2021 Legislative Session Report

OREGON DEPARTMENT OF ENERGY

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Contact us: https://www.oregon.gov/energy/About-Us/Pages/Contact-Us.aspx

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INTRODUCTION

Oregon's 2021 legislative session came to a close on June 26. There were 2,519 bills, memorials, and resolutions introduced during the session. Of those, the legislature passed 715 into law.

ODOE at the Capitol

The Oregon Department of Energy helps Oregonians make informed decisions and maintain a resilient and affordable energy system. We advance solutions to shape an equitable clean energy transition, protect the environment and public health, and responsibly balance energy needs and impacts for current and future generations.

On behalf of Oregonians across the state, the Oregon Department of Energy achieves its mission by providing:

- A Central Repository of Energy Data, Information, and Analysis
- A Venue for Problem-Solving Oregon's Energy Challenges
- Energy Education and Technical Assistance
- Regulation and Oversight
- Energy Programs and Activities

With all of these roles in mind, we track each legislative session carefully. This session, the Oregon Department of Energy shared energy data, information, and analysis from Oregon's 2020 Energy Report and provided energy education through seven informational committee hearings. Legislators also decided to make use of ODOE's venue for problem-solving energy challenges – by session's end, we were tasked with carrying out studies on small-scale renewable energy, regional transmission organizations, floating offshore wind, and renewable hydrogen. Finally, we tracked bills that make changes to regulatory roles and either modernize or add new programs and activities at the agency and provided technical advice to legislators and staff along the way.

As the legislative session closed on June 26, the legislature had passed all four agency priority bills, including new energy efficiency standards for consumer products, updates to our radioactive waste program, and fixes for laws guiding energy facility siting in Oregon and our Energy Facility Siting Council. Our budget passed with strong support and included new positions around data and research to better support our mission. And, in the last days of session, we received $10 million to continue the popular Oregon Solar + Storage Rebate Program.

In addition to the agency priority bills and goals for the session, the agency was also given new work to do. HB 2021 – this session's highest-profile energy bill – not only establishes a 100

percent clean energy standard for Oregon, it also includes a new $50 million incentive program to promote energy resilience and small-scale clean energy projects, housed at ODOE. The agency will also be involved in providing funds for energy efficiency in wildfire rebuilding efforts. Program and administrative support for these incentive programs will be supported by general fund dollars.

About the 2021 Legislative Session Report

This document is designed with several purposes in mind:

- For energy stakeholders to use as a quick reference of energy bills during the 2021 session
- For the general public to use as a place to look for quick, easy-to-read summaries for bills that relate to energy and other issues that relate to the mission or work of the Oregon Department of Energy
- To serve as a record of the bills ODOE tracked most closely during the Legislative session

Following this introduction, there are three sections:

- *Bills Passed* that relate to ODOE's mission or work
- *Budget Bills*
- *Bills Considered* that relate to ODOE's mission or work, but did not pass

For each bill listed, there is a summary, the effective date, and related Oregon Revised Statute chapter. For more information, click the hyperlinks on the right above each bill summary to go to the Oregon Legislative Information System overview page for each bill. From there, you can find the text of each measure, testimony, and votes on the bills as they moved (or did not move) through the process.

One of ODOE's roles is to provide analysis of energy issues to inform state energy planning, regulation, program administration, and policy development. In that vein, we have also provided a narrative summary of the energy landscape as the 2021 legislative came to a close.

This is designed to be an online-only report, which means that ODOE can update it – if you see that there's a bill we ought to have included or something else of concern, please email christy.splitt@energy.oregon.gov.

A Brief Overview of Energy Issues in the 2021 Legislative Session

The 2021 session started during some of the hardest moments of the COVID-19 pandemic. After the holidays, there was a spike in COVID cases and the Capitol was closed to the public, as were most public establishments. This meant a unique virtual session, in which floor sessions were held in person but committee meetings took place entirely online. Legislators, advocates, and the public participated in new ways, creating an unusual dynamic for getting bills through the legislative process.

The session also started with new committee members – and new Chairs – for the two energy committees: House Energy and Environment Committee and a newly formed Senate Energy and Environment Committee. Both committees started with their first session meetings with briefings from ODOE on Oregon's 2020 Biennial Energy Report to help new members learn how to access information needed to consider the many bills that would be assigned to the committees.

Finally, the legislative session started with an uncertain budget picture. Forecasts showed state revenues in decline, leading the legislature to make cuts to some agency budgets during 2020 special sessions. But, by early 2021, the post-pandemic economic recovery was underway. And in Washington DC, Congress was working on the American Recovery Plan Act, with investments in states a priority for the newly-elected President Joe Biden. The anticipated state revenue decrease was not realized, and the American Recovery Plan Act sent approximately $2.6 billion to Oregon's budget.

Into that setting, many energy bills were brought forward. Some took new approaches to tough problems that the state has grappled with for decades now, like the introduction of two concepts to create a clean electricity standard for Oregon to address climate change. Meanwhile, an amplified focus on racial justice and equity led to environmental justice being centered in many bills. Other issues were considered in a shortened 2020 session and came back, particularly provisions around transportation electrification. And finally, COVID and a catastrophic 2020 wildfire season led to major shifts around emergency response and wildfire response and prevention.

Clean Electricity

After several bills that would have established a carbon cap and price concept did not pass in prior legislative sessions, climate advocates, environmental justice advocates, Oregon's two largest investor-owned utilities, and other allies brought a new approach in 2021: adding Oregon to a growing list of states with a clean electricity standard. While Oregon has had a renewable portfolio standard encouraging the development of renewable energy since 2007, many states have moved toward clean energy standards that consider emissions more explicitly and allow a wider range of eligible low carbon-emitting resources, including older hydropower

facilities or nuclear power. For more information on renewable compared to clean energy standards, please see the 2020 Energy Report's Energy 101: Clean and Renewable Standards and Policy Brief: Emerging Trends in Renewable and Zero-Emissions Electricity.

There were two main approaches to developing an Oregon clean electricity standard. HB 3180 would increase the existing RPS with in-state procurement requirements and HB 2021 would create a new emissions-based standard that would work alongside the existing RPS with fewer requirements for energy to be developed in state. In the end, HB 2021 passed, creating a clean electricity standard of 100 percent zero-emissions electricity by 2040 for Oregon's two largest utilities: Portland General Electric and Pacific Power. In order to help spur in-state community renewables and address some concerns raised by proponents of HB 3180, the bill included an increase to 10 percent of the community based renewable energy target in the RPS, a $50 million Community Resilient Renewables Incentive Fund program, and direction to the Department of Energy to work with energy partners to evaluate how to create more small-scale renewable energy projects in Oregon. You can learn more about HB 2021 on p. 8 of this report and about HB 3180 on p. 31.

HB 2021's Community Resilient Renewables Investment Fund addresses concerns regarding local energy resilience when natural disasters strike Oregon. Applicants must be public bodies, Tribes, or consumer-owned utilities, and projects that improve resilience for communities will be prioritized. The Fund also allows for public bodies, Tribes, or consumer-owned utilities to receive grants for planning for energy resilience and renewable energy projects.

The bill defines community energy resilience as:

> *"… 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 community following nonroutine disruptions of severe impact or duration to the state's broader energy systems."*

To learn more about community energy resilience, refer to Chapter 5 of the 2018 Biennial Energy Report.

In addition, HB 3141 modernized the Public Purpose Charge by extending it for 10 years, reducing it from 3 percent to 1.5 percent of revenues, and allowing it to be used for distribution system-connected technologies that support reliability, resilience, and integration of renewable energy (among other things). The PPC has funded both energy efficiency and renewable energy projects since the passage of SB 1149 in 1999. You can learn more about HB 3141 on p. 17.

Environmental Justice

The Community Renewables Investment Fund established in HB 2021, as well as many other provisions of the bill, include several provisions that are designed to benefit environmental justice communities, defined in the bill as:

> *"… communities of color, communities experiencing lower incomes, tribal communities, rural communities, coastal communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including seniors, youth and persons with disabilities."*

HB 2021 was part of a slate of energy bills supported by a new coalition: the Oregon Clean Energy Opportunity. This coalition also prioritized two other bills: HB 2842, the Healthy Homes Act, which creates a $10 million grant program toward repair and revitalization – including energy efficiency measures – for homes belonging to low-income Oregonians; and HB 2475, which calls for the Oregon Public Utility Commission to create a new rate class for lower income households. You can read more about HB 2842 on p. 15 and HB 2475 on p. 14.

Governor Kate Brown also championed several provisions around environmental justice, as did legislators. See SB 286 on p. 34, HB 2993 on p. 16, and SCR 17 on p. 23 for three examples that would have affected, or will affect, ODOE's work.

Transportation Electrification

According to the Oregon Global Warming Commission, which is staffed by the Department of Energy, the transportation sector is the greatest source of greenhouse gas emissions in our state. This session, several bills were considered around reducing transportation emissions – many of them were concepts brought back from the shortened 2020 session. HB 2165, summarized on p. 12, requires PGE and Pacific Power to collect one quarter of a percent of total revenues collected from retail electricity consumers to fund transportation electrification efforts and strengthens the Oregon Clean Vehicle Rebate Program. HB 2165 and HB 3055 on p. 16, both allow for some utilities regulated by the Public Utility Commission to recover costs of infrastructure measures that promote electric or alternative fuel vehicles from retail consumers. And HB 2180, on p. 13, requires certain new buildings to include vehicle charging infrastructure.

Responding to Wildfires and Emergency Preparedness

The Oregon Department of Energy has a role to play in preparing Oregon for emergencies. The agency is tasked with developing and implementing Oregon's Fuel Action Plan, which outlines how Oregon would respond in an emergency that affects access to petroleum fuel to ensure acquisition and distribution of fuel for emergency responders and essential service providers. ODOE works closely with Washington state and the federal government to be prepared for possible nuclear emergencies. ODOE staff also analyze energy policies to consider resilience and vulnerabilities to the energy sector, including recent policy briefs on wildfire mitigation and climate vulnerability. Finally, as the staff for the Energy Facility Siting Council, the department considers risks for energy siting.

For those reasons, the agency tracked major legislation around wildfire preparedness, wildfire recovery, and emergency management. You can read more about two bills that passed: SB 762, which lays out provisions and makes investments regarding wildfire prevention, and HB 2927, which makes major changes to Oregon's emergency management structures. While HB 3127, a bill that included nearly $1 billion in investments for recovery from the 2020 Labor Day wildfires did not pass, many of its provisions were in HB 5006, the budget reconciliation bill.

What's Next?

In addition to implementing many of the bills mentioned above, several state agencies, including ODOE, continue to build out Governor Kate Brown's Executive Order 20-04, directing state agencies to reduce and regulate greenhouse gas emissions. The Oregon Department of Energy will also release the first Biennial Zero Emission Vehicle Report in September 2021.

Many high-profile bills intended to address energy and climate change did not pass and could come back in future legislative sessions. HB 2398 (p. 26) would have allowed localities to adopt more efficient building codes than the statewide standard. A suite of bills described on p. 36 would have considered state policy regarding nuclear power reactors, including advanced reactor technology. HB 2520 (p. 28) and HB 2488 (p. 27) would have required the development of statewide energy planning goals and climate justice goals, respectively. SB 286 (p. 34) was primarily a bill modernizing the state's Environmental Justice Task Force, but also would have added ODOE to the list of state agencies involved in a new Environmental Justice Council. We have included a section on bills that didn't pass starting on p. 26 to provide a sense of what policy issues or concepts may be considered in the future.

Bill Information: Effective Dates, Operational Dates, Publication

Normal Effective Dates

ORS 171.022 provides that unless otherwise stated, all bills take effect on January 1 of the year after the bill is signed into law. So, unless a bill specifically names a different effective date or has an emergency clause, the bill will take effect on January 1 of the next year.

Emergency Clause

The Oregon Constitution prohibits a bill from taking effect "until ninety days from the end of the session" unless an emergency is declared. An emergency clause will appear in the bill if it is to take effect before the 91st day after adjournment sine die. Bills with emergency clauses are not subject to a referendum of the voters; all other bills are subject to possible referral under the Oregon Constitution. Because of this provision, the Constitution gives the Governor the power to veto an emergency clause without affecting the rest of the bill. The Constitution also

prohibits the use of an emergency clause in bills that regulate taxation or exemption. An emergency clause must apply to an entire bill.

Operative Date

If a bill requires administrative preparation before the bill is fully operative, an operative date is used to delay operation of all or part of the bill. If an operative date is used, the entire bill takes effect on its effective date. However, a specified part of an Act does not become operational until a later specified date. It is important to distinguish between items that are authorized on and after the effective date, and items that are not authorized until the operative date.

Example of an emergency clause for a bill that will take effect on its passage:

> SECTION 30. This 2009 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect on its passage.

Note: A bill with an emergency clause takes effect when the Governor signs it, not when passed by both houses of the Legislative Assembly.

Example of an emergency clause for a bill that takes effect on a specific date after passage but before the 91st day after the end of session:

> SECTION 30. This 2009 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2009 Act takes effect July 1, 2009.

Note: If the July 1 date is used and the Governor signs the bill before July 1, the bill takes effect on July 1. If the Governor signs the bill after July 1, the bill takes effect on the date the Governor signs it.

Bill Publication

Copies of the 2021 enrolled bills (the copy the Governor signs) may be found on the legislative website: https://olis.leg.state.or.us/liz/2021R1/Measures/list/. Measures signed into law are known as "session laws" and are available on the legislative website under Oregon Laws. Permanent Laws passed during the 2021 Legislative Session will not be codified until the 2021 edition of Oregon Revised Statutes is released. The 2021 ORS will be distributed and made available online late summer 2021.

LEGISLATION PASSED

HB 2021: 100% Clean Energy Standard

HB 2021
Chapter: 508
Effective Date: September 25, 2021

Oregon has historically been a national leader on clean energy. House Bill 2021, known as the "100% Clean Energy for All" bill, continues Oregon's leadership introducing a broad range of targets, programs, and studies to transition Oregon to a clean, resilient, equitable electricity grid, including:

- *100% Clean Electricity Targets*: Oregon's large investor-owned utilities (IOUs) and electricity service suppliers must reduce greenhouse gas emissions associated with electricity sold in Oregon compared to a 2010 baseline – 80% emissions reductions by 2030, 90% by 2035, and 100% by 2040 – effectively requiring emission-free electricity by 2040. The legislation provides exemptions from meeting those goals if compliance would affect system reliability or lead to excessive rate increases. The Oregon Department of Environmental Quality will track greenhouse gas emissions and progress toward targets through the existing greenhouse gas reporting program, while the Oregon Public Utility Commission will oversee electricity company clean energy planning and compliance.
- *Natural Gas Plant Restrictions*: Restricts the Oregon Energy Facility Siting Council, which is staffed by ODOE, from issuing new or amended site certificates for fossil-fueled energy facilities that emit greenhouse gases into the atmosphere.
- *Community Resilient Renewables Investment Fund*: Creates a $50 million fund at ODOE to provide competitive grants for planning or developing community renewable energy projects less than 20 megawatts in capacity that promote energy resilience, increase renewable energy generation or storage capacity, and provide economic or other benefits to communities.
- *Study on Small Scale Renewable Energy Development*: Directs ODOE to convene a work group to develop and publish a study on the barriers, opportunities, and benefits of small-scale renewable energy projects by September 30, 2022.
- *Green Energy Tariffs:* Permits IOUs to collaborate with local governments to develop PUC-approved green electricity rates in alignment with local government renewable or clean (non-emitting) energy goals to serve retail electricity customers within the geographical boundaries of the local government.

- *Responsible Contractor Labor Standards*: Requires renewable project developers and contractors to document and meet specific labor standards when constructing renewable energy generating or storage facilities with capacity of 10 megawatts or greater.
- *RPS Community-based Renewable Energy Project Target Changes:* Increases the RPS community based renewable energy target from 8% of aggregate electrical capacity by 2025 to 10% of aggregate electrical capacity by 2030 for Oregon's large IOUs.

Under HB 2021, the Oregon Department of Energy is responsible for developing and implementing the new Community Resilient Renewables Incentive Program, leading the small scale renewable energy study, implementing restrictions on new fossil fuel plants, storing attestations and documents around the new labor standards, and making any necessary changes to RPS rules to support implementation of HB 2021's clean energy targets.

For more information on clean energy standards, please see the 2020 Biennial Energy Report's Energy 101: Clean and Renewable Standards and Policy Brief: Emerging Trends in Renewable and Zero-Emissions Electricity.

HB 2062: Energy Efficiency Standards for Consumer Products

HB 2062
Chapter: 108
Effective Date: September 25, 2021

In 2020, as part of Executive Order 20-04 implementation, the Oregon Department of Energy adopted efficiency standards for 11 different products through administrative rule. HB 2062 conforms statute to those recently adopted rules. These standards will save Oregonians money, promote energy conservation in Oregon, reduce energy and water use, reduce greenhouse gas emissions, and align West Coast market standards. ODOE estimates that the energy efficiency standards established and increased in HB 2062 represent a greenhouse gas reduction of nearly 50,000 metric tonnes of annual CO2 emissions in 2025 and a reduction of over 100,000 metric tonnes of CO2 emissions in 2035 to contribute to Oregon's greenhouse gas reduction goals. They would also lead to nearly $30 million of annual energy cost saving for Oregonians in 2025, increasing to nearly $100 million in savings by 2035. These standards are cost-effective with a net present value of more than $500 million

The measure also implements housekeeping measures to remove from statute those existing state standards that have been preempted by federal standards since originally established in Oregon. Finally, HB 2062 provides ODOE, in consultation with DCBS Building Codes Division Advisory Boards, limited authority to administratively update standards to a more recent

version only for products with existing Oregon standards. Subsequent legislation would not be required if the updates maintain alignment with another state.

The standards already established by rule and to be added to statute include:

- High CRI fluorescent lamps
- Commercial steam cookers
- Computers and computer monitors
- Residential ventilating fans
- Faucets
- Electric storage water heaters
- Shower heads
- Commercial fryers
- Portable electric spas (update to existing standard)
- Water coolers (update to existing standard)
- Commercial dishwashers

To learn more about energy efficiency standards and codes, see the 2020 Biennial Energy Report's Energy 101: Codes and Standards.

HB 2063: Standby Generators

HB 2063
Chapter: 109
Effective Date: September 25, 2021

Most electric power generation facilities with over 25 MW of capacity must obtain a site certificate from the Oregon Energy Facility Siting Council (EFSC) before they can be built or operated. Standby generation facilities, such as diesel generators which provide back-up power to large data centers and other industrial facilities during power outages are exempt from this requirement if they obtain all necessary permits from local governments and the Department of Environmental Quality and are incapable of interconnecting with the electric transmission grid. HB 2063 removes the requirement for a person developing a standby generation facility to submit a request to EFSC for a determination that the facility qualifies for this exemption, relieving developers of these facilities from the cost and time associated with seeking the determination.

HB 2064: EFSC Quorum

HB 2064
Chapter: 110
Effective Date: September 25, 2021

Prior to the passage of HB 2064, the Energy Facility Siting Council needed a quorum of at least five of its seven members to be present to conduct business. HB 2064 changed this requirement to allow EFSC to conduct business with a simple majority of members present, similar to the quorum requirements for most other natural resource agency boards and commissions. This change is expected to reduce delays in EFSC review of rulemaking, energy projects, and other siting business and allow for greater efficiency in the review of energy development and more predictability in scheduling for the public.

HB 2109: Local Renewable Energy Facilities

HB 2109
Chapter: 60
Effective Date: May 21, 2021

In 2019, the Oregon Legislature passed HB 2329, which changed the definition of energy facilities by raising the jurisdictional threshold for certain renewable energy projects subject to the Energy Facility Siting Council's siting certificate requirements. An unintended consequence of HB 2329 is that it triggered a requirement for written notification to landowners by the Oregon Department of Land Conservation and Development Commission (DLCD) as required by Measure 56.

According to DLCD's website, "the measure requires cities and counties to provide affected property owners with notice when there is a change in the zoning classification for their property."

HB 2109 modifies the definition of "renewable energy facilities" within ORS 215.446 to clarify that the review criteria applies only to solar projects of a certain size located on exclusive farm lands or geothermal and wind projects that generate a specific range of power, which will alleviate the need for the notifications.

For more information about energy siting in Oregon, see the 2020 Biennial Energy Report's Energy 101: Energy Facility Siting and Permitting.

HB 2165: Transportation Electrification Package

HB 2165
Chapter: 95
Effective Date: January 1, 2022

As noted in the Oregon Global Warming Commission's 2020 Biennial Report to the Legislature, "almost 36 percent of Oregon's total GHG emissions derive from transportation, and almost 25 percent of that comes from light-duty vehicles (cars and small trucks)." In recent years, the Legislature and Governor Kate Brown have prioritized transportation electrification in both legislation and executive orders to reduce those emissions. HB 2165 is a package of policies continuing those efforts, targeting two challenges to electric vehicle (EV) adoption: charging infrastructure and consumer costs.

The bill requires Oregon's two largest investor-owned utilities, PGE and Pacific Power, to collect one quarter of a percent of total revenues collected from retail electricity consumers to go toward transportation electrification efforts. It also allows IOUs to recover costs of certain transportation electrification-related infrastructure measures from electric retail consumers.

Toward consumer costs, HB 2165 removes the expiration date for the Oregon Clean Vehicle Rebate Program. It also changes eligibility requirements for the Charge Ahead Rebate Program for low- and moderate-income households to 400 percent of federal poverty guidelines and increases the incentive from *up to $2,500 but not less than $1,500* to *up to $5,000 but not less than $2,500*. Finally, the bill raises the purchasing cap for fuel cell vehicles from $50,000 to $60,000 for eligibility of receiving a rebate in the Oregon Clean Vehicle Rebate Program.

Please note that some of the IOU provisions from this bill also appear identically in HB 3055. HB 3055, summarized below, also includes natural gas utilities and measures to promote vehicles using renewable natural gas.

For more information on electric vehicles, please see the 2020 Biennial Energy Report's Technology Review: Electric Vehicles and Policy Brief: How Utilities Are Assessing and Managing Electric Cars on the Grid.

HB 2180: EV-Ready Building Codes

HB 2180
Chapter: 152
Effective Date: January 1, 2022

This measure requires the director of DCBS to adopt amendments to the state building code to require certain newly constructed buildings to provide electrical service capacity for charging electric vehicles (EVs). The bill requires provisions for electrical service capacity at no less than 20 percent of the vehicle parking spaces in the garage or parking area for the building (rounded up to nearest whole number).

The bill requires the DCBS director to make these EV-ready requirements apply only to commercial buildings under private ownership, multifamily buildings with five or more residential dwelling units, and mixed use buildings consisting of privately owned commercial space and five or more residential dwelling units; the code requirements will not apply to townhouses.

For these building types covered in the bill, this measure also specifies that a municipality may require that a newly constructed building exceed the minimum bill requirements and provide electrical service capacity to accommodate greater than 20 percent of spaces, as specified by the municipality, through a process concerning land use. This ability for local municipality amendments is notwithstanding ORS 455.040, which is the section of statute that provides for a statewide, uniform building code.

HB 2180 requires the director of DCBS to ensure that initial amendments to the state building code as required under section 1 take effect on July 1, 2022, and apply to new construction for which a person first applies for a building permit on or after July 1, 2022.

HB 2289: Wildfire Rebuilding Process

HB 2289
Chapter: 217
Effective Date: June 11, 2021

HB 2289 is meant to create a more affordable and streamlined rebuilding process for those who sustained property damage during the 2020 Labor Day wildfires. If certain criteria are met, a property owner may alter, restore, or replace a nonresidential use without further application with the local government. Local and state governments are directed to approve applications and permits in most cases. The new construction must comply with applicable building codes

that were in effect on the later of 1/1/2008 or the date of the former dwelling's construction. For residences, the applicable building code will be the 2005 Oregon Residential Specialty Code. For commercial buildings, the applicable building code will be the 2007 OSSC/Energy Code. As part of HB 5006, the budget reconciliation bill, $10 million was directed to the Oregon Department of Energy to provide energy efficiency incentives for the same structures being rebuilt or repaired as a result of the 2020 wildfires.

HB 2475: Energy Affordability

HB 2475
Chapter: 90
Effective Date: January 1, 2022

Energy burden is the percentage of household income spent on energy and transportation costs. It's used as an indication of energy affordability, and anyone paying more than 6 percent of their household income on energy is considered energy burdened. According to the 2020 Biennial Energy Report's Energy 101: Equity and Energy Burden, about 25 percent of Oregon households are energy burdened – and that's based on numbers from before the COVID-19 pandemic.

To help those struggling to pay their energy bills, HB 2475 gives the Oregon Public Utility Commission the ability to consider "differential energy burdens on low income customers and other economic, social equity or environmental justice factors that affect affordability for certain classes of customers" in the ratemaking processes for electric and natural gas utilities. In addition to the use of rates and bill credits, the PUC can mitigate energy burdens through bill reduction measures or programs such as demand response or weatherization.

This new law also requires retail electricity consumers purchasing electricity from electricity service suppliers (ESSs) to pay the same amount to address the mitigation of energy burdens as retail electricity consumers that are not served by ESSs (i.e. investor-owned utilities).

It also allows the PUC to provide up to $500,000 in financial assistance, in aggregate, to organizations that represent residential utility customers that are either low-income or members of environmental justice communities in regulatory proceedings conducted by the PUC. It also directs PUC to establish a process for evaluating and approving agreements to these organizations – and requires these agreements to be in place before financial assistance is provided.

HB 2560: Accessible Public Meetings

HB 2560
Chapter: 228
Effective Date: January 1, 2022

Like most state agencies and public bodies, the Oregon Department of Energy moved to virtual meeting platforms during the COVID-19 pandemic. These virtual meetings led to increased participation and convenience for some attendees, especially for members of the public and for Oregonians who live or work in remote parts of the state. HB 2560 builds off of state agency experience and requires the governing bodies of public bodies to reasonably make all meetings - excluding executive sessions - accessible remotely through technological means. It also provides for an opportunity for members of the general public to remotely submit oral and written testimony during meetings to the extent in-person oral and written testimony is allowed.

HB 2842: Healthy Homes Program

HB 2842
Chapter: 622
Effective Date: September 25, 2021

HB 2842 establishes the Healthy Homes Program at the Oregon Health Authority. The program will provide grants to entities that provide financial assistance to persons in low-income households to repair and rehabilitate their residences and to landlords to repair and rehabilitate properties inhabited by low-income households. Repair and rehabilitate is defined in the bill and includes: energy efficiency, radon, lead and mold abatement, air filtration systems, and measures to improve fire and seismic resilience. The bill also establishes the Interagency Task Force on Healthy Homes. The task force will consist of up to nine members appointed by the Governor and representatives of the Oregon Health Authority, the Housing and Community Services Department, the Department of Environmental Quality, the State Department of Energy, the Department of Land Conservation and Development, and the Department of Human Services. Together, they will consider ways to improve the health and safety of homes.

HB 2993: Public Participation and Equity in Rulemaking

HB 2993
Chapter: 463
Effective Date: January 1, 2022

HB 2993 encourages agencies to appoint a rulemaking advisory committee to represent interests of persons likely to be affected by a proposed rule whenever possible. If there has not been a rulemaking advisory committee appointed and 10 or more persons likely to be affected by the rule object to the agency's fiscal impact statement, or an association with at least 10 affected members objects, agencies must appoint a fiscal impact advisory committee to make recommendations on whether the rule will have fiscal impacts and the extent of those impacts. HB 2993 requires that fiscal impact advisory committees include representation from those likely to be affected by the rule. The bill also requires a statement identifying how adoption of a rule will affect racial equity in this state.

HB 3055: Transportation Omnibus

HB 3055
Chapter: 630
Effective Date: September 25, 2021

During legislative sessions, there is often a measure that collects various changes within the transportation sector into one bill, commonly called the Transportation Omnibus. HB 3055 was that bill for the 2021 session. Many of the bill's 76 pages do not relate to the mission or work of the Oregon Department of Energy; see this section-by-section summary of the bill shared by Senate Transportation Chair Lee Beyer for more information.

HB 3055 does include some pieces relevant to transportation electrification and alternative fuels. First, it includes identical provisions to HB 2165, summarized above, allowing IOUs to recover costs of certain transportation electrification related infrastructure measures from electric retail consumers. Second, it allows natural gas utilities to similarly recover costs for investments related to alternative fuel vehicles, particularly those related to renewable natural gas or hydrogen. These provisions of HB 3055 also appeared in SB 314, which did not pass into law.

To learn more about one type of alternative fuel vehicle, see the 2020 Biennial Energy Report's Technology Review: Fuel Cell Electric Vehicle (Hydrogen Cars).

HB 3141: Public Purpose Charge Modernization

HB 3141
Chapter: 547
Effective Date: September 25, 2021

HB 3141 changes many elements of the Public Purpose Charge. The PPC has funded both energy efficiency and renewable energy projects in the territories served by Oregon's two largest investor-owned utilities since the passage of SB 1149 in 1999.

Among the changes, HB 3141:

- Extends the public purpose charge for 10 years, through January 1, 2036
- Reduces the PPC from 3 percent of revenues to 1.5 percent of revenues collected from ratepayers of PGE and Pacific Power
- Modifies but maintains PPC support for renewable energy, low-income weatherization, low-income housing, and energy-related projects in schools
- Moves most cost-effective energy efficiency work from the Public Purpose Charge and funds those programs within the rates paid by PGE and PacifiCorp customers instead
- Adds language in renewables section to allow PPC funds to be used for distribution system-connected technologies that support reliability, resilience, and integration of renewable energy with the distribution system, and adds this same language for self-direct large customers
- Adds language for PUC to set rates to collect at least $20 million a calendar year from all electric companies to go to the Oregon Housing and Community Services Low-Income Electric Bill Payment Assistance Program
- Requires the PUC to establish equity metrics for environmental justice for PPC programs administered by nongovernmental entities

The Oregon Department of Energy administers two programs using funds raised by the public purpose charge: the Public Purpose Charge Schools Program and the Large Electric Consumer Public Purpose Program (often called "Self-Direct"). Changes to each program are included in the bill and will require subsequent rulemaking for the Large Electric Consumer Public Purpose Program to conform with HB 3141. Each program relies on aging databases that will be upgraded to carry out the programs for another decade.

HB 3227: Hydrofluorocarbons

HB 3227
Chapter: 165
Effective Date: January 1, 2022

International efforts to phase out ozone-depleting substances have led to an increase in hydrofluorocarbons (HFCs) with less ozone depleting potential. Many HFCs also have a high global warming potential, putting them in conflict with greenhouse gas reduction efforts. To address this, the EPA placed federal restrictions on HFCs in 2015. However, these restrictions were legally challenged and vacated in 2017 because of a court ruling. In the absence of federal legislation, some states acted to put similar regulations in place at the state level. Oregon lawmakers proposed legislation in 2020 and again in early 2021 that would have done the same.

In late 2020, Congress passed the American Innovation in Manufacturing Act, which brought back the HFC regulations at the federal level and made it unnecessary for states to regulate HFCs. HB 3227 prevents the Department of Consumer and Business Services from prohibiting the use of safe alternative refrigerants in the state building code, provided that the safe alternatives meet federal regulations and installation requirements, to keep Oregon and federal guidelines aligned.

HB 3375: Floating Offshore Wind Energy Study

HB 3375
Chapter: 376
Effective Date: September 25, 2021

HB 3375 declares a state goal to plan for the development of up to 3 GW of floating offshore wind in federal waters off Oregon's coast by 2030 and states that this planning must be conducted to maximize state benefits and minimize conflicts across ocean ecosystems and ocean users. It also calls for federal planning and permitting processes to consider the decommissioning of offshore energy facilities and related energy infrastructure after permanent end of use.

The bill also directs ODOE to conduct a literature review of the benefits and challenges of integrating up to 3 GW of floating offshore wind into the electric grid by 2030. ODOE will consult with other state, regional, and national entities to gather input on the effects, including benefits and challenges, of integrating 3 GW of floating offshore wind on reliability, state renewable energy goals, jobs, equity, and resilience. The bill requires the agency to hold at least

two public meetings with interested stakeholders to provide a summary of findings and to gather feedback on the benefits and challenges of integrating up to 3 GW of offshore wind. Finally, HB 3375 directs ODOE to provide a summary of key findings from the literature review and consultations with stakeholders, including opportunities for future study and engagement, in a report to the Legislature by September 15, 2022.

For more information about offshore wind in general, see the 2020 Biennial Energy Report's Policy Brief: Offshore Wind.

SB 154: Solar Payment In Lieu of Taxes (PILT)

SB 154
Chapter: 571
Effective Date: September 25, 2021

The Fee in Lieu of Property Tax law was passed in 2015 (HB 3492) and was an effort by the solar industry to streamline the process of paying property taxes on utility-scale solar facilities. This bill streamlined the process by flattening property tax payments to a fixed fee paid over 20 years. Prior to the passage of HB 3492, property taxes on solar facilities were calculated using a centralized assessment. This process was costly and uncertain for solar property owners. The fee was set in statute at $7,000 per MW of capacity.

SB 154 extends the law enabling solar property owners to pay a fee in lieu of property taxes from 2022 to 2028. It also modifies the fee amount from $7,000 per MW of solar capacity per year to a range of $5,500 to $7,000 per MW per year. The exact fee to be levied per project is to be determined by the governing body responsible for property taxation at the site. The bill also provides clarification regarding the distribution of fees among taxing districts having jurisdiction over a project.

SB 246: Radioactive Waste Disposal

SB 246
Chapter: 38
Effective Date: January 1, 2022

SB 246 enacts multiple revisions and enhancements to the standards and authorities related to preventing the disposal of radioactive waste within the state. The bill followed an incident of a large illegal disposal of radioactive fracking waste at a hazardous waste landfill in Gilliam County. The bill:

- Changes the definition of "radioactive waste" in ORS 469.300 to enable revision of OAR 345 Division 50, which had previously been limited by a specific reference in the statute. Revision of OAR 345 Division 50 is aimed at clarifying areas of potential confusion, ensuring the definition is consistent with the best available science, ensuring consistency with relevant federal standards, and keeping pace with the recent rulemaking efforts of other states.
- Revises the statute prohibiting establishment of a radioactive waste disposal facility to also prohibit radioactive waste disposal, radioactive waste transportation for disposal, or arrangement for disposal in Oregon.
- Expands and clarifies ODOE enforcement authority for radioactive waste disposal. Expanded authorities include authority to obtain all necessary records from persons and gain access to property for inspections and sample collection. It would also provide authority, with written permission of the Governor, to subpoena records and interview persons under oath. It would also grant authority to require a person to take actions as necessary to correct a past violation or to ensure future compliance with 469.525, 469.550, or 469.607. Such actions may include corrective measures when a violation has occurred or preventative measures such as new processes or equipment to help ensure future violations do not occur.
- Directs ODOE and EFSC to adopt standards rules as necessary to prevent the illegal disposal of radioactive waste in Oregon.
- Provides a means for the Department of Energy to be reimbursed for all reasonable costs incurred in the investigation of a violation of radioactive waste disposal laws.

SB 333: Renewable Hydrogen Study

SB 333
Chapter: 41
Effective Date: September 25, 2021

The bill requires ODOE to conduct a study of the potential benefits of and barriers to production and use of renewable hydrogen (RH2) in Oregon. ODOE must submit the study report to the Legislative Assembly no later than September 15, 2022 and it must include the following:

- Total hydrogen currently used annually in Oregon across various industries.
- Identification of the potential applications for RH2 in Oregon by 2030 among various sectors.
- Assessment of potential for coupling renewable electricity generation with RH2 production to increase resilience or provide flexible loads.

- Discussion of future costs of RH2 forecasted in the literature and how those costs might affect adoption of RH2 in Oregon.
- Identification of the technological, policy, commercial, and economic barriers to adoption of RH2 in Oregon.

The bill also defines "renewable hydrogen" to mean hydrogen gas derived from sources that do not emit greenhouse gases.

For more information about renewable hydrogen, see the 2020 Biennial Energy Report's Technology Review: Power-to-Gas and Policy Brief: Power-to-Gas Technology.

SB 338: Limited Renewable Technician Changes

SB 338
Chapter: 42
Effective Date: May 19, 2021

The Limited Renewable Technician (LRT) license enables work to be completed on small renewable energy systems by individuals who do not have a full electrician's license. In 2001, when the LRT license was first created, a 25-kilowatt system represented a reasonable maximum system size. SB 338 increases the size of project that may be worked on by an LRT. The bill raises the threshold of project size from 25kW to 50kW, recognizing industry trends towards larger systems. The bill also provides clarification between DC electrical connection and AC electrical connections, including the line of demarcation for work to be completed by a licensed electrician. Finally, it permits an LRT to make AC connections up to 10 feet beyond the renewable energy system, or a longer distance to be determined by the codes board, but not including connection to the structures service panel or wiring system.

SB 589: Regional Transmission Organization Study

SB 589
Chapter: 83
Effective Date: September 25, 2021

SB 589 requires ODOE to prepare a report identifying the benefits, opportunities, and challenges posted by the development of a Regional Transmission Organization (RTO) in this state.

To develop that report, ODOE is required to:

(1) Literature Review: Review studies and reports relevant to the development or expansion of an RTO in the state that are published between January 1, 2019 and July 1, 2021. Based on this review, ODOE will prepare a summary of its findings and use these findings to develop scoping questions, in consultation with the PUC, submitted to the advisory committee.

(2) Advisory Committee: Convene an advisory committee to help identify benefits, opportunities, challenges. The advisory committee will be asked to provide written feedback to scoping questions and participate in "no less than two meetings" before 12/31/2021.

The bill outlines the members of the Advisory Committee to include one representative from each of the following: House, Senate, PUC, and Governor's Office. It requires ODOE to appoint two representatives from the IOUs, and one representative from each of the following: rural electric coops, public utilities, municipal utilities, independent power producers, non-governmental organizations with expertise in markets and transmission, a labor organization, and an organization with expertise in environmental and social justice. The bill also asks that ODOE engage the Bonneville Power Administration for input on this study to the extent feasible.

ODOE is directed to report findings from its literature review and a summary of the advice gathered from its advisory committee to the Legislature no later than December 31, 2021.

For more information on regional transmission organizations and energy markets in general, see the 2020 Biennial Energy Report's Policy Brief: Evolving Wholesale Energy Markets.

SB 762: Wildfire Prevention and Response

SB 762
Chapter: 592
Effective Date: When the Governor Signs

SB 762 establishes several new programs and requirements relating to wildfire prevention and response. This bill implemented a number of recommendations included in the Final Report of the Governor's Council on Wildfire Response published in November 2019, provisions from proposed legislation that were not enacted during the 2020 session (SB 1536), and provisions that were included in Executive Order 20-04.

The part of the bill most directly related to energy is a requirement for electric utilities to prepare and comply with a wildfire protection plan. Each plan must:

- Identify high-risk areas in the utility's service area and transmission corridors;

- Identify preventive actions, such as inspections, vegetation management, and de-energization of power lines the utility will use to minimize and mitigate the risk of utility facilities causing a wildfire; and
- Identify community outreach efforts that the public utility will use before, during, and after a wildfire season.

Each investor-owned utility is required to submit its plan for approval by the Oregon Public Utility Commission by December 31, 2021. Each consumer-owned utility must submit a plan approved by its governing board to the PUC by June 30, 2022. The PUC commenced rulemaking to establish specific requirements for the plans in early 2020 as part of its implementation of Executive Order 20-04.

The bill also requires the Oregon Department of Forestry, in consultation with Oregon State University, to develop and maintain a wildfire planning and risk classification mapping tool. It requires the State Fire Marshall to develop minimum defensible space requirements for wildland-urban interface zones ("defensible spaces" are buffers around homes and other buildings where vegetation and flammable materials are managed to provide a safe space for firefighting activities to occur in the event of a wildfire), and requires the Land Conservation and Development Commission to identify updates to the statewide land use planning program needed to incorporate these requirements. The bill also requires the Department of Consumer and Business Services to adopt building codes to mitigate the risk of wildfire in high risk areas.

The bill increases resources for state and local wildfire planning and response by incorporating wildfire into the Statewide Emergency Plan and establishing new programs within various state agencies to respond to the health impacts of wildfire smoke and other poor air quality events; to reduce fuel loads near communities and critical infrastructure; and enhance wildfire detection and response capacity. These new programs will receive additional support from a new Oregon Conservation Corps Program and an interagency Wildfire Programs Advisory Council.

For more information on wildfire mitigation planning in the energy sector, see the 2020 Biennial Energy Report's Policy Brief: Wildfire Mitigation Planning.

SCR 17: Environmental Justice Framework

SCR 17
Filed with Secretary of State

SCR 17 resolves that all state agencies should consider equity and environmental justice when implementing statutory and regulatory responsibilities and that all state agencies should follow

the best practices for public engagement laid out in ORS 182.545. It provides legislative declarations of socioeconomic and racial inequalities and provides clear direction to state agencies as to legislative intent around environmental justice issues.

SCR 25: 2022 Legislative Assembly Rules

SCR 25
Filed with Secretary of State

Every legislative session, energy policy is discussed and addressed, and ODOE expects that there will be energy policy-related measures in the 2022 session as well. SCR 25 sets out the following limitations for the 2022 Legislative Session, when legislators next plan to come together for a regular session:

- Each Senator and each Representative may request or submit no more than two drafts of measures.
- Each interim committee of the Senate and of the House of Representatives may request no more than three drafts of measures.
- On behalf of the executive branch, the Governor may request or submit no more than three drafts of measures.
- The Chief Justice of the Supreme Court may request or submit no more than three drafts of measures.
- Members, committees, the Governor, and the Chief Justice must submit requests for draft measures to the Office of the Legislative Counsel by 5:00 p.m. on November 19, 2021.
- The Office of the Legislative Counsel must deliver drafts of measures to requesters by 5:00 p.m. on January 10, 2022.
- Requestors of measure must submit drafts for introduction to the Senate Desk and the House Desk by 5:00 p.m. on January 14, 2022.

The limitations on the introduction of measures and deadlines do not apply to the Joint Committee on Ways and Means, the President of the Senate, the House Committee on Rules, and, in some cases, the Joint, House, and Senate Committees on Conduct.

BUDGET BILLS

SB 5515: Department of Energy Budget

SB 5515
Chapter: 423
Effective Date: July 1, 2021

SB 5515 is the budget bill for the Oregon Department of Energy. The bill provides resources to allow the agency to meet our mission and serve the needs of energy stakeholders and all Oregonians. The bill established $68.9 million in expenditure authority for the department in the 2021-2023 biennium. SB 5515 mostly matched the current service level at the agency, but did provide authority and funding to take two vacant positions and repurpose them to address data and research needs.

HB 5006: Budget Reconciliation Bill

HB 5006
Chapter: 669
Effective Date: When the Governor Signs

HB 5006, the budget reconciliation bill, implements the end-of-session pieces of the state budget for the 2021-2023 biennium. It included several changes to the 2021-2023 budget for the Oregon Department of Energy.

- Added $10 million general fund for the Oregon Solar + Storage Rebate Program, with 2.5 staff to run the program
- Added $10.8 million general fund for a grant program to incentivize energy efficiency in rebuilding efforts following the 2020 wildfires, as described in HB 3127, with three staff to run the program
- Clarified that a new position to carry out the Small-Scale Renewable Energy Study described in HB 2021 would be paid for with other funds, instead of the Community Resilient Renewables Investment Fund.
- Added $3.5 million general fund for debt service for the Small-Scale Local Energy Project Loan Program
- Directed Oregon State University to carry out, in consultation with ODOE, the avian study described in HB 2691.

LEGISLATION CONSIDERED (not passed)

HB 2186: Solar Panel Product Stewardship

HB 2186
Did Not Pass

The service life of photovoltaic solar energy systems is expected to be 30 years. As the earliest of these systems are reaching the end of their service life, Oregon legislators and stakeholders have raised concerns about waste management. HB 2168 would have established a requirement for a solar photovoltaic energy system sold in Oregon to be listed in a solar photovoltaic energy system stewardship program plan. The proposed program was designed to ensure stewardship of PV system at the end of system life. Specific metrics were considered for removal, transportation, and recycling of PV system components.

HB 2398: Reach Code for Local Jurisdictions

HB 2398A
Did Not Pass

Oregon has a uniform statewide building code, meaning that the code is set at the statewide level and applies to all jurisdictions. In 2009, Oregon passed SB 79, which requires BCD to also administer a Reach Code – a code that goes beyond the statewide building code. The Reach Code is typically applied to energy requirements but can also be (and has been) applied to other elements of the code such as water, site development, and materials. While there may be incentives offered for building to meet the Reach Code, there is no requirement to meet it. Some local jurisdictions would like to require their own codes for buildings and homes constructed within their boundaries. However, local jurisdictions are preempted from adopting codes that are different from the statewide codes unless they receive review and approval from the director of DCBS.

HB 2398 would have allowed local jurisdictions to adopt the Reach Code as mandatory in their jurisdictions. It also would have formalized the Reach Code development process so that it matched the same level of process and the same timeline as required for the standard statewide building code. HB 2389 would have also required that the Reach Code achieve at least 10 percent site energy reduction compared to the statewide building code. Finally, the bill also clarified that incentives, including those offered under the Public Purpose Charge, be

allowed for construction exceeding the statewide base code no matter whether a jurisdiction had adopted the Reach Code.

To learn more about energy efficiency standards and codes, see the 2020 Biennial Energy Report's Energy 101: Codes and Standards.

HB 2488: Statewide Climate Justice Goals

HB 2488A
Did Not Pass

Land use decisions in Oregon are guided by a set of 19 statewide land use planning goals. The goals are intended to balance the need for economic development and the provision of other public goods with the need to protect agricultural and forest lands and other natural resources.

HB 2488 as introduced would have required the Land Conservation and Development Commission (LCDC) to amend or add statewide planning goals to address climate change impacts and mitigation for disadvantaged communities. The new or amended goal would have included requirements or guidelines for local and state government agencies to evaluate climate change, including establishing baseline and forecasted conditions, and measures that would reduce and mitigate greenhouse gas emissions and emission sources; as well as mapping of impacts to identify locations of impacted communities. The new or amended goal would have included requirements or guidelines for local and state government agencies to include and notify disadvantaged communities in the planning and decision-making process; to evaluate and map, using credible data, diversity, equality and environmental justice issues (including cumulative health risks); to reduce or mitigate cumulative health risks to disadvantaged communities; and, to develop response plan and policies that addresses potential future climate change impacts.

The A-Engrossed version of the bill would have instead directed LCDC to adopt a statewide planning goal that directs local governments to ensure that land-use planning and decision-making processes are accessible to disadvantaged groups, and to incorporate climate justice, environmental justice and equity in those processes.

HB 2520: Statewide Energy Planning Goals

HB 2520A
Did Not Pass

Land use decisions in Oregon are guided by a set of 19 statewide land use planning goals. The goals are intended to balance the need for economic development and the provision of other public goods with the need to protect agricultural and forest lands and other natural resources. Under current law, the type and amount of land that can be used for renewable energy development is limited by the goals, as well as the implementing rules adopted the Land Conservation and Development Commission and local land use regulations.

HB 2520 as introduced would have required LCDC to update the statewide planning goal related to energy conservation (Goal 13) to identify the amount and types of lands needed to support renewable energy development in Oregon and to identify areas where it would be appropriate to prioritize the siting of renewable energy projects. The bill would have required LCDC to include state agencies, including ODOE, renewable energy advocates, environmental and specific resource interests and local governments, among others in the process of updating the goal, and to have the update in place by December 30, 2023.

The A Engrossed version of the bill eliminated the requirement to update Goal 13, and instead required LCDC to adopt rules identifying reasons that would be sufficient for a local government to adopt a goal exception for a renewable energy facility that would not otherwise be allowed under the statewide planning goals.

HB 2556: Land Use Notices

HB 2556
Did Not Pass

HB 2556 would have significantly expanded the notification areas for appeal hearings on local land use decisions and land use decisions on permits and zone changes. For decisions that affect property within an urban growth boundary, the bill would have required a local government to provide notice to all owners of property and current residence within 600 feet of the affected property. The notification distance under current law is 100 feet. For property that is not in an urban growth boundary, the bill would have required a local government to provide notice to owners of property and current residences within one-half mile of the affected property. The notification distance under current law is either 250 or 500 feet, depending on the zoning of the affected property.

The Energy Facility Siting Council's statutes reference the statute that was proposed to be changed as part of this bill. Had this bill passed, EFSC would have had to make changes to the processes by which they notify area residents of proposed energy projects.

HB 2691: Avian Mortality Study

HB 2691A
Did Not Pass

Avian fatalities due to wind turbine collision at wind energy facilities is a recognized species impact in the Energy Facility Siting Council siting process. HB 2691A would have required Oregon State University to consult with the Oregon Department of Energy to complete a study that evaluates: practical, scientifically proven techniques for painting wind energy facilities to increase bird visibility; suitability of identified techniques for implementation in Oregon; and feasibility of implementing techniques in a manner that complies with FAA requirements. The study would have also addressed the potential effects that the techniques may have on other wildlife. While HB 2691A did not pass, the study was included in HB 5006, the budget reconciliation bill, which did pass.

HB 2916: Blue-Green Task Forces

HB 2916
Did Not Pass

HB 2916 would have established Blue-Green Task Forces in three natural resource sectors, agriculture, timber, and marine economy, to develop recommendations to improve both economic growth and environmental health. Specifically, the bill called for these task forces to work in consultation with the Oregon Global Warming Commission, which is staffed by the Oregon Department of Energy, to develop plans to accelerate greenhouse gas reduction and removal, enhance climate resilience, restore ecosystems, and identify opportunities for economic expansion in rural Oregon communities.

HB 3056: Clean Fuels Credits

HB 3056
Did Not Pass

HB 3056 involves unused transportation tax credits issued under the Energy Incentive Program (EIP), an Oregon Department of Energy program that sunset in 2017. The bill would have directed the Department of Environmental Quality to issue clean fuels program credits to public transit operators that serve two or more Oregon counties and that had unused tax credits under the EIP. Credits issued under the bill could have only been used for the purchase of zero-emission, battery-powered electric transit buses and charging infrastructure for transit operations or to generate credits in the clean fuels program.

HB 3106: Electrification Investments

HB 3106
Did Not Pass

HB 3016 would have allowed investor-owned utility retail energy efficiency programs and resources to include replacement of building heating, appliances, and other technologies powered by any energy source with higher-efficiency electric heating, appliances, and other technologies. The bill would have required investments made pursuant to this new allowance to be: 1) consistent with the state's greenhouse gas emissions reductions goals, and 2) in a manner that benefits, and does not adversely impact, low-income retail customers.

HB 3127: Wildfire Recovery Appropriations

HB 3127A
Did Not Pass

Part of a collection of bills providing wildfire recovery to Oregonians, HB 3127A would have distributed $919.7 million in funding from lottery bond proceeds, the state highway fund, and the General Fund to several state agencies and entities. Section 27 would have directed $10 million General Fund to the Oregon Department of Energy "for a grant program to incentivize residential and commercial energy efficiency for 2020 wildfire survivors who are rebuilding and repairing dwellings and other structures that were destroyed or damaged in the 2020 wildfires." The bill also included a grant program for distribution to electric cooperatives for homeowners to install permanent underground connections. While HB 3127A did not pass,

many provisions were integrated into HB 5006, the budget reconciliation bill, which did pass, including the grant program for energy efficiency.

HB 3180: Clean Energy Standard Alternative

HB 3180
Did Not Pass

HB 3180 was an omnibus energy bill that would have modified the Oregon Renewable Portfolio Standard, Public Utility Commission powers and duties, and general utility regulation to:

- Create a clean electricity standard by amending the RPS statute to reach 90% clean energy by 2030 and 100% by 2050
- Set a 50% target for qualifying electricity from in-state facilities with broadly defined resilience and environmental benefits
- Change requirements for the RPS Community-Based Renewable Energy targets
- Eliminate certain natural gas fired resources by 2030
- Mandate electricity storage targets for utilities
- Require the PUC to implement rules to encourage social equity and foster participation in regulatory processes
- Establish performance-based ratemaking mechanisms to incentivize clean energy investment, particularly for development of generation and associated transmission and network infrastructure by third party developers
- Increase Public Purpose Charge to fund distributed resources and energy efficiency
- Make substantial changes to PUC requirements for promoting cogeneration and small power production qualifying facilities (QFs), including changes in avoided cost rate calculation and contracting favorable to QF developments

For more information on clean energy standards, please see the 2020 Biennial Energy Report's Energy 101: Clean and Renewable Standards and Policy Brief: Emerging Trends in Renewable and Zero-Emissions Electricity.

HB 3221: Oregon Renewables Options Program

HB 3221A
Did Not Pass

HB 3221A would have authorized local governments (cities, counties, local districts, or some combination thereof) to develop an Oregon Renewable Options Community Program. The ORO program would have allowed those local governments to exercise "greater choice over the renewable energy that powers and increases the resilience of their communities."

The A-Engrossed bill proposed a concept whereby one or more local governments would coordinate with one or more local electric utilities to develop an ORO program proposal. That proposal would have been submitted for review and approval to the Oregon PUC.

Subject to PUC approval, local governments could have automatically enrolled all retail electric customers with demand of less than 30 kW into a rate schedule for an ORO Community Program. These customers would have been provided with an opportunity to *opt-out* of the program. Meanwhile, retail customers with demand greater than 30 kW would have had the option to *opt-in* to the program.

The A-Engrossed bill limited applicability of this measure to IOU territories and the communities that they serve. As such, the ORO program would have been implemented and overseen by the PUC.

HB 3305: Renewable Diesel and Biodiesel

HB 3305
Did Not Pass

Transportation produces more greenhouse gas emissions than any other sector in Oregon. Transportation electrification has been identified as a decarbonization path for light duty vehicles but may not be an available decarbonization path for medium- and heavy-duty vehicles for many years. Biodiesel and renewable diesel are a lower carbon and less toxic alternative to traditional diesel, which powers many heavy-duty vehicles. HB 3305 included several provisions to increase the use of biodiesel and renewable diesel, including a gradual phase-in of a 99 percent biodiesel or renewable diesel standard and a requirement that equipment used for public improvement projects in certain parts of the state be fueled by biodiesel or renewable diesel.

To learn more about alternative fuels for medium and heavy-duty vehicles, see the 2020 Biennial Energy Report's Policy Brief: Alternative Fuels Assessment by Use Case for Medium-Duty and Heavy-Duty Fleets.

HB 3348: Net Metering Capacity Limits

HB 3348
Did Not Pass

Solar is a variable resource that only generates electricity when the sun is shining and produces electricity based on the amount of sunlight available. This can pose challenges for utilities integrating these variable resources into the grid, especially in high solar penetration markets. Net metering capacity limits are designed to enable utilities to manage the amount of variable resources on their systems. Oregon law allows utilities to limit the cumulative capacity of net metered systems to 0.5 percent of the historic single hour peak load for the utility. PGE and Pacific Power have both surpassed this threshold, but they continue to approve net metering applications. The aggregate capacity limit in Washington was also 0.5 percent of the utility's peak load until it increased to 4 percent in 2019. HB 3348 would have raised Oregon's capacity limit to 3 percent.

For more information on net metering, see the 2020 Biennial Energy Report's Energy 101: Net Metering.

HB 2479: Black Carbon Emissions

HB 2479A
Did Not Pass

Black carbon, an air quality contaminant, is also a major contributor to climate change. Black carbon is fine particulate matter that is produced both naturally and by human activities, resulting from incomplete combustion of fossil fuels, biofuels, and biomass. Primary sources include emissions from diesel engines, cook stoves, wood burning, and forest fires. Reducing black carbon provides public health co-benefits.

HB 2479A would have modified the definition of global warming in state statute to include "certain aerosol air contaminants, including black carbon." Under HB 2479A, DEQ would have been required to estimate emissions from black carbon resulting from human activity and the net impact of human-caused black carbon sources on climate change, and make recommendations for strategies to mitigate black carbon from human-caused sources.

SB 286: Environmental Justice Task Force Changes

SB 286A
Did Not Pass

SB 286A would have renamed the "Environmental Justice Task Force" to the "Environmental Justice Council" and established the Council within the Department of Environmental Quality. The bill included direction to the Governor regarding appointment of Council members, responsibilities of the Council and financial and legal guidance for the Council. The bill also would have added the Oregon Department of Energy to the agency participants in the Council's work.

The bill would have directed DEQ, in partnership with natural resource agencies including ODOE, to develop an environmental vulnerability assessment and directed the Environmental Justice Council, in partnership with natural resource agencies including ODOE, to develop a report including guidance and best practices for state agencies.

SB 392: Fugitive Methane Study

SB 392A
Did Not Pass

According to the Oregon Global Warming Commission, natural gas is the second-largest source of GHG emissions in Oregon from both electricity generation and direct use. The primary component of natural gas is methane, and methane is a much more potent GHG than carbon dioxide, with a comparative impact 25 times greater than that of carbon dioxide over a 100-year period. Methane also contributes to ground-level ozone, which, if inhaled, can cause asthma and other health issues.

SB 392A would have required DEQ, in consultation with ODOE and PUC, to study fugitive emissions from the production and transportation of natural gas and to make recommendations for legislation to address fugitive emissions. The study would have:

- Assessed the degree of fugitive emissions present in Oregon's natural gas delivery system;
- Surveyed and described the production of natural gas that is consumed in Oregon and industry measures and best practices to reduce fugitive emissions;
- Described the characteristics of the regional systems that supply and deliver natural gas to Oregon and compare those systems with the systems of other states and regions;
- Identified areas where fugitive emissions can be reduced; and

- Developed and included definitions for 'fugitive emissions,' 'anthropogenic methane' and 'biogenic methane.'

SB 784: Investor-Owned Utilities and Rates for Resiliency and Local Renewables Options

SB 784A
Did Not Pass

This measure, as amended and passed out of the Senate Energy and Environment Committee, would have made changes to the Renewable Portfolio statute and Utility Regulation statutes to allow for the following:

- Resilience Measure Cost Recovery**:** Would have allowed investor-owned utilities to seek recovery of operating expenses and capital costs for resilience measures that provide critical utility services during disruptions or emergencies. Resilience measures were defined as measures that at a minimum, increase the ability of critical infrastructure to operate during loss of grid supplied electricity, provide distribution system efficiency and grid services that can assist utilities during emergencies, provide electricity or other utility service during emergencies to microgrids or centrally located community facilities, or seek to address needs of vulnerable communities.
- Voluntary Emission Reduction Program – Natural Gas**:** Would have created a Voluntary Emission Reduction Program to incentivize publicly regulated natural gas utilities to invest in projects that reduce GHG and other emissions and provide benefits to customers. The program would have permitted natural gas utilities to recover costs in rates and potentially receive an allowed additional incentive from specified ratepayer types if a project is approved by the Public Utility Commission. Projects would have to directly or indirectly reduce emissions, provide benefits to utility customers, and not be a project in which a utility would otherwise normally invest.
- Local Government Clean Tariffs**:** Would have allowed regulated investor-owned utilities to create, in collaboration with local governments, green energy tariffs. The green energy tariffs would reflect the cost of serving retail electric customers with renewable electricity in alignment with local government renewable or clean (non-emitting) energy goals. Based on approval by a local government the IOU would offer the rate to customers within the geographical boundaries of the local government in their portfolio of rate options, on an opt-out basis.
- Competitive Retail Market Law Modifications**:** Would have modified Direct Access regulation to narrow PUC powers to develop a competitive retail market to

competition between electricity service suppliers and electric companies and require ESSs to provide the same power source and environmental impact information to customers required by IOUs.

- Responsible Labor Standards: The bill would have required entities to meet specific labor standards when constructing or repowering renewable energy generation or storage facilities with a capacity rating of 10MW or greater, including prevailing wage rates, providing employer-paid healthcare and retirement benefits, and adopting policies to prevent harassment and promote diversity, equity, and inclusion. The measure would have required developers to submit an attestation that they meet the responsible labor standards to the Oregon Department of Energy. ODOE would be responsible for collecting and storing attestations for public disclosure upon request but would have no other regulatory authority or responsibility.

While this bill did not pass, many of the concepts were included to at least some extent in HB 2021, which did pass, except the voluntary natural gas emission program.

Multiple Bills: Nuclear Power Facility Siting

SB 360
HB 2332
HB 2692
HB 3391
Did Not Pass

Four bills this session sought to change, using varying approaches, the existing prerequisites that functionally prevent the siting of a new nuclear power generating facility within the state. Existing statute requires any development of new nuclear power capacity in Oregon to meet the following prerequisites:

1. Prior to issuance of a site certificate by the Energy Facility Siting Council, the Council must find that an "adequate" permanent national repository for high-level radioactive waste be licensed to operate (ORS 469.595); and
2. Prior to approval of a site certificate for a nuclear power facility, the Energy Facility Siting Council must submit the proposal for a site certificate to a vote by the people of Oregon (469.597).

The existing statute (ORS 469.599) further restricts the Public Utility Commission from authorizing issuance of stocks, bonds, or other evidences of indebtedness to finance any nuclear-fueled thermal power plant until EFSC has made the finding required under 469.595.

SB 360 and HB 3391 would have created a separate set of requirements for Small Modular Nuclear Reactors (SMRs), reducing the geographical extent of required voter approval to only the city that hosts the facility and any counties that are included within the Emergency Planning Zone for the facility. The bill would also have exempted SMRs from the requirement that a national repository for spent nuclear fuel be operational, provided that the proposed disposal of spent fuel by the SMR comports with a process approved by the Nuclear Regulatory Commission (e.g., onsite interim fuel storage consistent with nuclear plants in other states).

HB 2692 would have specifically exempted SMRs from the prerequisites for a nuclear power facility described above. The bill would also have required the Oregon Department of Energy to develop and administer an informational and educational program focused on SMR safety, waste management, and the potential for energy produced by SMRs to help Oregon further its greenhouse gas reduction goals.

HB 2332 would have repealed the state popular vote and terminal national spent fuel repository requirements from Oregon statute, thereby allowing the siting of any size or configuration of nuclear power plant consistent with the requirements for any other new energy facility in Oregon.

For more information on SMRs, see the 2020 Biennial Energy Report's Technology Review: Small Modular Nuclear Reactors.

FOR MORE INFORMATION

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