

ENERGY AND ENVIRONMENT



AIR QUALITY

In 2020, Congress passed the American Innovation in Manufacturing (AIM) Act to phase down the use of hydrofluorocarbons that have proven to have negative environmental impacts when released into the atmosphere. [House Bill 3227](#) prohibits the Department of Consumer and Business Services (DCBS) from outlawing the use of safe alternative refrigerants in the state building code, provided that the safe alternatives meet federal regulations and installation requirements.

The Oregon Department of Environmental Quality (DEQ) uses technical assistance, inspections, complaint investigations, and orders to pay fines and perform corrective actions in order to enforce the law and deter noncompliance of environmental violations. Under [ORS 468.070](#) (2019), DEQ may deny, modify, suspend, or revoke permits or refuse to renew any permit if an applicant: provides misrepresentation or false statements; fails to comply with the conditions of the permit; violates current state law; or violates any applicable rule, standard, or order of the Environmental Quality [Commission](#). [House Bill 3372](#) expands the information DEQ is authorized to require from an individual applying for a permit or license for watershed areas, treatment works, sewage disposal, municipal sewage treatment works, and subsurface sewage disposal. The measure directs applicants to provide the DEQ with information reasonably sufficient for an evaluation of their history of compliance with environmental quality laws during the 10-year period prior to applying for a permit or license.

CLIMATE

One method for reducing greenhouse gas (GHG) emissions to meet state climate goals is to create a low- or zero-emission electricity sector by replacing fossil fuel resources with renewable resources. After previous attempts to regulate statewide GHG emissions in the past two years, [House Bill 2021](#) (HB

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See the [2021 Legislative Summary Report](#) for [Energy and Environment](#), which highlights policy measures that received a public hearing during Oregon's 2021 Regular Legislative Session.

2021) was enacted, establishing that electricity supplied to retail electricity consumers in Oregon must: 1) produce zero GHG emissions; and 2) be generated in a manner that provides additional direct benefits to Oregon communities by creating and sustaining meaningful living wage jobs, promoting workforce equity, and increasing energy security and resiliency.

As a complement to the state's renewable portfolio standard, which promotes increased electricity generation from eligible renewable sources, HB 2021 requires electricity be generated from low- or zero-carbon emitting sources, which promotes GHG emissions reductions. The bill requires retail electricity providers to reduce annual GHG emissions by 80 percent below the baseline emissions level by 2030, by 90 percent below the baseline emissions level by 2035, and 100 percent below the baseline emissions level by 2040.

An alternative clean electricity proposal, [House Bill 3180](#) (*not enacted*), would have modified and added laws related to utilities, including renewable portfolio standards, community-based renewable energy, fossil phase-out provisions, integrated clean energy

implementation planning, storage requirements, utility regulation generally, and cogeneration and small power production facilities.

The legislature also considered but did not pass legislation related to black carbon, a climate pollutant that results from incomplete combustion of fossil fuels and burning of other substances. [House Bill 2479 A](#) (*not enacted*) would have included black carbon and certain aerosol air contaminants in the definition of global warming and would have required DEQ to track estimated human-caused black carbon emissions in Oregon and estimate the net impact of human-caused black carbon sources on climate change.

ELECTRIC VEHICLES

Transportation electrification is the use of electricity from external sources to provide power to all or part of a vehicle and other modes of transportation as well as programs and infrastructure investments to support using electricity to power vehicles. Transportation electrification is driven in part by the purchase of zero-emission vehicles, widely available charging stations and infrastructure, environmental benefits when compared to internal-combustion-engine vehicles, and supportive policies.

Two measures were enacted in 2021 to encourage transportation electrification. [House Bill 2165](#) allows electric companies to recover costs for infrastructure related to transportation electrification and requires certain large electric companies to increase retail consumer rates by 0.25 percent to fund transportation electrification. [House Bill 2180](#) requires that the state building code require new construction of certain commercial, residential, and mixed-use buildings to include provisions for charging stations for at least 20 percent of parking spaces for electric vehicles. It also allows municipalities to adopt a local percentage of parking space requirements higher than state building code requirements.

ENERGY

In 1999, the Legislative Assembly adopted [Senate Bill 1149](#) which directed Oregon's two largest investor-owned electric utilities, Pacific General Electric and

Pacific Power, to collect three percent of their revenues for a public purpose charge (PPC).

The PPC funds new cost-effective energy conservation, new market transformation efforts, above-market costs of new renewable energy resources, and new low-income weatherization. This requirement sunsets on January 1, 2026. [House Bill 3141](#) extends the sunset on the PPC to January 1, 2036 and reduces the PPC for retail electricity consumers within service areas as well as modifies the allocation of funds collected through the PPC.

Solar

The solar projects incentive program (Program) authorizes any solar project to be exempt from property taxes for up to 20 years contingent on annual payment to the county or city of a fee equal to \$7,000 per megawatt (MW) of the project's nameplate capacity, and provided that the project is or was not subject to any other exemption. As enacted, [Senate Bill 154](#) extends the sunset on the Program from January 2, 2022 to January 2, 2028, and provides that an agreement between a county and owner or person in possession or control of a solar project must indicate property tax treatment of land on which the solar project is located and set the rate of the fee within a range of \$5,500 to \$7,000 per MW of nameplate capacity.

Wind

Wind energy is a rapidly growing source of renewable energy in the United States. Oregon's wind energy industry has developed mainly in the central and eastern end of the Columbia River basin and in northeastern Oregon. Developments have been proposed in other areas with good potential wind resources including the Cascades, along the Oregon coast, and in southeastern Oregon. [House Bill 3375](#) was enacted to establish as Oregon's policy that any federal planning or permitting process for offshore wind energy research and development in federal waters off the Oregon coast adequately consider the prompt decommissioning of any offshore facility after permanent cessation of use of the facility.

Two energy-related measures that would have advanced energy efficiency requirements and renewable hydrogen property tax exemptions were not enacted.

The Oregon Residential Reach Code (ORRC or Reach Code) contains optional additions to the minimum statewide construction code that require builders or owners to meet stricter energy efficiency requirements. [House Bill 2398 A](#) (*not enacted*) would have required the Director of DCBS, with the approval of the appropriate advisory boards, to adopt, amend, and administer the Reach Code as part of the state building code and to follow the same process the Director follows in developing the residential and commercial building codes. The measure would have ensured that standards for energy efficiency in the statewide Reach Code mandate achievement of not more than 90 percent of site energy use that other statewide residential and commercial building codes require and, among other provisions, it would have required updating the Reach Code every three years.

Hydrogen can be used to store and transport energy, but it is not itself a source of energy. It can be produced from electrolysis, a technology that uses electricity to split water into hydrogen and oxygen atoms. When produced by electricity from wind or other renewable resources, hydrogen can store carbon-free energy that can later be used to generate electricity or power vehicles. [House Bill 2535](#) (*not enacted*) would have created a temporary ad valorem property tax exemption for systems used to produce hydrogen by electrolysis or from renewable natural gas.

ENVIRONMENTAL JUSTICE

In 2007, the Legislative Assembly enacted [Senate Bill 420](#) (ORS 182.535 – 182.550, 2019) creating an Environmental Justice Task Force ([EJ Task Force](#)) and tasked the Governor with providing clerical and administrative staff support. [Senate Concurrent Resolution 17](#) establishes the intent of the Legislative Assembly to apply to all state agencies the duties listed in the EJ Task Force statute (ORS 182.545, 2019) to provide greater public participation and to ensure that all persons affected by decisions of the natural resource agencies have a voice in those decisions. [Senate Bill 286 A](#) (*not enacted*) would have renamed the EJ Task Force as the Environmental Justice Council within the Department of Environmental Quality.

The Oregon Public Utility Commission (PUC) regulates investor-owned utilities and is responsible for ensuring “utility customers have access to safe, reliable, and high-quality utility services at just and reasonable rates.” [Senate Bill 978](#) (2017) directed the PUC to consider how its role as the regulator of Oregon's investor-owned utilities might evolve, given changes in the energy industry and in energy policy. The PUC gathered input from stakeholders and compiled results into a report that was submitted to the Legislative Assembly in 2018. One recommendation was to authorize the PUC to improve equitable and affordable access to energy services by considering not only the broad interests of customers, but specific needs of low-income customers and environmental justice communities. [House Bill 2475](#) authorizes the PUC to consider differential energy burden and other inequities in its approach to utility regulation and determining rates.

MATERIALS MANAGEMENT

In January 2018, the government of the People's Republic of China banned the import of certain plastic and paper grades and set tighter contamination standards for paper. The loss of China's markets disrupted recycling systems worldwide. In Oregon, communities had to make changes to their recycling collection programs, which included: increased customer rates, suspending recycling, or removing items from programs. In some cases, materials that were collected for recycling were disposed. The legislature considered several bills that contemplated developing product stewardship programs that would have required entities in the product life cycle to share responsibility for reducing the environmental impacts of products. [Senate Bill 582](#) makes significant changes to Oregon's recycling system that includes establishing a producer responsibility program for packaging, printing and writing paper, and food service ware. [Senate Bill 570 A](#) (*not enacted*) would have established a product stewardship program for mattresses. [House Bill 2955 A](#) (*not enacted*) would have established a product stewardship program for household hazardous waste.

On September 11, 2019, the Oregon Department of Energy (ODOE) was informed by a North Dakota citizen that potentially radioactive waste from an

hydraulic fracturing (fracking) operation was possibly being disposed of in Arlington, Oregon. ODOE investigated and concluded that two and a half million pounds of Technologically Enhanced Naturally Occurring Radioactive Materials (TENORM) had been disposed of in the Chemical Waste Management facility in Arlington over a three-year period. [Senate Bill 246](#) modifies the definition of radioactive waste and requires the Energy Facility Siting Council to adopt standards and rules to prevent future disposal of radioactive waste in Oregon.

In 2019, the Legislative Assembly enacted [House Bill 2509](#), prohibiting retail establishments and restaurants from providing single-use checkout bags to customers, with certain exceptions. The measure also authorizes retailers and restaurants to charge a five-cent fee for recycled paper checkout bags or reusable fabric or plastic bags. [House Bill 2395](#) expands the definition of “recycled paper checkout bag” to include at least 40 percent nonwood renewable fiber (e.g., fiber from hemp) or a combination of post-consumer recycled fiber and nonwood renewable fiber, along with post-consumer recycled fiber.

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