infrastructures that promote energy resilience, increase
renewable energy generation or renewable energy storage capacity and
provide a direct benefit to a particular community in the form of in-
creased community energy resilience, local jobs, economic develop-
ment or direct energy costs savings to families and small businesses.
“(2) ‘Community energy resilience’ means the ability of a specific
community to maintain the availability of energy needed to support
the provision of energy-dependent critical public services to the com-

munity following nonroutine disruptions of severe impact or duration
to the state’s broader energy systems.
“(3) ‘Community energy resilience project’ means a community
renewable energy project that includes utilizing one or more renewable
energy systems to support the energy resilience of structures or facilities that are essential to the public welfare.

“(4) ‘Consumer-owned utility’ means a municipal electricity utility, a people’s utility district organized under ORS chapter 261 that sells electricity or an electric cooperative organized under ORS chapter 62.

“(5) ‘Energy resilience’ means the ability of energy systems, from production through delivery to end-users, to withstand and restore energy delivery rapidly following nonroutine disruptions of severe impact or duration.

“(6) ‘Planning costs’ means the costs related to planning paid by an applicant described under section 30 of this 2021 Act.

“(7) ‘Project cost’ means the actual cost of the acquisition, construction and installation of a renewable energy system incurred by an applicant described under section 30 of this 2021 Act for the system, before considering utility incentives.

“(8) ‘Public body’ means a public body as defined in ORS 174.109.

“(9) ‘Qualifying community’ means a community that qualifies as an environmental justice community as defined in section 1 of this 2021 Act.

“(10) ‘Renewable energy system’ includes:

“(a) A system that uses biomass, solar, geothermal, hydroelectric, wind, landfill gas, biogas or wave, tidal or ocean thermal energy technology to produce energy.

“(b) One or more energy storage systems paired with an existing or newly constructed system described in paragraph (a) of this subsection.

“(c) One or more vehicle charging stations paired with an existing or newly constructed system described in paragraph (a) of this subsection.

“(d) Microgrid enabling technologies, including microgrid control-
lers and any other related technologies needed to electrically isolate a community energy resilience project from the electric grid so that the project is capable of operating independently from the electric grid.

“SECTION 30. Grants for community renewable energy projects; application; standards; rules. (1) The Community Renewable Investment Program is established for the purpose of:

“(a) Offsetting the cost of planning and developing community renewable energy projects;
“(b) Making community renewable energy projects economically feasible for qualifying communities;
“(c) Promoting small-scale renewable energy projects; and
“(d) Providing direct benefits to communities across this state in the form of increased community energy resilience, local jobs, economic development or direct energy cost savings to families and small businesses.

“(2)(a) A federally recognized Oregon Indian tribe, public body or consumer-owned utility may submit to the State Department of Energy an application for grant moneys from the Community Renewable Investment Fund established under section 33 of this 2021 Act for the purpose of planning or developing a community renewable energy project.

“(b) An applicant may partner with a federally recognized Oregon Indian tribe, public body, nonprofit entity, private business with a business site in this state or owner of rental property in this state, but a grant for an approved application will only be awarded and released to an applicant that is a federally recognized Oregon Indian tribe, public body or consumer-owned utility. Any federally recognized Oregon Indian tribe, public body, nonprofit entity, private business or owner of rental property that partners with the applicant must be
listed in the application.

“(c) An application must be drafted in consultation with electric utilities that have customers in the communities covered by a community renewable energy project that is in the application and regional stakeholders for the purpose of ensuring feasibility.

“(3) An application for a grant for planning a community renewable energy project must demonstrate that the planning:

“(a) Is for a project located in this state but outside a city with a population of 500,000 or more;

“(b) Will be completed within six months of execution of the performance agreement or a reasonable time frame if good cause to extend the deadline is demonstrated as determined by rule;

“(c) Will result in a proposal for developing a community renewable energy project; and

“(d) Incorporates feedback from:

“(A) Members of qualifying communities served by the community renewable energy project;

“(B) Businesses located in the communities served by the community renewable energy project;

“(C) Electric utilities that have customers in the communities served by the community renewable energy project; and

“(D) Other regional stakeholders.

“(4)(a) An application for a grant for developing a community renewable energy project must be on a form prescribed by the department and contain:

“(A) A detailed description of the project’s systems and the systems’ operation;

“(B) Information showing that the project’s systems will operate as represented in the application and, if the project is for producing electricity, remain in operation for at least five years or for at least
a period of time established by the Director of the State Department of Energy by rule;

“(C) The anticipated total project cost;
“(D) Information on the number and types of jobs directly connected to the awarding of the grant that will be:
“(i) Created by the project; and
“(ii) Sustained throughout construction, installation and operation of the project;
“(E) Information demonstrating that the project will comply with applicable state and local laws and regulations and obtain required licenses and permits;
“(F) Information demonstrating that the project will be located in and benefit a community in this state but outside a city with a population of 500,000 or more; and
“(G) Any other information the director considers necessary to determine whether the project is in compliance with sections 29 to 32 of this 2021 Act and any applicable rules or standards adopted thereunder.

“(b) An application for developing a community renewable energy project must demonstrate that the project:
“(A) Is located in this state but outside a city with a population of 500,000 or more;
“(B) Will begin construction within 12 months of execution of the performance agreement and be completed within 36 months of execution of the performance agreement or a reasonable time frame if good cause to extend the deadline is demonstrated as determined by rule;
“(C) Results in increased community energy resilience, local jobs, economic development or direct energy cost savings to families and small businesses;
“(D) Complies with applicable state and local laws and regulations
and has the required licenses and permits;

“(E) Does not exceed 20 megawatts of nameplate capacity, if the project is for generating renewable energy; and

“(F) Will operate for at least five years, if the project is for producing electricity, or for at least a period of time established by the director by rule.

“(5) Upon receipt of an application submitted under this section, the department shall review and determine whether the applicant is eligible to receive a grant from the Community Renewable Investment Program established under this section. The department may approve an application if the department finds that:

“(a) The planning or development proposal meets the requirements listed in subsection (3) or (4) of this section;

“(b) The proposal meets the standards described in subsection (10) of this section;

“(c) The proposal meets any standards adopted by rule under subsection (11) of this section;

“(d) The proposal is technically feasible; and

“(e) Any federally recognized Oregon Indian tribe, public body, private business or owner of rental property partnered with the applicant is listed in the application.

“(6)(a) The department shall issue separate opportunity announcements for each calendar interval that funding is available for the following categories:

“(A) Planning a community renewable energy project that qualifies as a community energy resilience project;

“(B) Developing a community renewable energy project that qualifies as a community energy resilience project;

“(C) Planning a community renewable energy project that does not qualify as a community energy resilience project; and
“(D) Developing a community renewable energy project that does not qualify as a community energy resilience project.

“(b) Upon receiving an application, the director shall determine whether the application is for a community renewable energy project that qualifies as a community energy resilience project based on the definition of ‘community energy resilience project’ in section 29 of this 2021 Act and any applicable rules adopted under this section.

“(7)(a) The department shall allocate, out of the initial moneys appropriated for the Community Renewable Investment Program under section 34 of this 2021 Act:

“(A) 50 percent or more for grants to be awarded for planning or developing community renewable energy projects that qualify as community energy resilience projects.

“(B) 50 percent or more for grants to be awarded for planning or developing community renewable energy projects that primarily serve one or more qualifying communities.

“(b) The department shall allocate, out of any subsequent and additional moneys appropriated to the Community Renewable Investment Program, percentage amounts for grants in a manner consistent with paragraph (a) of this subsection.

“(c) After two years of issuing announcements of available funding opportunities from the initial moneys appropriated to the Community Renewable Investment Program and after consultation with the Advisory Committee on Community Renewable Investment described in section 32 of this 2021 Act, the department may, by rule, reallocate the percentage of available funds across project categories.

“(8) The department shall review and competitively score applications separately for each funding opportunity announcement.

“(9) If the department approves an application under this section, the department and the applicant may enter into a performance
agreement that meets the requirements set forth in section 31 of this 2021 Act.

“(10) In approving applications and awarding grant moneys, the department shall prioritize planning and development proposals that:

“(a) Include community energy resilience projects.

“(b) Demonstrate significant prior investments in energy efficiency measures at the project location or will result in aggregate improvements to demand response capabilities.

“(c) Are for projects located in qualifying communities across the state.

“(d) When applicable, are for projects constructed in part or in whole by disadvantaged business enterprises, emerging small businesses or businesses that are owned by minorities, women or disabled veterans.

“(e) Include inclusive hiring and promotion policies for workers working on the projects.

“(f) Incorporate equity metrics developed in coordination with the Environmental Justice Task Force established by ORS 182.538 for evaluating the involvement of and leadership by people of low income, Black, Indigenous or People of Color, members of tribal communities, people with disabilities, youth, people from rural communities and people from otherwise disadvantaged communities in the siting, planning, designing or evaluating of the proposed community renewable energy projects.

“(g) Help the applicants achieve goals included in the applicants’ natural hazard mitigation plans as approved by the Federal Emergency Management Agency.

“(11) The department shall adopt rules, in consultation with Business Oregon, to carry out sections 29 to 32 of this 2021 Act. The rules must:
“(a) Define the planning and project costs eligible to be covered by a grant provided under section 31 (1) and (2) of this 2021 Act.

“(b) Adopt a methodology to identify qualifying communities and assess the geographic diversity of the approved planning and development projects compared with the other planning and development project applications for which grants have been requested in each opportunity announcement.

“(c) Establish guidelines for significant, unforeseeable or uncontrollable delays that will constitute good cause for extending the time lines agreed upon in performance agreements.

“(12) The department may adopt rules capping the amount of grant funds that may be paid to individual consultants and contractors in each round of funding opportunity announcements if the department finds such limitations necessary to ensure broad distribution of funds and opportunity for emerging small businesses as defined in ORS 200.005.

“SECTION 31. Performance agreements; requirements. (1)(a) A performance agreement for planning a community renewable energy project entered into between the State Department of Energy and an applicant under section 30 (9) of this 2021 Act must provide, at a minimum:

“(A) A grant in an amount described in paragraph (b) of this subsection that covers up to 100 percent of the reasonable planning costs including, but not limited to, costs associated with:

“(i) Consulting fees.
“(ii) Load analysis.
“(iii) Siting, excluding property acquisition.
“(iv) Ensuring code compliance.
“(v) Interconnection studies.
“(vi) Transmission studies.
“(vii) Other reasonable expenditures made in the community
renewable energy project planning process as determined by the de-
partment by rule.

“(B) A grant may not be used to cover any fixed costs the applicant
would incur in the applicant’s normal course of business such as ex-
isting staff salaries or overhead costs.

“(C) The department may recover grant moneys if a project fails to
abide by the performance agreement or if planning is not completed
within six months of execution of the performance agreement or a
reasonable time frame if good cause to extend the deadline is demon-
strated as determined by rule.

“(b) The department may establish differing limits on the maximum
amount of grants for planning community renewable energy projects
based on the scope and attributes of the planning applications not to
exceed an amount of $100,000 per grant.

“(c) Notwithstanding paragraph (a) of this subsection, the depart-
ment may provide a grant that covers up to 100 percent of the rea-
sonable planning costs only if the application demonstrates the
planning proposal is for a community renewable energy project that:

“(A) If for producing energy:

“(i) Will make use of an adequately available renewable energy re-
source to produce the energy;

“(ii) Has a specific market for the energy; and

“(iii) Will reasonably and efficiently connect or transmit the energy
to the specific community identified in the application under section
30 (3) of this 2021 Act; or

“(B) If for increasing energy resilience:

“(i) Will increase the energy resilience of a specific structure or
facility or collection of structures or facilities essential to the public
welfare; and
“(ii) Will provide energy resilience benefits to the specific structure or facility or to the collection of structures or facilities.

“(2) A performance agreement for developing a community renewable energy project entered into between the State Department of Energy and an applicant under section 30 (9) of this 2021 Act must provide, at a minimum:

“(a) For a community renewable energy project that qualifies as a community energy resilience project, a grant that covers up to 100 percent of the project cost not to exceed $1 million. The department shall reduce the grant amount, if the grant combined with other incentives and grants received by the applicant exceeds 100 percent of the total costs associated with the project.

“(b) For a community renewable energy project that does not qualify as a community energy resilience project, a grant that covers up to 50 percent of the project cost not to exceed $1 million. The department shall reduce the grant amount, if the grant combined with other incentives and grants received by the applicant exceeds 100 percent of the total costs associated with the project.

“(c) The department may release up to 30 percent of the grant moneys provided for in a performance agreement, not to exceed 30 percent of project cost, upon entering into a performance agreement with an applicant for developing a community renewable energy project, with the remaining grant moneys to be released upon project completion under the terms of the performance agreement, if upon entering the performance agreement the applicant demonstrates having:

“(A) Taken meaningful steps to seek site control, including but not limited to an option to lease or purchase the site or an executed letter of intent or exclusivity agreement to negotiate an option to lease or purchase the site;
“(B) Filed a request for interconnection with a host utility or appropriate transmission provider; and
“(C) Met any other requirements provided by the department by rule, such as filing a request for a power purchase or net metering agreement.
“(d) The department may recover grant moneys if:
“(A) The project fails to abide by the performance agreement;
“(B) The project fails to begin construction within 12 months of execution of the performance agreement or a reasonable time frame if good cause to extend the deadline is demonstrated as determined by rule; or
“(C) The project is not completed within 36 months of execution of the performance agreement or a reasonable time frame if good cause to extend the deadline is demonstrated as determined by rule.
“(3) The department shall gather information from grantees necessary to evaluate indicators of success as determined by rule.

SECTION 32. Advisory committee. The Director of the State Department of Energy may appoint an Advisory Committee on Community Renewable Investment to provide consultation on the implementation of sections 29 to 32 of this 2021 Act. A committee appointed under this section shall consist of:
“(1) A member of the Environmental Justice Task Force;
“(2) A representative of Business Oregon;
“(3) A representative of electric companies;
“(4) A representative of consumer-owned utilities;
“(5) A representative from an organization that represents community renewable energy development;
“(6) A representative from a federally recognized Oregon Indian tribe;
“(7) Three representatives of local government to represent the in-
erests of counties, cities and special districts;

“(8) Representatives from nongovernmental organizations that repre-
represent communities of low income or disadvantaged households; and
“(9) Representatives from relevant state and federal emergency
management or response agencies.

“SECTION 33. Community Renewable Investment Fund; uses. (1)
The Community Renewable Investment Fund is established in the
State Treasury, separate and distinct from the General Fund. Interest
earned by the Community Renewable Investment Fund shall be cred-
ited to the fund. The fund consists of:

“(a) Moneys appropriated or otherwise transferred to the fund by
the Legislative Assembly;
“(b) Moneys received from federal, state or local sources;
“(c) Gifts, grants or other moneys contributed to the fund; and
“(d) Other amounts deposited in the fund from any source.
“(2) Moneys in the fund are continuously appropriated to the State
Department of Energy for the purpose of providing grants to appli-
cants approved under section 30 of this 2021 Act.
“(3) The department may use reasonable amounts from the fund
necessary, but no more than 10 percent of the fund, to administer the
Community Renewable Investment Program described in section 30 of
this 2021 Act.
“(4) The Director of the State Department of Energy shall submit
a biennial report to the Legislative Assembly in the manner provided
by ORS 293.640 regarding the expenditures of moneys deposited in the
Community Renewable Investment Fund and status of ongoing
projects funded by the moneys, including but not limited indicators
of program success.
“(5) Upon the expenditure of all grant moneys in the Community
Renewable Investment Fund or four years from the effective date of
this 2021 Act, whichever occurs earlier, the director shall submit a report to the Legislative Assembly regarding the expenditures of moneys deposited in the Community Renewable Investment Fund and status of ongoing projects that have received moneys from the fund, including but not limited to indicators of program success.

“SECTION 34. Appropriations. In addition to and not in lieu of any other appropriations, there is appropriated to the State Department of Energy, for the biennium beginning July 1, 2021, out of the General Fund, the amount of $50,000,000 for deposit into the Community Renewable Investment Fund established in section 33 of this 2021 Act.”.

In line 32, delete “authority” and insert “department”.

In line 34, delete “authority” and insert “department”.

After line 34, insert:

“SMALL-SCALE RENEWABLE ENERGY PROJECTS

“SECTION 36. ORS 469A.210 is amended to read:

“469A.210. (1) The Legislative Assembly finds that community-based renewable energy projects, including but not limited to marine renewable energy resources that are either developed in accordance with the Territorial Sea Plan adopted pursuant to ORS 196.471 or located on structures adjacent to the coastal shorelands, are an essential element of this state’s energy future.

“(2) For purposes related to the findings in subsection (1) of this section, by the year [2025] 2030, at least [eight] 10 percent of the aggregate electrical capacity of all electric companies that make sales of electricity to 25,000 or more retail electricity consumers in this state must be composed of electricity generated by one or both of the following sources:

“(a) Small-scale renewable energy projects with a generating capacity of
20 megawatts or less that generate electricity utilizing a type of energy de-
scribed in ORS 469A.025; or

“(b) Facilities that generate electricity using biomass that also generate
thermal energy for a secondary purpose.

“(3) Regardless of the facility’s nameplate capacity, any single facility
described in subsection (2)(b) of this section may be used to comply with the
requirement specified in subsection (2) of this section for up to 20 megawatts
of capacity.”.

In line 38, delete “36” and insert “37”.

In line 41, delete “37” and insert “38”.

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