SB 1526 STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

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Meeting Dates: 2/4

WHAT THE MEASURE DOES:

The measure directs the Oregon Department of Energy (ODOE) to seek grant funding to convene a founding board and, upon securing sufficient funds, directs the board to establish a nonprofit entity to finance clean energy and resilience projects.

Detailed Summary:

Directs the ODOE to apply for grant funding from the Environmental Restoration Council's State Agency Program Fund or other sources to support the organizational, startup, and administrative costs of convening a founding board. Specifies that ODOE must secure at least $2 million in grant funding to conduct pre-startup activities, including recruiting and convening the founding board. Requires ODOE to carry out pre-startup activities that include recruiting and convening a founding board if at least $2 million in grant funding is secured.

Requires the founding board convened under Act to form a nonprofit entity for the purpose of:

- financing clean energy and resilience projects that facilitate the generation, transmission, production or storage of clean energy or clean fuels;
- conservation or efficient use of energy or fuels;
- reduction in greenhouse gas emissions; or
- improvements in the resilience of infrastructure, natural and working lands, buildings or communities, with priority given to lower income, tribal, rural or underserved communities.

Requires the nonprofit entity formed to have a charter, be able to receive capital in any form, and report annually to the Legislative Assembly.

Requires Oregon Business Development Department (OBDD) to work with the nonprofit entity to explore potential agreements to provide capitalization or financing, including the use of bonding authority. Requires ODOE to work with the nonprofit entity to explore potential contractual relationships and areas of collaboration. Requires all state agencies to assist, as necessary, in carrying out these duties.

REVENUE: May have revenue impact, but no statement yet issued
FISCAL: May have fiscal impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the Environmental Protection Agency Connecticut, Hawaii, Michigan, and New York have all established either public, quasi-public, or nonprofit financing entities that leverage public and private capital to pursue goals for clean energy projects that reduce emissions. Generally, these alternative financing mechanisms share the following key features: mission-driven, mandate to advance the deployment of clean energy, leverage funds to stimulate private capital, and offer products across sectors, and focus on bridging market gaps.

In 2018, the Oregon Department of Justice filed a lawsuit against Monsanto, alleging that polychlorinated biphenyls (PCB) chemicals are highly toxic and can harm people's immune systems. A settlement for $698 million dollars was reached. In 2024, the Legislative Assembly enacted Senate Bill 1561 establishing the Oregon Environmental Restoration Council to guide how settlement funds would be used as well as dedicating 50 percent of the biennial disbursement for the State Agency Program Fund.