

SB 1525 -2, -3, -4, -5 STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

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Meeting Dates: 2/13, 2/15

WHAT THE MEASURE DOES:

The measure modifies timelines for the Oregon Department of Energy: (1) natural and working lands net biological carbon sequestration and storage inventory report, (2) study on workforce and training needs to support natural climate solutions on natural and working lands, (3) nonbinding biological carbon sequestration and storage goal for Oregon’s natural and working lands; and (4) energy security plan. In addition, the Act expands the definition of planning costs and project cost in the in the Community Renewables Energy Project Grant Program.

Detailed Summary:

Modifies the following reporting timeframes:

- Oregon Department of Energy (ODOE) report to Oregon Climate Action Commission (OCAC) updating natural and working lands net biological carbon sequestration and storage inventory to December 1 of each odd-numbered year rather than even-numbered year;
- ODOE results of study on workforce and training needs to support natural climate solutions on natural and working lands by September 15, 2025, rather than September 15, 2024, and extends sunset to January 2, 2026, instead of 2025;
- ODOE and OCAC to establish nonbinding biological carbon sequestration and storage goal for Oregon’s natural and working lands by January 1, 2026, rather than January 1, 2025; and
- ODOE to submit first energy security plan by September 30, 2024, rather than June 1, 2024.

Expands definition of planning costs and project cost in the in the Community Renewables Energy Project Grant Program to include costs paid or incurred by an applicant’s partner, rather than exclusively an applicant. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-2 Expands exemption from obtaining a site certificate from the Energy Facility Siting Council for a standby generation facility that is electrically capable of being interconnected to the grid but is dispatched by local transmission and distribution grid operator or balancing authority to support grid reliability. Requires standby generation facility to be operating consistent with federal requirements and to exclusively use renewable fuels, including renewable diesel, renewable natural gas, or renewable hydrogen, if they are available and does not violate the generators warranty or certification. Requires public utility that operates dispatchable standby generation program, to report to the Director of the State Department of Energy (ODOE) on the number of generators, average hours of operation, aggregated amounts of fuel by type, availability of renewable fuels and statutory compliance. Requires ODOE Director to make information available on publicly available website.

-3 Authorized ODOE to release up to 30 percent of additional grant money provided for in a performance agreement from the Community Renewables Energy Project Grant Program, if the applicant demonstrates certain requirements have been met. Stipulates the amount of grant moneys released prior to completion may not exceed 30 percent of qualifying project costs and 15 percent of costs that do not qualify as community energy resilience projects.

-4 Transferring funds from the Heat Pump Deployment Fund, as of July 1, 2024, to the Residential Heat Pump Fund. Requires transferred moneys to be used in certain areas and for the purposes outlined in the Residential Heat Pump Fund statute. Clarifies definition of "electric cooperative."

Detailed Summary:

Requires money in the Heat Pump Deployment Fund on July 1, 2024, to be transferred to the Residential Heat Pump Fund. Requires the transferred moneys to be used to provide grants, rebates, and administrative costs in regions and for members of federally recognized Indian tribes for which no eligible entity has been issued a grant under the Heat Pump Deployment Fund. Requires transferred funds to be used to provide rebates for the purchase and installation of air-source or ground-source heat pumps to owners of a dwelling unit used as a residential tenancy and to the owners of a manufactured dwelling or recreational vehicle who rent a space in a manufactured dwelling or recreational vehicle park. Stipulates transferred funds can also be used to provide grants for upgrades to facilitate heat pump installation for owners of a dwelling or manufactured dwelling that received funds for installing a heat pump.

Clarifies that "electric cooperative" includes cooperative that is operating in state and formed to: generate, purchase or obtain electric power, energy, transmission services or ancillary services; or represent one or more consumer-owned utilities in meeting rural, environmental or renewable energy requirements and mandates.

-5 Consolidates the -2, 3, and 4 amendments.

Community Renewable Investment Program

Clarifies that "electric cooperative" includes cooperative that is operating in state and formed to: generate, purchase or obtain electric power, energy, transmission services or ancillary services; or represent one or more consumer-owned utilities in meeting rural, environmental or renewable energy requirements and mandates. Authorized ODOE to release up to 30 percent of additional grant money provided for in a performance agreement from the Community Renewables Energy Project Grant Program, if the applicant demonstrates certain requirements have been met. Stipulates the amount of grant moneys released prior to completion may not exceed 30 percent of qualifying project costs and 15 percent of costs that do not qualify as community energy resilience projects.

Standby Generation Facilities

Expands exemption from obtaining a site certificate from the Energy Facility Siting Council for a standby generation facility that is electrically capable of being interconnected to the grid but is dispatched by local transmission and distribution grid operator or balancing authority to support grid reliability. Requires standby generation facility to be operating consistent with federal requirements and to exclusively use renewable fuels, including renewable diesel, renewable natural gas, or renewable hydrogen, if they are available and does not violate the generators warranty or certification. Requires public utility that operates dispatchable standby generation program, to report to the Director of the State Department of Energy (ODOE) on the number of generators, average hours of operation, aggregated amounts of fuel by type, availability of renewable fuels and statutory compliance. Requires ODOE Director to make information available on publicly available website.

Heat Pump Grants and Rebates

Community Renewable Investment Program Requires money in the Heat Pump Deployment Fund on July 1, 2024, to be transferred to the Residential Heat Pump Fund. Requires the transferred moneys to be used to provide grants, rebates, and administrative costs in regions and for members of federally recognized Indian tribes for which no eligible entity has been issued a grant under the Heat Pump Deployment Fund. Requires transferred

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funds to be used to provide rebates for the purchase and installation of air-source or ground-source heat pumps to owners of a dwelling unit used as a residential tenancy and to the owners of a manufactured dwelling or recreational vehicle who rent a space in a manufactured dwelling or recreational vehicle park. Stipulates transferred funds can also be used to provide grants for upgrades to facilitate heat pump installation for owners of a dwelling or manufactured dwelling that received funds for installing a heat pump.

Declares an emergency, effective on passage.

- No Revenue Impact
- Fiscal Statement Issued

BACKGROUND:

The Community Renewable Energy Grant Program (House Bill 2021, 2021) created a \$50 million fund to be used to provide grants for planning and developing community renewable energy and energy resilience projects.

In 2022, the Legislative Assembly enacted Senate Bill 1567, which required the Oregon Department of Energy (ODOE) to develop an energy security plan that meets federal requirements (42 U.S.C. 6326) by June 1, 2024.

In 2023 the Legislative Assembly enacted House Bill 3409, which included direction to the Oregon Department of Energy and the Oregon Climate Action Commission to:

- Develop and update a natural and working lands net biological carbon sequestration and storage inventory report no later than December 1 of each even-numbered year;
- Study the workforce and training needs to support natural climate solutions on natural and working land no later than September 15, 2024; and
- Establish nonbinding biological carbon sequestration and storage goals for Oregon's natural and working lands no later than January 1, 2025.