

Requested by SENATE COMMITTEE ON ENERGY AND ENVIRONMENT

**PROPOSED AMENDMENTS TO
SENATE BILL 1525**

1 On page 1 of the printed bill, line 2, delete “and” and insert a comma.

2 In line 3, after “468A.195” insert “and 469.320”.

3 After line 5, insert:

4

5 **“NATURAL AND WORKING LANDS”.**

6

7 On page 3, after line 5, insert:

8

9 **“ENERGY SECURITY PLAN”.**

10

11 Delete lines 11 through 45 and delete pages 4 and 5 and insert:

12

13 **“COMMUNITY RENEWABLE INVESTMENT PROGRAM**

14

15 **“SECTION 7.** Section 29, chapter 508, Oregon Laws 2021, is amended to
16 read:

17 **“Sec. 29.** As used in sections 29 to 32, **chapter 508, Oregon Laws 2021**
18 *[of this 2021 Act]*:

19 “(1) ‘Community renewable energy project’ means one or more renewable
20 energy systems, storage systems, microgrids or energy-related infrastructures
21 that promote energy resilience, increase renewable energy generation or

1 renewable energy storage capacity and provide a direct benefit to a partic-
2 ular community in the form of increased community energy resilience, local
3 jobs, economic development or direct energy costs savings to families and
4 small businesses.

5 “(2) ‘Community energy resilience’ means the ability of a specific com-
6 munity to maintain the availability of energy needed to support the provision
7 of energy-dependent critical public services to the community following
8 nonroutine disruptions of severe impact or duration to the state’s broader
9 energy systems.

10 “(3) ‘Community energy resilience project’ means a community renewable
11 energy project that includes utilizing one or more renewable energy systems
12 to support the energy resilience of structures or facilities that are essential
13 to the public welfare.

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

17 “(5) **‘Electric cooperative organized under ORS chapter 62’ includes**
18 **an electric cooperative organized under ORS chapter 62 that is oper-**
19 **ating in this state and formed for one or both of the following pur-**
20 **poses:**

21 “(a) **To generate, purchase or obtain electric power, energy, trans-**
22 **mission services or ancillary services; or**

23 “(b) **To represent one or more consumer-owned utilities in meeting**
24 **rural, environmental or renewable energy requirements and mandates.**

25 “[5] (6) ‘Energy resilience’ means the ability of energy systems, from
26 production through delivery to end-users, to withstand and restore energy
27 delivery rapidly following nonroutine disruptions of severe impact or dura-
28 tion.

29 “[6] (7) ‘Planning costs’ means the costs related to planning paid by an
30 applicant, **or an applicant’s partner**, described under section 30, **chapter**

1 **508, Oregon Laws 2021** [*of this 2021 Act*].

2 “[~~(7)~~] (8) ‘Project cost’ means the actual cost of the acquisition, con-
3 struction and installation of a renewable energy system incurred by an ap-
4 plicant, **or an applicant’s partner**, described under section 30, **chapter 508,**
5 **Oregon Laws 2021**, [*of this 2021 Act*] for the system, before considering
6 utility incentives.

7 “[~~(8)~~] (9) ‘Public body’ means a public body as defined in ORS 174.109.

8 “[~~(9)~~] (10) ‘Qualifying community’ means a community that qualifies as
9 an environmental justice community as defined in **ORS 469A.400** [*section 1*
10 *of this 2021 Act*].

11 “[~~(10)~~] (11) ‘Renewable energy system’ includes:

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

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

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

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

23 **“SECTION 8.** Section 31, chapter 508, Oregon Laws 2021, is amended to
24 read:

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

29 “(A) A grant in an amount described in paragraph (b) of this subsection
30 that covers up to 100 percent of the reasonable planning costs including, but

1 not limited to, costs associated with:

2 “(i) Consulting fees.

3 “(ii) Load analysis.

4 “(iii) Siting, excluding property acquisition.

5 “(iv) Ensuring code compliance.

6 “(v) Interconnection studies.

7 “(vi) Transmission studies.

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

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

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

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

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

26 “(A) If for producing energy:

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

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

30 “(iii) Will reasonably and efficiently connect or transmit the energy to

1 the specific community identified in the application under section 30 (3),
2 **chapter 508, Oregon Laws 2021** [*of this 2021 Act*]; or

3 “(B) If for increasing energy resilience:

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

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

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

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

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

24 “(c) **Subject to paragraph (e) of this subsection**, the department may
25 release up to 30 percent of the grant moneys provided for in a performance
26 agreement[, *not to exceed 30 percent of project cost,*] upon entering into a
27 performance agreement with an applicant for developing a community
28 renewable energy project, [*with the remaining grant moneys to be released*
29 *upon project completion under the terms of the performance agreement,*] if upon
30 entering the performance agreement the applicant demonstrates **that the**

1 **applicant or a partner of the applicant has** *[having]*:

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

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

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

9 **“(d) Subject to paragraph (e) of this subsection, in addition to grant**
10 **moneys released under paragraph (c) of this subsection, the depart-**
11 **ment may release up to 30 percent of the grant moneys provided for**
12 **in a performance agreement if the applicant demonstrates that the**
13 **applicant or a partner of the applicant has met the requirements of**
14 **paragraph (c) of this subsection and any additional requirements for**
15 **the release of grant funds under this paragraph provided by the de-**
16 **partment by rule, such as demonstrating eligible costs incurred for the**
17 **acquisition or construction of a community renewable energy project.**

18 **“(e) The amount of grant moneys released pursuant to paragraphs**
19 **(c) or (d) of this subsection may not exceed, for each release of grant**
20 **moneys:**

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

23 **“(B) Fifteen percent of project cost for community renewable en-**
24 **ergy projects that do not qualify as community energy resilience**
25 **projects.**

26 **“(f) Grant moneys not released under paragraphs (c) or (d) of this**
27 **subsection shall be released upon project completion under the terms**
28 **of the performance agreement.**

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

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

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

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

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

9
10 **“STANDBY GENERATION FACILITIES**

11
12 **“SECTION 9.** ORS 469.320 is amended to read:

13 “469.320. (1) Except as provided in subsections (2) and (5) of this section,
14 no facility shall be constructed or expanded unless a site certificate has been
15 issued for the site thereof in the manner provided in ORS 469.300 to 469.563,
16 469.590 to 469.619, 469.930 and 469.992. No facility shall be constructed or
17 operated except in conformity with the requirements of ORS 469.300 to
18 469.563, 469.590 to 469.619, 469.930 and 469.992.

19 “(2) A site certificate is not required for:

20 “(a) An energy facility for which no site certificate has been issued that,
21 on August 2, 1993, had operable electric generating equipment for a modifi-
22 cation that uses the same fuel type and increases electric generating capac-
23 ity, if:

24 “(A) The site is not enlarged; and

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

1 “(b) Construction or expansion of any interstate natural gas pipeline or
2 associated underground natural gas storage facility authorized by and sub-
3 ject to the continuing regulation of the Federal Energy Regulatory Com-
4 mission or successor agency.

5 “(c) An energy facility, except coal and nuclear power plants, if the en-
6 ergy facility:

7 “(A) Sequentially produces electrical energy and useful thermal energy
8 from the same fuel source; and

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

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

13 “(ii) Of 50 megawatts or more and the fuel chargeable to power heat rate
14 value is not greater than 5,500 Btu per kilowatt hour; or

15 “(iii) Specified by the Energy Facility Siting Council by rule based on the
16 council’s determination relating to emissions of the energy facility.

17 “(d) Temporary storage, at the site of a nuclear-fueled thermal power
18 plant for which a site certificate has been issued by the State of Oregon, of
19 radioactive waste from the plant.

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

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

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

28 “(B) Has received local land use approval under the applicable acknowl-
29 edged comprehensive plan and land use regulations of the affected local
30 government and the facility complies with any statewide planning goals or

1 rules of the Land Conservation and Development Commission that are di-
2 rectly applicable to the facility;

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

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

9 “(E) Emits less than 118 pounds of carbon dioxide per million Btu from
10 fossil fuel used for conversion energy.

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

13 “(A) The facility has received local land use approval under the applicable
14 acknowledged comprehensive plan and land use regulations of the affected
15 local government and the facility complies with all statewide planning goals
16 and applicable rules of the Land Conservation and Development Commission;

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

23 “(C) The standby generators are:

24 “(i) Electrically incapable of being interconnected to the transmission
25 grid. For an applicant that proposes to provide the physical facilities for the
26 installation of standby generators **under this sub-subparagraph**, the re-
27 quirement of this [subparagraph] **sub-subparagraph** may be met by agreeing
28 to require such a term in the lease contract for the facility; or

29 “(ii) **Electrically capable of being interconnected to the grid but are**
30 **dispatched to the grid by a local transmission and distribution grid**

1 **operator or balancing authority to support grid reliability, are oper-**
2 **ated consistent with 40 C.F.R. 63.6640(f), as in effect on the effective**
3 **date of this 2024 Act, and are exclusively using renewable fuels, in-**
4 **cluding renewable diesel, renewable natural gas or renewable hydro-**
5 **gen, if such fuels are available and if their use does not violate the**
6 **warranty or certification of the generator.**

7 “(3) The Energy Facility Siting Council may review and, if necessary,
8 revise the fuel chargeable to power heat rate value set forth in subsection
9 (2)(c)(B) of this section. In making its determination, the council shall ensure
10 that the fuel chargeable to power heat rate value for facilities set forth in
11 subsection (2)(c)(B) of this section remains significantly lower than the fuel
12 chargeable to power heat rate value for the best available, commercially vi-
13 able thermal power plant technology at the time of the revision.

14 “(4)(a)(A) Any person who proposes to construct or enlarge an energy fa-
15 cility and who claims an exemption under subsection (2)(a), (c) or (f) of this
16 section from the requirement to obtain a site certificate shall request the
17 Energy Facility Siting Council to determine whether the proposed facility
18 qualifies for the claimed exemption.

19 “(B) The council may not require a person who operates or proposes to
20 construct or enlarge an energy facility to request that the council determine
21 whether the proposed facility qualifies for exemption under subsection (2)(g)
22 of this section.

23 “(b) The council shall make its determination within 60 days after the
24 request for exemption is filed. An appeal from the council’s determination
25 on a request for exemption shall be made under ORS 469.403, except that the
26 scope of review by the Supreme Court shall be the same as a review by a
27 circuit court under ORS 183.484. The record on review by the Supreme Court
28 shall be the record established in the council proceeding on the exemption.

29 “(5) Notwithstanding subsection (1) of this section, a separate site certif-
30 icate shall not be required for:

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

4 “(b) Expansion within the site or within the energy generation area of a
5 facility for which a site certificate has been issued, if the existing site cer-
6 tificate has been amended to authorize expansion; or

7 “(c) Expansion, either within the site or outside the site, of an existing
8 council certified surface facility related to an underground gas storage res-
9 ervoir, if the existing site certificate is amended to authorize expansion.

10 “(6) If the substantial loss of the steam host causes a facility exempt un-
11 der subsection (2)(c) of this section to substantially fail to meet the ex-
12 emption requirements under subsection (2)(c) of this section, the electric
13 generating facility shall cease to operate one year after the substantial loss
14 of the steam host unless an application for a site certificate has been filed
15 in accordance with the provisions of ORS 469.300 to 469.563.

16 “(7) As used in this section:

17 “(a) ‘Standby generation facility’ means an electric power generating fa-
18 cility, including standby generators and the physical structures necessary to
19 install and connect standby generators, that provides temporary electric
20 power:

21 “(A) In the event of a power outage and that is electrically incapable of
22 being interconnected with the transmission grid; or

23 “(B) **Consistent with 40 C.F.R. 63.6640(f), as in effect on the effective**
24 **date of this 2024 Act.**

25 “(b) ‘Total energy output’ means the sum of useful thermal energy output
26 and useful electrical energy output.

27 “(c) ‘Useful thermal energy’ means the verifiable thermal energy used in
28 any viable industrial or commercial process, heating or cooling application.

29 “(8)(a) If the developer of a facility elects, or the governing body of the
30 local government after consulting with the developer elects, to defer regula-

1 tory authority to the Energy Facility Siting Council, the developer of a fa-
2 cility shall obtain a site certificate, in the manner provided in ORS 469.300
3 to 469.563, 469.590 to 469.619, 469.930 and 469.992, for a facility that, not-
4 withstanding the definition of ‘energy facility’ in ORS 469.300, is:

5 “(A) An electric power generating plant with an average electric gener-
6 ating capacity of less than 50 megawatts produced from wind energy at a
7 single energy facility or within a single energy generation area;

8 “(B) An associated transmission line; or

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

11 “(b) An election by a developer or a local government under this sub-
12 section is final.

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

15 “(d) A local government may not make an election under this subsection
16 after a permit application has been submitted under ORS 215.416 or 227.175.

17 **“SECTION 10. Section 11 of this 2024 Act is added to and made a
18 part of ORS 469.010 to 469.155.**

19 **“SECTION 11. (1) A public utility, as defined in ORS 757.005, that
20 operates a dispatchable standby generation program to support grid
21 reliability shall, no later than June 1 of each year, report to the Di-
22 rector of the State Department of Energy the following information
23 related to the operation of generators in the program in the previous
24 calendar year:**

25 **“(a) The aggregated number and nameplate capacity of the genera-
26 tors;**

27 **“(b) The total and average hours of operation of the generators;**

28 **“(c) The aggregated amounts of fuels, by type, used annually;**

29 **“(d) The availability of renewable fuels in the regional market for
30 standby generators in the program; and**

1 “(e) Compliance with ORS 469.320 (2)(g)(C)(ii).

2 “(2) Within 30 days of receiving the information reported under
3 subsection (1) of this section, the director shall cause the information
4 to be posted on a publicly available website.

5
6 **“HEAT PUMP GRANTS AND REBATES**

7
8 **“SECTION 12. (1) Notwithstanding ORS 469B.466, moneys in the**
9 **Heat Pump Deployment Fund on July 1, 2024, that have been allocated**
10 **by the State Department of Energy for the purpose of awarding grants**
11 **under ORS 469B.460 but have not been awarded as a grant are trans-**
12 **ferred to the Residential Heat Pump Fund established under section**
13 **21, chapter 86, Oregon Laws 2022, to be expended for the purposes de-**
14 **scribed in that section and subsection (2) of this section.**

15 **“(2)(a) Moneys transferred under subsection (1) of this section shall**
16 **be expended for the purpose of providing grants and rebates under**
17 **sections 19 and 20, chapter 86, Oregon Laws 2022, and associated ad-**
18 **ministrative costs and expenses, in regions and for members of feder-**
19 **ally recognized Indian tribes for which no eligible entity has been**
20 **awarded a grant under ORS 469B.460.**

21 **“(b) The department shall allocate an amount for each region or**
22 **federally recognized Indian tribe described in this subsection that is**
23 **equal to the amount previously allocated by the department for that**
24 **region or tribe under ORS 469B.460.**

25
26 **“CAPTIONS**

27
28 **“SECTION 13. The unit captions used in this 2024 Act are provided**
29 **only for the convenience of the reader and do not become part of the**
30 **statutory law of this state or express any legislative intent in the**

1 enactment of this 2024 Act.

2

3

“EFFECTIVE DATE

4

5 **“SECTION 14. This 2024 Act being necessary for the immediate**
6 **preservation of the public peace, health and safety, an emergency is**
7 **declared to exist, and this 2024 Act takes effect on its passage.”.**

8
