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# 2017 SUMMARY OF LEGISLATION

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# ENERGY

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# ENERGY MEASURES

## Agency Structure

Enacted: SB 99, SB 978, HB 2343

Not Enacted: SB 908-B, SB 952-B, HB 2020-B,  
HB 3166-B

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## Electric Vehicles

Enacted: HB 2510, HB 2511

Not Enacted: HB 2514-A, HB 2704-A

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## Energy Conservation

Enacted: SB 100

Not Enacted: HB 2074, HB 2681-A, HB 2710,  
HB 3241-A

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## General Energy Policy

Enacted: HB 2132, HB 2134

Not Enacted: HB 2481, HB 3344,  
HB 3386-A

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## Renewables

Enacted: SB 328, SB 334, SB 339, SB 634,  
HB 2111, HB 2760

Not Enacted: SB 285, HB 2072-A, HB 2136,  
HB 2680, HB 2853, HB 3227,

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## Siting

Enacted:

Not Enacted: SB 958, SB 990, HB 3050

Picture: Smith Rock State Park, Deschutes County - [Gary Halvorson](#), [Oregon State Archives](#)

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# ENERGY

## TASK FORCES AND REPORTING REQUIREMENTS

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The following bills created task forces and reporting requirements. Additional information is provided in the bill summaries.

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HB 2343	Requires Oregon Department of Energy to submit a report to the Governor and Legislative Assembly on energy resources, policies, trends, and forecasts in Oregon.	November 1st of every even-numbered year
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[Senate Bill 99](#)

Effective Date: January 1, 2018

**Senate Confirmation of Oregon Department of Energy Director**

**At the request of:** Governor Brown for Department of Energy

**Committees:** Senate Business and Transportation, House Energy and Environment

**Background and Current Law:** The Oregon Department of Energy (ODOE) was established in 1975 in response to the national energy crisis to promote energy efficiency and to advocate for the use and development of new renewable energy. In the 42 years since its creation, ODOE has been assigned a variety of energy-related responsibilities, including regulatory functions. It is structured around four operative divisions: Nuclear Safety and Emergency Preparedness; Energy Planning and Innovation; Energy Development Services; and Energy Facility Siting. The governor appoints the director of ODOE, and the department is currently staffed by 84 permanent employees. ODOE's 2015-2017 operating budget is \$37.4 million, with revenue coming from program fees, federal dollars, and \$13.1 million assessed against energy suppliers. It receives no General Fund appropriation.

**Bill Summary:** Senate Bill 99 subjects appointees to the position of ODOE director to confirmation by the Oregon State Senate.

**Oregon Laws 2017:** Chapter 314

[Senate Bill 100](#)

Effective Date: October 6, 2017

**State Home Oil Weatherization Program**

**At the request of:** Governor Brown for Department of Energy

**Committees:** Senate Environment and Natural Resources, House Energy and Environment, Joint Ways and Means

**Background and Current Law:** The Oregon Residential Energy Conservation Act of 1981 made basic energy conservation services available to all Oregon households. The act required utilities to provide energy audits, grants, and loans to their space heating customers and directed the Oregon Department of Energy to offer similar incentives to households that received space heating from a fuel oil dealer through the State Home Oil Weatherization (SHOW) program.

**Bill Summary:** Senate Bill 100 updates the statutes governing the SHOW program and transfers authority for the SHOW program from the Oregon Department of Energy to the Oregon Housing and Community Services Department.

**Oregon Laws 2017:** Chapter 727

[Senate Bill 285](#)

Not Enacted

**Marine Deepwater Test Facility Funding****Chief Sponsors:** Sens. Roblan, Kruse; Rep. Gomberg**Committees:** Senate Environment and Natural Resources, Joint Ways and Means**Background and Current Law:** The Northwest National Marine Renewable Energy Center was established in 2008 by the U.S. Department of Energy to facilitate the development of marine renewable energy technologies. University partners include Oregon State University, the University of Washington, and the University of Alaska Fairbanks.**Bill Summary:** Senate Bill 285 would have appropriated, from the General Fund, \$4.6 million to provide matching funds for the Northwest National Marine Renewable Energy Center at Oregon State University to receive federal funds for a deepwater test facility for utility scale wave energy converters.[Senate Bill 328](#)

Effective Date: June 6, 2017

**Renewable Energy Certificates for Registered Biomass Facilities****At the request of:** Senate Interim Committee on Business and Transportation**Committees:** Senate Business and Transportation, House Energy and Environment**Background and Current Law:** A certain set amount of electricity used by Oregonians is required to come from renewable sources; this is called the Renewable Portfolio Standard (RPS). The Western Renewable Energy Generation Information System (WREGIS) issues renewable energy certificates (REC) for Oregon certified energy facilities that generate qualifying renewable power from the following sources: wind energy; solar photovoltaic and solar thermal energy; wave, tidal, and ocean thermal energy; geothermal energy; certain biomass products, including woody biomass and animal manure; landfill gas and other biogases; small hydropower; and thermal energy. Facilities receive one REC for each megawatt hour of qualifying renewable energy they deliver to the grid. Utilities and electricity service suppliers purchase and then retire these RECs to demonstrate compliance with the RPS. Senate Bill 1547 (2016) revised Oregon's RPS and removed a limitation requiring pre-1995 biomass RECs to be "banked" and not used until January 1, 2026.**Bill Summary:** Senate Bill 328 specifies that biomass facilities that were registered with WREGIS on or after July 1, 2011, are eligible for renewable energy certificates.**Oregon Laws 2017:** Chapter 249

**Senate Bill 334****Effective Date: October 6, 2017****Inventory of Biogas and Renewable Gas Resources****At the request of:** Senate Interim Committee on Business and Transportation**Committees:** Senate Business and Transportation, House Energy and Environment

**Background and Current Law:** The Oregon Department of Energy (ODOE) is tasked with ensuring reliable access to energy for all Oregonians and helping the state meet its adopted climate goals. Biogas is a mixture of different gases that are produced by the breakdown of organic matter. Biogas can be produced from raw materials such as agricultural or food waste, plant material, municipal waste, sewage, or manure through the process of anaerobic digestion or fermentation.

**Bill Summary:** Senate Bill 334 directs ODOE to develop, maintain, and periodically update an inventory of biogas and renewable natural gas resources available to the state, including potential sources, estimated quantities, estimated energy content, available technologies, and existing biogas production sites. ODOE must use the information to develop and periodically revise estimates of renewable natural gas and reductions in greenhouse gas emissions, as well as identify technical, policy, and regulatory barriers. The measure directs ODOE to appoint an advisory committee to assist with the required inventory and to report its findings to interim committees of the Legislative Assembly by September 15, 2018.

**Oregon Laws 2017:** Chapter 328**Senate Bill 339****Effective Date: June 22, 2017****Contribution Cap to Renewable Portfolio Standard****At the request of:** Senate Interim Committee on Business and Transportation**Committees:** Senate Business and Transportation, House Energy and Environment

**Background and Current Law:** Current law requires that, by the year 2025, at least eight percent of the aggregate electrical capacity of all large electric companies (25,000 or more customers) must be generated by small-scale renewable energy projects with generating capacities of 20 megawatts (MW) or less, or by facilities that generate electricity through biomass that also generates thermal energy for secondary purposes. This standard, called the Oregon Renewable Portfolio Standard (RPS), was enacted in 2007 with the passage of Senate Bill 838. In 2016, Senate Bill 1547 increased the RPS to 50 percent by 2040 while mandating the elimination of coal generation from Oregon rates by 2030, and directed Portland General Electric and PacifiCorp to source, by 2025, at least eight percent of their sales from projects that have a generating capacity of 20 MW or less, or from facilities generating electricity using biomass that also generate thermal energy for a secondary purpose.

**Bill Summary:** Senate Bill 339 modifies the eight-percent requirement to specify that regardless of a facility's nameplate capacity, it may be used to comply with the requirement for up to 20 megawatts of capacity. The measure also specifies that to qualify as a small-scale renewable energy project, the electricity generated must be from a type of energy that complies with the RPS.

**Oregon Laws 2017:** Chapter 452

[Senate Bill 634](#)

Effective Date: October 6, 2017

**Woody Biomass as Fuel**

**Chief Sponsors:** Sens. Knopp, Thomsen; Rep. Whisnant

**Committees:** Senate Environment and Natural Resources; House on Energy and Environment; House Rules

**Background and Current Law:** Oregon law requires public entities to spend 1.5 percent of the total price of a public improvement contract for new construction, or the major renovation of a public building, on green energy technology.

**Bill Summary:** Senate Bill 634 allows the use of woody biomass energy technology as an alternative to green energy technology as part of the construction, reconstruction or major renovation of a public building, if certain conditions are met.

**Oregon Laws 2017:** Chapter 735

[Senate Bill 908-B](#)

Not Enacted

**Establishment of the Oregon Energy Commission**

**Chief Sponsors:** Sen. Beyer

**Committees:** Senate Business and Transportation, Senate Rules, Joint Ways and Means

**Background and Current Law:** The Oregon Department of Energy (ODOE) was first established in 1975 in response to the national energy crisis to promote energy efficiency and advocate renewable energy. In the 42 years since its creation, it has been assigned a variety of energy-related responsibilities, including a number of regulatory functions. It is currently organized into four operating divisions and employs 84 permanent employees. Its 2015-2017 operating budget is \$37.4 million with revenue from program fees, federal dollars, and \$13.1 million assessed on energy suppliers. ODOE receives no General Fund revenue.

**Bill Summary:** Senate Bill 908-B would have established the Oregon Energy Commission as a policy and rulemaking body for ODOE, modified ODOE's general duties, transferred other duties from ODOE to the commission, and refined state energy policy. ODOE was directed to develop a statewide strategic energy plan and to present a draft version of the plan to the legislature by September 15, 2019. The measure directed the commission to adopt the plan no later than January 1, 2020 and to update it periodically, and required ODOE to submit a comprehensive energy report to the governor and legislature biennially.

[Senate Bill 952-B](#)

Not Enacted

**Establishment of the Oregon Energy Commission****Chief Sponsors:** Sen. Olsen**Committees:** Senate Business and Transportation, Senate Rules, Joint Ways and Means

**Background and Current Law:** The Oregon Department of Energy (ODOE) was first established in 1975 in response to the national energy crisis to promote energy efficiency and advocate renewable energy. In the 41 years since its creation, it has been assigned a variety of energy-related responsibilities, including a number of regulatory functions. It is currently organized into four operating divisions and employs 84 permanent employees. Its 2015-2017 operating budget is \$37.4 million with revenue from program fees, federal dollars, and \$13.1 million assessed on energy suppliers. ODOE receives no General Fund revenue.

**Bill Summary:** Senate Bill 952-B would have established the Oregon Energy Commission as a policy and rulemaking body for ODOE. The measure modified ODOE's general duties, transferred other duties from ODOE to the commission, and refined state energy policy. ODOE was directed to develop a statewide strategic energy plan and submit a draft to the legislature by September 15, 2019. The commission was directed to adopt the plan no later than January 1, 2020 and to update it periodically. The measure required ODOE to submit a comprehensive energy report to the governor and legislature biennially, and to study and report on further departmental restructuring. The measure also extended eligibility for residential energy tax credits until January 1, 2020, reduced the maximum assessment on an energy supplier's gross operating revenue for the annual energy resource supplier assessment to 0.1 percent, modified the definition of "gross operating revenue" for assessment purposes, prohibited the transfer of energy-related tax credits held by tax exempt or government entities, and provided for the credit to be purchased by ODOE.

[Senate Bill 958](#)

Not Enacted

**Crude Oil Transport Facility Permitting - Removal/Fill****Chief Sponsors:** Sen. Dembrow**Committees:** Senate Environment and Natural Resources

**Background and Current Law:** Oregon law requires anyone who plans to remove or fill more than 50 cubic yards of material in a wetland or waterway to obtain a removal-fill permit from the Oregon Department of State Lands (DSL). For activities in state designated areas of essential salmonid habitat, state Scenic Waterways, and compensatory mitigation sites, a permit is required for any amount of removal or fill.

**Bill Summary:** Senate Bill 958 would have authorized DSL to issue a removal-fill permit for projects that facilitated the transport of crude oil only if the project met statutory requirements, was for public use, and would have satisfied a public need that outweighed harm to navigation, fisheries, and recreation.

[Senate Bill 978](#)

Effective Date: January 1, 2018

**Investigation of Industry Effects on Oregon’s Utility Regulatory System****At the request of:** Senate Committee on Business and Transportation**Committees:** Senate Business and Transportation, Joint Ways and Means

**Background and Current Law:** The investor-owned electric utility model relies on a regulatory compact under which an electric utility is granted a monopoly over a given service area and authorized to recover all its costs, as well as a reasonable return on investment. Under the model, the Oregon Public Utility Commission (PUC) administers a rate-setting process. A primary factor in setting electric utility rates is the cost incurred by the electric company for procuring the energy needed to provide electricity to its service area.

**Bill Summary:** Senate Bill 978 directs the PUC to establish a public process for investigating how developing industry trends, technologies, and policy drivers impact the existing regulatory system and incentives the PUC currently employs. The measure describes issues to be considered, and directs the PUC to explore changes to the existing regulatory system, provide opportunities for public comment, and report to the legislature by September 15, 2018.

**Oregon Laws 2017:** Chapter 741[Senate Bill 990](#)

Not Enacted

**Exemption from Siting Requirements for Small Modular Nuclear Reactors****Chief Sponsors:** Sen. Boquist**Committees:** Senate Business and Transportation, House Energy and Environment

**Background and Current Law:** Small modular reactors (SMR) are nuclear power plants that are smaller in size (generally 300 megawatt electric (MWe)) than typical base load nuclear power plants (typically 1,000 MWe or higher). SMRs are factory fabricated and can be transported by truck or rail to a site, making them potentially useful in remote areas that have difficulty accessing economically efficient, reliable energy sources. Nuclear power generation produces heat through nuclear fission; heat generated by a sustained fission chain reaction can be used to generate electricity.

**Bill Summary:** Senate Bill 990 would have exempted SMRs from certain siting restrictions that apply to nuclear fueled thermal power plants. To be eligible, the site must have been approved by electors in the relevant city or county. High-level radioactive waste was required to be disposed of in compliance with the U.S. Nuclear Regulatory Commission.

[House Bill 2020-B](#)

Not Enacted

**Oregon Department of Energy and Climate Agency Structure****Chief Sponsors:** Rep. Holvey**Committees:** House Energy and Environment, House Rules, Joint Ways and Means

**Background and Current Law:** The Oregon Department of Energy (ODOE) was first established in 1975 in response to the national energy crisis. Its statutory mission is to promote the efficient use of energy and advocate for the use and development of new renewable energy. In the 42 years since its creation, the department has been assigned a variety of energy related responsibilities, including some regulatory functions. In January 2016, the Joint Interim Committee on Department of Energy Oversight was appointed to conduct a thorough review of ODOE and to make recommendations to the 2017 Legislative Assembly.

**Bill Summary:** House Bill 2020-B would have changed the name of ODOE to the Oregon Department of Energy and Climate (ODEC) and broadened its scope to include both energy and climate related responsibilities. In addition, the measure established the Oregon Energy and Climate Board as an advisory body for ODEC. HB 2020-B also established the Interagency Climate Coordinating Committee to make recommendations to the board concerning the coordination of state policies and programs related to energy and climate and to abolish the Oregon Global Warming Commission.

[House Bill 2072-A](#)

Not Enacted

**Biomass Tax Credit Sunset Extension****At the request of:** House Interim Committee on Revenue**Committees:** House Energy and Environment, Joint Tax Credits

**Background and Current Law:** Oregon's biomass producer or collector tax credit was created by the Legislative Assembly in 2007 to promote sustainable growth of the biofuels market in Oregon. The Oregon Department of Energy (ODOE) accepts tax credit applications from those who collect or produce certain biomass material in Oregon that is delivered for use as feedstock for bioenergy or biofuel production. ODOE issues a tax credit certificate to successful applicants, and certificate holders may sell the credit with certain limitations. Only entities with tax liability are eligible to apply, which excludes nonprofits, tribes, and public entities. Senate Bill 1507 (2016) extended the sunset for the tax credit for animal manure and rendering offal until 2022; other biomass tax credits are set to expire on January 1, 2018.

**Bill Summary:** House Bill 2072-A would have extended the sunset on all biomass tax credits until January 1, 2024 and transferred authority to the Oregon Department of Forestry for the woody biomass portion of the biomass producer or collector tax credit. In addition, the measure capped the total amount of allowed tax credits for woody biomass at \$600,000 per year.

[House Bill 2074](#)

Not Enacted

**Energy Conservation Project Tax Credit Sunset Extension**

**At the request of:** House Interim Committee on Revenue

**Committees:** House Energy and Environment

**Background and Current Law:** Taxpayers who invest in a qualifying energy conservation project can claim a tax credit of up to 35 percent of the eligible project costs, as certified by the Oregon Department of Energy. The credit is taken over five years and may not exceed the tax liability of the taxpayer. Ten percent of the certified cost of the facility may be claimed in the first and second years, and five percent may be claimed in the succeeding three years. If the project has certified costs of no more than \$20,000, the tax credit may be taken in one year. The credit has a five-year carryforward and may be transferred. There is a program cap of \$28 million in tax credits that may be issued per biennium.

**Bill Summary:** House Bill 2074 would have extended the sunset on the energy conservation project tax credit from 2018 to 2024.

[House Bill 2111](#)

Effective Date: January 1, 2018

**Solar Panel Prohibition in Planned Communities**

**Chief Sponsors:** Rep. Greenlick

**Committees:** House Energy and Environment, Senate Business and Transportation

**Background and Current Law:** Common solar technologies include daylighting, passive solar space heating, solar water heating, and solar electric or photovoltaic (PV) systems. Photovoltaic systems generate electricity, which is typically fed to the grid via an electric service panel. The majority of solar energy projects installed in Oregon are PV systems. Developers and homeowners' associations can prohibit or restrict the use of solar energy systems in some communities by utilizing "covenants, conditions and restrictions," commonly referred to as CC&Rs; CC&Rs typically attach to the titles of properties.

**Bill Summary:** House Bill 2111 prohibits the inclusion of provisions that prevent an owner from installing and using solar panels in any declaration or bylaws of any planned community. The measure also allows an owner who is subject to such provisions to petition for their removal and allows homeowners' associations to adopt and enforce provisions that impose reasonable size, placement, or aesthetic requirements on solar panel installation and use.

**Oregon Laws 2017:** Chapter 282

## Property-Assessed Clean Energy Program Expansion

**At the request of:** House Interim Committee on Energy and Environment

**Committees:** House Energy and Environment, Senate Business and Transportation

**Background and Current Law:** Property-assessed clean energy (PACE) programs allow local governments, state governments, or other interjurisdictional authorities to fund the up-front cost of energy improvements on commercial and residential properties, which are paid back over time by the property owners. PACE financing is generally based on an existing structure known as a “land secured financing district,” often referred to as a local improvement district. This financing structure allows a property owner to make improvements without large up front payments.

Property owners who choose to participate in a PACE program repay their improvement costs over a set time through property assessments, which are secured by the property itself and added to the owner’s property tax bills. Nonpayment generally results in the same repercussions as a failure to pay any other portion of a property tax bill. Under current law, a local government is authorized to establish a PACE program to make loans to the owners of multifamily residential dwellings and commercial or industrial buildings to pay for energy efficiency or renewable energy improvements. In 2015, the Legislative Assembly created a similar authorization to be used for seismic rehabilitation with the passage of Senate Bill 85.

**Bill Summary:** House Bill 2132 expands the purposes of improvements that can be made through the PACE program to include energy storage, smart electric vehicle charging stations, and water efficiency, and clarifies that any unpaid final assessments are liens on each lot in favor of the local government that have priority over all other liens and encumbrances.

**Oregon Laws 2017:** Chapter 283

[House Bill 2134](#)

Effective Date: January 2, 2018

**Low-Income Bill Payment Assistance****At the request of:** House Interim Committee on Energy and Environment**Committees:** House Energy and Environment, Senate Business and Transportation

**Background and Current Law:** The Oregon legislature enacted Senate Bill 461 in 2007, directing the Public Utility Commission (PUC) to establish a rate to be collected by each electric company sufficient to generate \$15 million to provide bill payment assistance for low income Oregonians. Senate Bill 863 in 2011 directed PUC to collect an additional \$5 million per year for the program in the event that certain criteria were met. The additional allocation was scheduled to sunset on January 2, 2014 but was extended in 2013 via House Bill 2004 and again in 2015 via House Bill 3257. The additional \$5 million is currently scheduled to sunset on January 2, 2018.

**Bill Summary:** House Bill 2134 does not extend the sunset on the additional \$5 million collection; instead, the measure increases the originally authorized \$15 million to \$20 million, effective the day that the additional \$5 million is scheduled to sunset.

**Oregon Laws 2017:** Chapter 200[House Bill 2136](#)

Not Enacted

**Small-Scale Renewables Eligibility for Renewable Portfolio Standard****At the request of:** House Interim Committee on Energy and Environment**Committees:** House Energy and Environment

**Background and Current Law:** The Oregon Renewable Portfolio Standard (RPS) was enacted in 2007 with the passage of Senate Bill 838, which adopted a 25 percent RPS by 2025 for large utilities. In 2016, Senate Bill 1547 increased the RPS to 50 percent by 2040 while mandating the elimination of coal generation from Oregon rates by 2030. Senate Bill 1547 also directed Portland General Electric and PacifiCorp to source, by 2025, at least eight percent of their sales from projects with generating capacities of 20 megawatts or less, or from facilities that generate electricity using biomass that also generates thermal energy for a secondary purpose.

**Bill Summary:** House Bill 2136 would have replaced the eight percent requirement with a phased in schedule by which a certain percentage of electricity sold by electric companies that sell to over 25,000 consumers must have been generated by qualifying small scale renewable energy projects.

**[House Bill 2343](#)****Effective Date: January 1, 2018****Biennial Comprehensive Energy Report****At the request of:** Governor Brown for State Department of Energy**Committees:** House Energy and Environment, Senate Business and Transportation

**Background and Current Law:** The Oregon Department of Energy (ODOE) is required to prepare a comprehensive energy plan every biennium. The energy plan must include comments on utilities' energy forecasts and ODOE's independent analysis and evaluation. ODOE must also include: identification of emerging trends related to energy supply, need, and conservation; public health and safety factors; and an estimate of the level of statewide energy need for each year in the upcoming five-year period, as well as for the 10th and 20th years following issuance of the plan. ODOE is also required to issue a biennial energy forecast.

**Bill Summary:** House Bill 2343 replaces the current reporting requirements with a directive to complete a biennial comprehensive energy report.

**Oregon Laws 2017:** Chapter 286**[House Bill 2481](#)****Not Enacted****Low Carbon Fuel Standard Receipt Statement****Chief Sponsors:** Rep. Bentz**Committees:** House Energy and Environment

**Background and Current Law:** According to the Department of Environmental Quality (DEQ), approximately one third of Oregon's greenhouse gases are produced by the transportation sector. The 2009 legislature passed House Bill 2186 authorizing the Oregon Environmental Quality Commission to adopt rules to reduce the average carbon content of Oregon's transportation fuels by 10 percent over a 10-year period. The 2015 legislature passed Senate Bill 324 allowing DEQ to fully implement the Low Carbon Fuel Standard in 2016.

**Bill Summary:** House Bill 2481 would have required gas station owners or operators to print, on any receipt for a gasoline purchase provided to customers, the cost to the customer of the Low Carbon Fuel Standard per gallon of gasoline.

## Tenant Electric Vehicle Charger Installation

**Chief Sponsors:** Rep. Barnhart

**Committees:** House Energy and Environment, Senate Business and Transportation

**Background and Current Law:** Recharging electric vehicle (EV) batteries can require several hours depending on the type of charging station used. The proportion of EVs on Oregon's roads is between two and four times higher than the national average: between 2010 and 2015, there were approximately 9,000 electric vehicles sold in Oregon. In 2013, the Governor joined seven other states to create a Zero Emission Vehicle program to promote the growth of the electric vehicle market. Oregon has also partnered with Washington and California to create the West Coast Electric Highway, installing fast charging stations along Interstate 5.

**Bill Summary:** House Bills 2510 and 2511 authorize commercial and residential tenants, respectively, to install and use electric vehicle charging stations at or near any assigned parking spot. Tenants are financially responsible for the costs associated with permitting, installing, maintaining, and removing the charging station, as well as for the cost of electricity associated with the charging station.

**Oregon Laws 2017:** Chapter 386 and 387

## Electric Vehicle Sales Incentive

**Chief Sponsors:** Rep. Barnhart

**Committees:** House Energy and Environment, Joint Ways and Means

**Background and Current Law:** Electric cars have motors that run on a rechargeable battery instead of traditional petroleum based fuels. These motors are about three times more efficient than traditional internal combustion engines. New electric vehicle models can travel as many as 200 miles or more on a single charge and produce fewer greenhouse gas emissions than traditional cars. In 2013, Oregon, California, Connecticut, Maryland, Massachusetts, New York, Rhode Island, and Vermont created a collaborative Multi-State Zero-Emission Vehicle Action Plan that is intended to guide efforts to put 3.3 million zero-emission vehicles on the roads by 2025.

**Bill Summary:** House Bill 2514-A would have directed the Oregon Department of Revenue to pay a \$250 sales incentive to any salesperson, not employed by a dealership that exclusively sells electric vehicles, for the sale or lease of a new electric vehicle to an Oregon resident.

[House Bill 2680](#)

Not Enacted

**Renewable Energy Development Tax Credit Sunset Extension****Chief Sponsors:** Rep. Nosse**Committees:** House Energy and Environment

**Background and Current Law:** The legislature created the Renewable Energy Development (RED) grant program in 2011 to promote investment in and development of renewable energy projects. The Oregon Department of Energy (ODOE) administers the program and solicits grant applications for renewable energy projects. Grants may cover 35 percent of the cost of a project (not to exceed \$250,000) and businesses, public bodies, schools, nonprofits, and tribes are eligible to apply. Grant funds are not disbursed until projects are completed and operating, and have received final approval from ODOE. As of May 2016, approximately \$365,000 in RED grants had funded 14 projects with a total nameplate capacity of 522 kilowatts, and ODOE had awarded performance agreements for 35 further projects yet to be completed. Approximately \$2.8 million in grant funds have been allocated to projects awaiting completion and approval.

**Bill Summary:** House Bill 2680 would have extended the sunset for RED tax credits until January 1, 2024 and added “waste heat” as a qualifying renewable energy production system. In addition, the measure extended the limitation on the total amount of potential tax credits from 2017 to 2023.

[House Bill 2681-A](#)

Not Enacted

**Residential Energy Tax Credit Sunset Extension****Chief Sponsors:** Reps. Nosse, G. Smith**Committees:** House Energy and Environment, Joint Tax Credits

**Background and Current Law:** The Residential Energy Tax Credit (RETC) is a credit against personal income taxes for constructing or installing an energy-saving device in a residence. The amount of the credit depends on the type of device and the energy savings or yield. The Oregon Department of Energy reports that since its inception, the program has provided 570,000 tax credits worth \$172 million that saved enough energy to serve about 400,000 households for a year. RETC beneficiaries primarily use the credit for installing energy-efficient heat pumps, furnaces, and solar photovoltaic panels. The Oregon Department of Revenue estimates the credit cost the state \$26 million in the 2013-2015 biennium and will cost \$31.5 million in 2015-17. The tax credit is scheduled to sunset on December 31, 2017.

**Bill Summary:** House Bill 2681-A would have extended the tax credit for construction or installation of residential alternative energy devices from 2018 to 2024.

[House Bill 2704-A](#)

Not Enacted

**Alternative Fuel or Zero-Emission Vehicle Rebate Program****Chief Sponsors:** Rep. Helm**Committees:** House Energy and Environment, House Revenue

**Background and Current Law:** Electric cars have motors that run on a rechargeable battery instead of traditional petroleum-based fuels. These motors are about three times more efficient than traditional internal combustion engines. New electric vehicle models can travel as many as 200 miles or more on a single charge and produce fewer greenhouse gas emissions than traditional cars. In 2013, Oregon, California, Connecticut, Maryland, Massachusetts, New York, Rhode Island and Vermont created a collaborative “Multi-State Zero-Emission Vehicle Action Plan.” The plan is intended to guide efforts to put 3.3 million zero-emission vehicles on roads by 2025.

**Bill Summary:** House Bill 2704-A would have established the alternative fuel or zero-emission vehicle rebate program and set the rebate amount that certain types of vehicles would be eligible to receive. The bill also created the Charge Ahead Oregon program to offer rebates or similar incentives for low- and moderate-income households.

[House Bill 2710](#)

Not Enacted

**Building Code Energy Conservation Requirements****Chief Sponsors:** Rep. Helm**Committees:** House Energy and Environment

**Background and Current Law:** According to the U.S. Department of Energy, Oregon’s first energy conservation requirements were developed in 1975 and were limited to residential buildings. This code was upgraded in 1978 and again in 1980 to reflect new national standards. Since 1980, the residential energy conservation requirements have been amended on a three-year cycle in sequence with the Oregon One- and Two-Family Dwelling Specialty Code. The energy conservation requirements for commercial buildings were developed in 1978 and upgraded in 1980. Since 1980, the energy conservation requirements have been upgraded in sequence with the Oregon Structural Specialty Code. Starting in 2007, non-residential buildings became subject to the 2007 Oregon Structural Specialty Code.

**Bill Summary:** House Bill 2710 would have required the director of the Department of Consumer and Business Services to review codes, standards, and technical components for adopting or amending provisions of the Reach Code applicable to newly constructed buildings. The director was to consider whether any standards and methods applicable to newly constructed buildings should be removed from the Reach Code and adopted in the state building code at least once every three years.

[House Bill 2760](#)

Effective Date: October 6, 2017

**Alternative Energy Systems Property Tax Exemption Sunset Extension**

**Chief Sponsors:** Rep. Holvey

**Committees:** House Energy and Environment, House Revenue, Senate Finance and Revenue

**Background and Current Law:** Oregon law exempts from ad valorem property taxation an alternative energy system if the system is a net metering facility or is primarily designed to offset onsite electricity use. “Alternative energy system” is defined as property consisting of solar, geothermal, wind, water, fuel cell, or methane gas energy systems for the purpose of heating, cooling, or generating electricity.

**Bill Summary:** House Bill 2760 extends the sunset of the property tax exemption for alternative energy systems from tax years beginning after July 1, 2017 to tax years beginning after July 1, 2023.

**Oregon Laws 2017:** Chapter 542

[House Bill 2853](#)

Not Enacted

**Tax Credits for Biomass**

**At the request of:** House Committee on Revenue

**Committees:** House Agriculture and Natural Resources

**Background and Current Law:** Tax credits for biomass produced from a variety of sources as a feedstock for bioenergy or biofuel production in Oregon are scheduled to sunset January 1, 2018. These include biomass made from oilseed and grain crops; virgin oil or alcohol from feedstock; used cooking oil or waste grease; wastewater biosolids; woody biomass; and grass, wheat, straw, or other vegetative biomass from agricultural crops.

**Bill Summary:** For future tax years beginning January 1, 2018, House Bill 2853 would have limited the tax credit on animal manure or rendering offal to animal manure processed in a digester in service prior to January 1, 2017.

Legislation similar to this bill was enacted within [House Bill 2066](#).

## Solar Siting on High-Value Farmland

**At the request of:** House Committee on Agriculture and Natural Resources

**Committees:** House Agriculture and Natural Resources

**Background and Current Law:** Oregon’s Statewide Planning Goals and Guidelines indicate the state’s preference for restricting urbanization and preserving farmland through the implementation of strict zoning rules. Under current Oregon law, lands zoned for Exclusive Farm Use have a set of activities and structures allowed on their premises. Common non-farm uses include “commercial activities in conjunction with farm use,” “home occupations,” and “utility facilities necessary for public service.” High-value farmland refers to lands composed predominantly of soils that are particularly well-suited for growing agricultural crops.

**Bill Summary:** House Bill 3050 would have expanded the set of activities and structures allowed on Exclusive Farm Use lands to include solar power generation facilities generating electricity for public use. The bill authorized siting of such facilities on high-value farmland if the relevant governing body adopted an exception to a statewide planning goal related to agricultural lands or if the governing body determined no alternative site is available.

## Oregon Department of Energy Program Modifications

**Chief Sponsors:** Rep. Holvey; Sen. Beyer

**Committees:** House Energy and Environment, Joint Ways and Means

**Background and Current Law:** The Oregon Department of Energy (ODOE) was first established in 1975 in response to the national energy crisis. Its statutory mission is to promote the efficient use of energy and advocate for the use and development of new renewable energy. In the 42 years since its creation, it has been assigned a variety of energy-related responsibilities, including some regulatory functions. In January 2016, the Joint Interim Committee on Department of Energy Oversight was appointed to conduct a thorough review of ODOE and to make recommendations to the 2017 Legislative Assembly. Some of these recommendations were focused on the following areas.

ODOE is responsible for the Small Energy Loan Program (SELP). The program loans money to individuals, businesses, schools, state and local governments, tribes, public cooperatives, and nonprofits for small-scale local energy projects that save energy, produce energy from renewable resources, use recycled material to create products, or use alternative fuels.

The Oregon Legislative Assembly established the Energy Facility Siting Council (EFSC) in 1975, and charged EFSC with overseeing energy facility siting in Oregon. EFSC's jurisdiction covers specific types and sizes of energy facilities including proposed thermal power plants, wind projects, and utility-scale solar projects. Liquefied Natural Gas facilities and very large energy facilities are subject to federal siting processes with support from ODOE's Siting Division. Many smaller facilities (less than a 25-megawatt capacity) are subject to local jurisdictions.

In Oregon, each energy resource supplier is required to pay ODOE its share of an annual assessment to fund EFSC and ODOE programs and activities. Under current law, the ODOE Director is required to exempt from the payment of an assessment any individual energy resource supplier whose calculated share of the annual assessment is less than \$250.

**Bill Summary:** House Bill 3166-B would have included several recommendations considered by the Joint Interim Committee on Department of Energy Oversight. Specifically, the measure transferred the duties, functions and powers of ODOE related to the issuance of loans for SELP to the Oregon Business Development Department, effective July 1, 2018. In addition, the measure modified the cost-recovery formula for site certificate holders.

[House Bill 3227](#)

Not Enacted

**Alternative Energy Device Tax Credit Sunset Extension****Chief Sponsors:** Rep. Holvey**Committees:** House Energy and Environment, House Revenue

**Background and Current Law:** The tax credit for alternative energy devices, commonly referred to as the Residential Energy Tax Credit (RETC), provides personal income tax credits to Oregonians who purchase energy-efficient devices and renewable energy systems for their homes. The alternative energy devices that are currently eligible for a tax credit include electric heat pump water heaters, tankless gas water heaters, and storage gas water heaters. Tax credits are issued for the lesser of 50 percent of the cost of the device or \$1,500, with some exceptions. Credits over \$1,500 must be claimed over multiple years, with no more than \$1,500 being claimed per year per device.

A community solar project is a solar power plant whose electricity is shared by more than one household. These projects are sometimes referred to as solar gardens or shared renewable energy plants.

**Bill Summary:** House Bill 3227 would have allowed a Residential Energy Tax Credit for an alternative energy device to be claimed by the owner or subscriber of a community solar project.

[House Bill 3241-A](#)

Not Enacted

**Residential Property-Assessed Clean Energy Program****Chief Sponsors:** Rep. Marsh**Committees:** House Energy and Environment, House Rules

**Background and Current Law:** Property-assessed clean energy (PACE) programs allow local governments, state governments, or other inter-jurisdictional authorities to fund the up-front cost of energy improvements on commercial and residential properties, which are paid back over time by the property owners. PACE financing is generally based on an existing structure known as a “land-secured financing district,” which allows a property owner to implement improvements without a large up-front cash payment. Property owners that choose to participate in a PACE program repay their improvement costs over time through property assessments. Under current law, a local government is authorized to establish a PACE program to make loans to the owners of multifamily residential dwellings, commercial buildings, or industrial buildings for the purpose of paying for energy efficiency, renewable energy improvements, and seismic rehabilitation.

**Bill Summary:** House Bill 3241-A would have authorized a local government to establish programs to assist owners of single-family dwellings in financing cost-effective seismic rehabilitation or utility improvements including: energy efficiency, renewable energy, energy storage, smart electric vehicle charging stations, and water efficiency.

[House Bill 3344](#)

Not Enacted

**Bulk Coal or Oil Terminal Projects****Chief Sponsors:** Rep. Helm**Committees:** House Committee on Energy and Environment

**Background and Current Law:** On June 6, 2014, an Emergency Order issued by the U.S. Department of Transportation went into effect requiring railroad carriers operating trains transporting one million gallons or more of Bakken crude oil on a single train to provide information to the State Emergency Response Commission estimating volumes and frequencies of the train traffic implicated. In 2015, the legislature enacted House Bill 3225, which required the Office of the State Fire Marshal to adopt a plan for the coordinated response to an oil or hazardous material spill or releases that occur during rail transport.

**Bill Summary:** House Bill 3344 would have prohibited the Legislative Assembly from appropriating funds for any new bulk coal or oil terminal project for the biennium beginning July 1, 2017. The measure established a formula for calculating the cleanup cost of a “worst case spill” and requirements for an annual statement to be submitted to the Department of Environmental Quality from applicable rail carriers. The measure also required that the Department of State Lands use criteria to issue or renew removal-fill permits or leases for projects that facilitate the transportation of crude oil.

[House Bill 3386-A](#)

Not Enacted

**Low Carbon Fuel Standard Compliance Credits****Chief Sponsors:** Rep. Bentz**Committees:** House Energy and Environment, House Rules

**Background and Current Law:** The Department of Environmental Quality (DEQ) reports that approximately one third of Oregon’s greenhouse gases are produced by the transportation sector. The 2009 Oregon Legislative Assembly passed House Bill 2186 authorizing the Oregon Environmental Quality Commission to adopt rules to reduce the average carbon intensity of Oregon’s transportation fuels by 10 percent over a 10-year period. The 2015 Oregon Legislative Assembly passed Senate Bill 324 allowing the DEQ to fully implement the low carbon fuel standard in 2016.

**Bill Summary:** House Bill 3386-A would have required the Environmental Quality Commission to adopt a program to facilitate compliance with the low carbon fuel standard that included provisions for regulated parties to purchase credits to demonstrate compliance with the standard.

Legislation modifying the low carbon fuel standard was included in [House Bill 2017](#).