Legislative Session Brief

2025 Regular Session – Energy and Environment

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Air Quality and Climate

This session, Oregon lawmakers considered a wide range of air-quality and greenhouse-gas proposals. These included bills to restrict or authorize specific activities and to update existing goals for reducing emissions. ORS 468A.050 (2023) authorizes the Environmental Quality Commission (EQC) to classify and regulate air-contamination sources and to require registration or reporting when needed. Legislation prohibiting certain air-quality-related activities included prohibiting Department of Environmental Quality (DEQ) from requiring an air curtain incinerator to have a Title V operating permit in House Bill 2332. House Bill 2738 (*not enacted*), would have prohibiting the use of racing vehicles that use leaded fuel on certain racetracks. House Bill 2960 (*not enacted*), would have prohibited the establishment or operation of plastic conversion or depolymerization facilities in Oregon. House Bill 3119 (*not enacted*), would have prohibited the DEQ from implementing or enforcing Advanced Clean Trucks (ACT) regulations. DEQ and EQC have subsequently delayed enforcement of the ACT until 2027.

In addition, lawmakers considered legislation that would have authorized certain activities relating to air quality. Senate Bill 355 (*not enacted*) would have provided grants for air curtain incinerator use for biochar production. House Bill 2663 (*not enacted*) would have authorized vehicle registration permits for pollution control equipment requirements.

Oregon has existing statutory goals to reduce greenhouse-gas (GHG) emissions as part of its broader climate policy framework. This session, members considered proposals to refine statewide GHG reduction targets and to create a new tool to address GHG emissions. House Bill 3477 (*not enacted*) would have modified the state's greenhouse gas reduction goals and established as the policy goal of the state to achieve net-zero emissions as soon as practicable, but no later than 2050. House Bill 3539 (*not enacted*) would have required the EQC to contract with a third party to study and determine a greenhouse gas reporting emissions factor, at least once every five years, for electricity purchased from unspecified sources. Senate Bill 1187 (*not enacted*) would have

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See the **2025 Legislative Summary Report** for Energy and Environment, which highlights policy measures that received a public hearing during Oregon's 2025 Regular Legislative Session.

established the Climate Superfund Cost Recovery Program with the purpose of adapting to and mitigating effects of climate change and holding parties liable for the costs of climate change.

Backup Power and Microgrids

Oregon's growing energy demands—driven by factors like data center development and increased electrification—have highlighted the need for improved power delivery and backup systems. In response, several legislative measures this session focused on expanding the state's capacity for energy storage and grid alternatives, including battery storage systems, microgrids, distributed power plants, and related tax incentives.

House Bill 2065 ensures that individuals seeking to interconnect a microgrid with a public utility can choose between using the utility or hiring a third-party to conduct the necessary evaluation. House Bill 2066 directs the Public Utility Commission to develop a regulatory framework for the ownership and use of microgrids within electric service territories.

Lawmakers considered several backup power-related proposals. House Bill 3609 (*not enacted*) would have required electric companies to create programs to procure grid services from customers using distributed power plants. House Bill 3747 (*not enacted*) proposed a refundable income tax credit for purchasing battery storage and solar systems. House Bill 3823 (*not enacted*) aimed to offer property tax exemptions for homes and businesses generating or storing their own energy.

Electric Power Transmission

The electrical grid—comprising high-voltage transmission lines, transformers, and converter stations—is vital for delivering reliable power across Oregon. As energy demand grows, so does the need to expand transmission capacity; however, building new lines is both costly and time-consuming. During Oregon's 2023–2024 legislative interim, a workgroup convened to address these issues and draft related legislation.

Proposed bills during the legislative session focused on improving the state's ability to plan, finance, and site or upgrade transmission lines. In Oregon, developers of large energy facilities, including transmission lines, must obtain a site certificate from the Energy Facility Siting Council (EFSC), whose processes and criteria were modified under House Bill 3681. Utilities can enhance the existing grid through grid-enhancing technologies (GETs), which improve line performance and capacity. House Bill 3336 mandates that electric companies analyze multiple strategies—including GETs—when submitting resource or grid investment plans to the Oregon Public Utility Commission and requires them to file a strategic plan for using these technologies.

House Bill 3628 (*not enacted*) aimed to create the Oregon Electric Transmission Authority to accelerate grid expansion, and House Bill 3927 (*not enacted*) would have directed the Oregon Department of Energy to study transmission needs, while funding two expansion projects through a new state fund. Senate Bill 969 (*not enacted*) would have limited EFSC jurisdiction over renewable energy or transmission projects sited entirely on federal land, while House Bill 3087 (*not enacted*) proposed a tax credit for generation facility owners who incur costs for

transmission services. While these measures were not enacted, they reflect a growing legislative focus on modernizing and expanding Oregon's energy transmission infrastructure.

Energy Facility Siting Council Authority

Energy Facility Siting Council (EFSC) reviews large energy projects and certain smaller projects that developers voluntarily submit. Projects below legislative size thresholds are generally outside its jurisdiction. Two bills sought to modify EFSC's authority. Senate Bill 1034 (*not enacted*) would have removed provisions allowing EFSC to approve projects inconsistent with a local government's land use plan and regulations. House Bill 3422 (*not enacted*) would have allowed EFSC to grant exceptions to statewide planning goals if specified standards were met.

Materials Management

Bottle Bill

Oregon's Bottle Bill, House Bill 1036 (1971), is the nation's longest-standing beverage container-deposit law. Since its passage, it has undergone multiple updates, and nine other states have enacted similar programs. Senate Bill 992 authorizes the Oregon Liquor and Cannabis Commission (OLCC) to approve Bottle Bill program alternative access redemption centers and modifies the requirements for dealers operating within the alternative access redemption center convenience zone. It also requires OLCC to establish low-impact convenience zones and addresses hours of operation for bottle redemption at dealers.

Food Waste

A 2019 study conducted by Portland State University's Community Environmental Services found that households throw away 6.3 pounds of food per week on average in Oregon. Methane, a greenhouse gas, is produced when food waste goes to landfills. House Bill 3018 (*not enacted*) would have required entities that generate a certain amount of food waste per week to sort and recover food waste and arrange for the food waste to be composted and modified statutes related to food labeling requirements.

Product-Specific Requirements

Lawmakers considered several bills aimed at regulating or limiting the use of specific consumer and industrial products that potentially have negative environmental or health impacts. Senate Bill 139 sets new standards for disposing of sharps and waste pharmaceuticals. Senate Bill 551 bans retailers and restaurants from providing reusable plastic or fabric checkout bags. Senate Bill 91 limits the use of firefighting foam containing PFAS except where federal law requires it.

Other proposals focused on materials that could be added to Oregon's existing product stewardship laws, but did not pass. House Bill 3512 (*not enacted*) would have banned the sale of new products with intentionally added PFAS. House Bill 2062 (*not enacted*) sought to

require battery producers to join a producer-responsibility program, and House Bill 3780 (*not enacted*) proposed to remove newspaper from certain producer-responsibility requirements.

Lawmakers also considered Senate Bill 680 (*not enacted*), which would have established that publishing an environmental marketing claim, net zero claim, or reputational advertising that is materially false, misleading, deceptive, or fraudulent as an unlawful trade practice.

Nuclear Energy

Lawmakers considered various policies to provide additional sources of energy to meet growing demand including the nuclear power generation. The state currently has no operating nuclear plants and has maintained a moratorium on new facilities since the 1980s. Under ORS 469.595 and 469.597 (2023), the Energy Facility Siting Council (EFSC) may only approve a nuclear-fueled plant if a federally licensed high-level waste repository exists and voters subsequently approve the project.

Similar to bills introduced in past legislative sessions, multiple measures this session sought to study nuclear energy, including Senate Bill 635 (*not enacted*) and House Bill 2038 (*not enacted*). Efforts to end the moratorium on building nuclear power plants in Oregon included Senate Bill 215 (*not enacted*) and Senate Bill 216 (*not enacted*). House Bill 2410 A (*not enacted*) had elements similar to the other introduced bills, with a referral to voters in Umatilla County on whether to allow EFSC to issue a site certificate for a small modular reactor energy facility demonstration project. It also would have required Oregon Department of Energy, in cooperation with other entities, to prepare and submit a report that contains certain information related to a small modular reactor energy facility demonstration project.

Renewable Energy

Renewable Portfolio Standard

Oregon's Renewable Portfolio Standard (RPS), created in 2007 and strengthened in 2016, requires large utilities to supply at least 27 percent of their electricity from renewable energy by 2025 and 50 percent by 2040; small utilities must meet a five-percent target. House Bill 3540 (*not enacted*) would have added a single cost cap for utilities meeting both RPS and clean-energy targets. Senate Bill 634 (*not enacted*) proposed allowing all hydropower—not just post-1995 upgrades or low-impact facilities—to count toward RPS compliance.

Small-Scale Renewable Energy Projects

House Bill 2021 (2021) set a 2030 goal that at least 10 percent of the power sold by large utilities come from small-scale renewable projects of 20 megawatts or less or from qualifying biomass facilities. Senate Bill 1178 (*not enacted*) would have required that qualifying resources be non-utility-owned, removed certain capacity limits, and directed utilities to make continuing efforts to increase small-scale renewable supply.

The Oregon Department of Energy's (ODOE) *Study on Small-Scale and Community-Based Renewable Energy Projects* identified that small-scale projects do not benefit from the

economies of scale of larger utility-scale projects and that, generally, the costs of renewable energy projects decrease as the project gets larger. Additionally, the study highlighted a lack of available data regarding the development costs of renewable energy projects of various sizes in Oregon. Senate Bill 1160 A (*not enacted*) would have required ODOE to study and report on the financial costs for developing certain qualifying facilities and small-scale renewable energy projects (20 megawatts or less) as well as the potential costs and savings of secondary benefits of their development, such as resiliency or reliability. House Bill 3868 (*not enacted*) would have required ODOE to conduct a study on small-scale renewable energy projects and analyze the accuracy of avoided-cost schedules.

The federal Public Utility Regulatory Policies Act of 1978 (PURPA), implemented in Oregon under ORS 758.505 (2023), requires electric utilities to purchase power from certain qualifying non-utility generators. Facilities that do not qualify for standard rates and contracts are required to negotiate pricing directly with the utility. In Oregon, a qualifying facility is defined as a cogeneration plant or a renewable energy producer with a capacity of 80 megawatts or less. House Bill 3863 updates Oregon's implementation of PURPA by directing the Public Utility Commission to establish an eligibility cap of at least 10 megawatts for standard avoided-cost contracts. The measure returns the eligibility limit for standard contracts to 10 megawatts for all qualifying facilities, including solar energy projects.

Solar Energy

Lawmakers considered various policies to adjust existing programs related to generating solar energy. Senate Bill 92 (*not enacted*) would have expanded the Community Solar Program by allowing projects outside a subscriber's service territory, setting higher minimum generation targets, and adding penalties for interconnection delays. House Bill 2656 (*not enacted*) sought to lift local caps on solar net-metering capacity, and House Bill 2063 A (*not enacted*) would have created an Agrivoltaics Task Force to study co-location of agriculture and solar panels.

Wind Energy

In 2022, wind energy accounted for 12.6 percent of Oregon's energy production, generated by 50 operating facilities. Lawmakers considered legislation that addressed how these facilities are sited, operated, and eventually decommissioned. Developers of large wind projects must obtain a site certificate from the Energy Facility Siting Council (EFSC), unless their projects fall within certain acreage limits, in which case they may opt for county-level approval. House Bill 3874 increases the threshold at which developers or local governments can defer siting authority to EFSC—from 50 to 100 megawatts of average capacity—and requires counties to mandate decommissioning plans for wind facilities in that range, ensuring financial assurance to restore sites to a safe, usable condition once the turbines are retired. House Bill 2375 addresses visual impacts of wind turbines by requiring developers to seek federal approval for light-mitigating technology on turbines.

As wind and solar infrastructure ages, disposal and end-of-life impacts are becoming a growing concern. Wind turbines typically last about 30 years, and the U.S. had over 70,000 land-based turbines as of 2022. Solar photovoltaics have a similar lifespan, with most installations occurring since 2017. Senate Bill 218 (*not enacted*) proposed a study of end-of-life waste from solar and wind equipment.

Utilities

This session, members examined how the Public Utility Commission (PUC) oversees utilities, aiming to balance affordability, transparency, and evolving energy demands. House Bill 3179 requires the PUC to consider the cumulative effect of electric utility rate changes on residential customers and allows certain expenses to be financed through rate-recovery bonds. Senate Bill 88 (*not enacted*) would have prohibited passing on some advertising and litigation costs to ratepayers.

Senate Bill 688 authorizes performance-based regulation (PBR), allowing the PUC to link utility earnings more closely to policy goals and customer outcomes. PBR, adopted in at least 17 other states, provides an alternative to traditional cost-of-service ratemaking by rewarding utilities for improved performance rather than simply reimbursing expenses.

House Bill 3546 creates a separate service class and tariff for large energy users (data centers and cryptocurrency mining operations). According to the U.S. Department of Energy, data centers consume 10–50 times more energy per square foot than typical offices, and the U.S. Environmental Protection Agency estimates that a single crypto transaction can use more electricity than six U.S. homes consume in a day.

Senate Bill 685 requires natural gas utilities to provide notice to customers and the PUC if planned hydrogen blending will exceed a 2.5 percent ratio and specifies information required in the PUC notice and on utility websites.

Waste Management

Lawmakers considered a range of measures to manage solid and liquid waste, reflecting concerns about landfill capacity, methane emissions, and the need for reliable wastewater services. Related bills focused on monitoring and planning for solid waste, clarifying local siting authority, and improving financial assistance and oversight for septic and wastewater systems.

Landfills and Waste Facilities

Coffin Butte Landfill—the only landfill in Benton County—accepts waste from several counties in the mid-Willamette Valley and Oregon Coast. Senate Bill 726 requires the owner of a municipal solid waste landfill to conduct and report on surface-emissions monitoring. House Bill 3794 establishes a 12-member Task Force on Municipal Solid Waste in the Willamette Valley and requires the Task Force to study, identify, and report on solutions for solid waste disposal in the Willamette Valley.

In December 2023, the Lane Board of County Commissioners approved a contract for the construction of an Integrated Materials and Energy Recovery Facility; it was later determined that the project was incompatible with current zoning. House Bill 3971 (*not enacted*) would have required a county to approve a land use application for an integrated materials and energy recovery facility that is sited on land within the Willamette Valley.

Sanitary, Waste, and Septic Systems

The On-Site Septic System Low-Interest Loan Programs defined in ORS 454.779 (2023) allows Department of Environmental Quality (DEQ) to award grants for the development and administration of loan programs that offer low-interest loans to property owners needing financial assistance for septic system repairs, replacements, or upgrades. Senate Bill 830 modifies provisions the on-site septic system loan program to allow grants or other financial assistance, in addition to loans, to be provided to eligible applicants and extends eligibility to residential housing providers. House Bill 2168 (*not enacted*) would have required the Oregon State University Extension Service to establish a program to provide assistance to households that rely on wells for drinking water or on septic systems for wastewater treatment.

In Oregon, a domestic water supply district is a local government entity established to provide water for domestic use to residents within the district, and in some cases, to individuals outside the district. A sanitary district is a local government entity responsible for managing and providing sanitary services, such as wastewater treatment, sewage disposal, and stormwater management. House Bill 3910 modifies criteria that authorizes a water supply district to exercise the powers of a sanitary district.

Wastewater infrastructure is a system that collects, treats, and disposes of used water from homes, businesses, and industries to protect public health and the environment. Modern wastewater treatment involves physical, chemical, and biological processes to remove solids, nutrients, and harmful microorganisms. Senate Bill 956 (*not enacted*) would have appropriated $10 million to the Oregon Department of Administrative Services, for the purpose of providing a grant to Heard Farms to expand wastewater treatment infrastructure.

Lagoon wastewater treatment systems are designed to hold wastewater in a series of pond-like bodies of water. House Bill 3655 (*not enacted*) would have required DEQ to develop a program for examination and certification of operators of lagoon wastewater treatment systems.

Water Quality

Emerging Contaminants

Lawmakers also explored research investments to understand and manage emerging contaminants. House Bill 2947 funds Oregon State University to study PFAS in biosolids applied to certain agricultural fields. Senate Bill 526 (*not enacted*) would have addressed microplastics by requiring new washing machines to include microfiber filters.

Groundwater Protection and Drinking Water Safety

Groundwater contamination in the Lower Umatilla Basin Groundwater Management Area, designated in 1990 due to elevated nitrate levels, has made the region a focal point for protecting drinking water, ecosystems, and public health. In 2022, Morrow County declared a state of emergency over the area's high nitrate levels. In response, Senate Bill 1154 updates Oregon's Groundwater Quality Protection Act, originally enacted in 1989. The bill increases state processes for identifying, coordinating, and remediating areas of

groundwater contamination. It expands monitoring, planning, and remediation requirements, increases coordination between state and local entities, and authorizes the Governor to direct agencies to take necessary actions to safeguard public health and water resources. Together with SB 1154's systemic updates, lawmakers also considered targeted measures to safeguard household drinking water. House Bill 3525 requires landlords with exempt wells in groundwater management areas to test drinking water and share results with tenants and OHA, while House Bill 3526 (*not enacted*) would have expanded well-testing and disclosure requirements in real estate transactions.

Oregon's public water systems, which serve Oregonians not connected to domestic wells, are regulated by the Public Utility Commission (PUC) to ensure they provide safe and reliable water at reasonable rates. In rare cases, water utilities are unable to fulfill these obligations. Senate Bill 845 authorizes the PUC to order the sale of such a water utility to another entity under limited circumstances.

Conversations regarding confined animal feeding operations (CAFOs) and their potential impact on water quality were continued from previous sessions. Senate Bill 80 (*not enacted*) would have prohibited permitting for large CAFOs located in a ground water management area.

Water Reuse

Oregon's first water reuse policy was enacted in 1990. While water reuse programs have since been established for resource benefits such as irrigating crops, maintaining green spaces, and supporting certain industrial activities, communities reported challenges navigating the multi-agency regulatory framework. House Bill 2169 addresses these barriers by creating an interagency water reuse team to streamline interagency collaboration and ultimately expand water reuse across the state.

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