

Requested by SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

**PROPOSED AMENDMENTS TO
SENATE BILL 1525**

1 On page 4 of the printed bill, delete lines 5 through 45.

2 On page 5, delete lines 1 through 32 and insert:

3 **SECTION 8.** Section 31, chapter 508, Oregon Laws 2021, is amended to
4 read:

5 **“Sec. 31.** (1)(a) A performance agreement for planning a community
6 renewable energy project entered into between the State Department of En-
7 ergy and an applicant under section 30 (9), **chapter 508, Oregon Laws 2021,**
8 [*of this 2021 Act*] must provide, at a minimum:

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

12 “(i) Consulting fees.

13 “(ii) Load analysis.

14 “(iii) Siting, excluding property acquisition.

15 “(iv) Ensuring code compliance.

16 “(v) Interconnection studies.

17 “(vi) Transmission studies.

18 “(vii) Other reasonable expenditures made in the community renewable
19 energy project planning process as determined by the department by rule.

20 “(B) A grant may not be used to cover any fixed costs the applicant would
21 incur in the applicant’s normal course of business such as existing staff

1 salaries or overhead costs.

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

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

11 “(c) Notwithstanding paragraph (a) of this subsection, the department
12 may provide a grant that covers up to 100 percent of the reasonable planning
13 costs only if the application demonstrates the planning proposal is for a
14 community renewable energy project that:

15 “(A) If for producing energy:

16 “(i) Will make use of an adequately available renewable energy resource
17 to produce the energy;

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

19 “(iii) Will reasonably and efficiently connect or transmit the energy to
20 the specific community identified in the application under section 30 (3),
21 **chapter 508, Oregon Laws 2021** [*of this 2021 Act*]; or

22 “(B) If for increasing energy resilience:

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

25 “(ii) Will provide energy resilience benefits to the specific structure or
26 facility or to the collection of structures or facilities.

27 “(2) A performance agreement for developing a community renewable en-
28 ergy project entered into between the State Department of Energy and an
29 applicant under section 30 (9), **chapter 508, Oregon Laws 2021**, [*of this 2021*
30 *Act*] must provide, at a minimum:

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

7 “(b) For a community renewable energy project that does not qualify as
8 a community energy resilience project, a grant that covers up to 50 percent
9 of the project cost not to exceed \$1 million. The department shall reduce the
10 grant amount, if the grant combined with other incentives and grants re-
11 ceived by the applicant **or a partner of the applicant** exceeds 100 percent
12 of the total costs associated with the project.

13 “(c) **Subject to paragraph (e) of this subsection**, the department may
14 release up to 30 percent of the grant moneys provided for in a performance
15 agreement[, *not to exceed 30 percent of project cost,*] upon entering into a
16 performance agreement with an applicant for developing a community
17 renewable energy project, [*with the remaining grant moneys to be released*
18 *upon project completion under the terms of the performance agreement,*] if upon
19 entering the performance agreement the applicant demonstrates **that the**
20 **applicant or a partner of the applicant has** [*having*]:

21 “(A) Taken meaningful steps to seek site control, including but not lim-
22 ited to an option to lease or purchase the site or an executed letter of intent
23 or exclusivity agreement to negotiate an option to lease or purchase the site;

24 “(B) Filed a request for interconnection with a host utility or appropriate
25 transmission provider; and

26 “(C) Met any other requirements provided by the department by rule, such
27 as filing a request for a power purchase or net metering agreement.

28 “(d) **Subject to paragraph (e) of this subsection, in addition to grant**
29 **moneys released under paragraph (c) of this subsection, the depart-**
30 **ment may release up to 30 percent of the grant moneys provided for**

1 in a performance agreement if the applicant demonstrates that the
2 applicant or a partner of the applicant has met the requirements of
3 paragraph (c) of this subsection and any additional requirements for
4 the release of grant funds under this paragraph provided by the de-
5 partment by rule, such as demonstrating eligible costs incurred for the
6 acquisition or construction of a community renewable energy project.

7 “(e) The amount of grant moneys released pursuant to paragraphs
8 (c) or (d) of this subsection may not exceed, for each release of grant
9 moneys:

10 “(A) Thirty percent of project cost for community renewable energy
11 projects that qualify as community energy resilience projects; and

12 “(B) Fifteen percent of project cost for community renewable en-
13 ergy projects that do not qualify as community energy resilience
14 projects.

15 “(f) Grant moneys not released under paragraphs (c) or (d) of this
16 subsection shall be released upon project completion under the terms
17 of the performance agreement.

18 “[*(d)*] (g) The department may recover grant moneys if:

19 “(A) The project fails to abide by the performance agreement;

20 “(B) The project fails to begin construction within 12 months of execution
21 of the performance agreement or a reasonable time frame if good cause to
22 extend the deadline is demonstrated as determined by rule; or

23 “(C) The project is not completed within 36 months of execution of the
24 performance agreement or a reasonable time frame if good cause to extend
25 the deadline is demonstrated as determined by rule.

26 “(3) The department shall gather information from grantees necessary to
27 evaluate indicators of success as determined by rule.”.

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