

HOUSE AMENDMENTS TO HOUSE BILL 2193

By COMMITTEE ON ENERGY AND ENVIRONMENT

April 23

1 On page 1 of the printed bill, delete lines 4 through 29 and delete pages 2 and 3 and insert:

2 **“SECTION 1. As used in sections 1 to 3 of this 2015 Act:**

3 **“(1) ‘Electric company’ means an electric company, as defined in ORS 757.600, that makes**
4 **sales of electricity to retail electricity consumers in an amount that equals three percent**
5 **or more of all electricity sold to retail electricity consumers.**

6 **“(2) ‘Energy storage system’ means a technology that is capable of retaining energy,**
7 **storing the energy for a period of time and delivering the energy after storage.**

8 **“(3)(a) ‘Procure’ means to acquire by ownership a qualifying energy storage system or**
9 **to acquire by contract the right to use the capacity of or the energy from a qualifying energy**
10 **storage system.**

11 **“(b) ‘Procure’ includes the acquisition of ancillary services that are related to an acqui-**
12 **sition described in paragraph (a) of this subsection.**

13 **“(4) ‘Qualifying energy storage system’ means an energy storage system included in a**
14 **project that the Public Utility Commission authorizes for development under section 3 of this**
15 **2015 Act.**

16 **“(5) ‘Retail electricity consumer’ means a retail electricity consumer, as defined in ORS**
17 **757.600, that is located in this state.**

18 **“SECTION 2. (1) If authorized under section 3 (3) of this 2015 Act, an electric company**
19 **shall procure, on or before January 1, 2020, as part of a project described in section 3 of this**
20 **2015 Act, one or more qualifying energy storage systems that have the capacity to store at**
21 **least five megawatt hours of energy.**

22 **“(2)(a) The total capacity of qualifying energy storage systems procured under this sec-**
23 **tion by any one electric company may not exceed one percent of the electric company’s peak**
24 **load for the year 2014.**

25 **“(b) The Public Utility Commission may waive the limit described in paragraph (a) of this**
26 **subsection if the commission determines, in consultation with the State Department of En-**
27 **ergy, that a qualifying energy storage system is of statewide significance and one or more**
28 **public utilities, as defined in ORS 757.005, or consumer-owned utilities, as defined in ORS**
29 **757.600, participates in procuring the qualifying energy storage system and shares the costs**
30 **and benefits associated with procuring the qualifying energy storage system.**

31 **“(3) An electric company may recover in the electric company’s rates all costs prudently**
32 **incurred by the electric company in procuring one or more qualifying energy storage systems**
33 **under this section, including any above-market costs associated with procurement.**

34 **“SECTION 3. (1) Not later than January 1, 2017, the Public Utility Commission shall by**
35 **rule or order adopt guidelines for an electric company to use in submitting a proposal under**

1 subsection (2) of this section. In developing the guidelines, the commission shall:

2 “(a) Examine the potential value of applying energy storage system technology, including:

3 “(A) Deferred investment in generation, transmission or distribution of electricity;

4 “(B) Reduced need for additional generation of electricity during times of peak demand;

5 “(C) Improved integration of different types of renewable resources;

6 “(D) Reduced greenhouse gas emissions;

7 “(E) Improved reliability of electrical transmission or distribution systems;

8 “(F) Reduced portfolio variable power costs; or

9 “(G) Any other value reasonably related to the application of energy storage system
10 technology.

11 “(b) Consider ways in which to encourage electric companies to invest in different types
12 of energy storage systems.

13 “(c) Consider any other factor reasonably related to the procurement of qualifying energy
14 storage systems.

15 “(2)(a) Not later than January 1, 2018, an electric company shall submit one or more
16 proposals to the commission for developing a project that includes one or more energy
17 storage systems.

18 “(b) Each proposal submitted under this subsection must include an evaluation of the
19 potential to store energy in the electric company’s electric system, including an analysis of:

20 “(A) The electric company’s current operations and the electric company’s electric sys-
21 tem data, including customer-side data, distribution data, transmission data and data related
22 to existing energy storage systems, including any energy storage system developed as part
23 of a pilot or demonstration project. The analysis shall be used to identify areas in the electric
24 company’s electric system where there may be opportunities to incentivize the value poten-
25 tially derived from energy storage systems.

26 “(B) How the addition of an energy storage system would complement proposed actions
27 submitted pursuant to any plan submitted to the commission in which the electric company
28 has proposed an integrated, least-cost combination of resources to meet the expected needs
29 of the electric company’s customers.

30 “(c) Each proposal submitted under this subsection also must include a description of
31 each proposed project. The description must include:

32 “(A) Technical specifications for each project, including:

33 “(i) The capacity of the project to store energy;

34 “(ii) The location of the project;

35 “(iii) A description of the electric company’s electric system needs and the application
36 that the energy storage system will fulfill as the basis for the project;

37 “(iv) A description of the technology necessary to construct, operate and maintain the
38 project, including a description of any data or communication system necessary to operate
39 the project;

40 “(v) A description of the types of services that the electric company expects the project
41 to provide upon completion;

42 “(vi) An analysis of the risk that the electric company will not be able to complete the
43 project; and

44 “(vii) Any other reasonable technical specification required by the commission pursuant
45 to the guidelines adopted under subsection (1) of this section.

1 **“(B) The estimated cost of each project, including:**
2 **“(i) The estimated capital cost of the project;**
3 **“(ii) The estimated output cost of the project; and**
4 **“(iii) The amount of grant moneys available to offset the cost of the project.**
5 **“(C) The benefits of each project to the electric company’s electric system, including:**
6 **“(i) Projected in-state benefits to the electric system;**
7 **“(ii) Projected regional benefits to the electric system; and**
8 **“(iii) The potential benefits to the electric company’s entire electric system if the electric**
9 **company installs the energy storage system technology that is the basis for the project**
10 **system-wide.**
11 **“(D) An evaluation of the cost-effectiveness of each project, conducted in a manner es-**
12 **tablished by the commission by rule or order.**
13 **“(d) The information and analyses required to be submitted to the commission under this**
14 **subsection may contain critical energy infrastructure information, trade secrets and other**
15 **confidential research, development or commercial information the public disclosure of which**
16 **could threaten the security and safety of an electric company’s electric system or allow un-**
17 **fair competition or business advantages. The commission may not use or allow the use of the**
18 **information and analyses for any purpose other than the purposes described in this section**
19 **and, in order to protect the information:**
20 **“(A) Shall determine the procedures under which a person may view the information and**
21 **analyses; and**
22 **“(B) Shall adopt a protective order that includes reasonable restrictions requested by an**
23 **electric company in good faith on removing material from commission offices, not allowing**
24 **copying or photographing of the material, not allowing electronic transmission of the mate-**
25 **rial or only allowing limited viewing of the material in restricted areas.**
26 **“(3)(a) The commission shall consider each proposal submitted under subsection (2) of**
27 **this section and evaluate each proposal to determine whether the proposal:**
28 **“(A) Is consistent with the guidelines adopted under subsection (1) of this section;**
29 **“(B) Reasonably balances the value for ratepayers and utility operations that is poten-**
30 **tially derived from the application of energy storage system technology and the costs of**
31 **construction, operation and maintenance of energy storage systems; and**
32 **“(C) Is in the public interest.**
33 **“(b) After considering the factors described in paragraph (a) of this subsection, the**
34 **commission may authorize an electric company to develop one or more projects that include**
35 **one or more qualifying energy storage systems.**
36 **“(4) If authorized to develop a project under subsection (3) of this section, the commis-**
37 **sion may require an electric company to develop the project in accordance with any com-**
38 **petitive bidding guidelines prescribed by the commission.**
39 **“SECTION 4. In the manner required by ORS 192.245, the Public Utility Commission shall**
40 **report on the implementation of sections 1, 2 and 3 of this 2015 Act to the interim commit-**
41 **tees of the Legislative Assembly related to energy:**
42 **“(1) On or before September 15, 2016; and**
43 **“(2) On or before September 15, 2018.**
44 **“SECTION 5. This 2015 Act being necessary for the immediate preservation of the public**
45 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**

1 **on its passage.”**

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