

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 324**

1 On page 1 of the printed A-engrossed bill, delete lines 3 and 4 and insert
2 “amending ORS 757.612; and providing for revenue raising that requires ap-
3 proval by a three-fifths majority.”.

4 Delete lines 6 through 20 and delete pages 2 through 4 and insert:

5 **“SECTION 1.** ORS 757.612 is amended to read:

6 “757.612. (1) There is established an annual public purpose expenditure
7 standard for electric companies and Oregon Community Power to fund new
8 cost-effective local energy conservation, new market transformation efforts,
9 the above-market costs of new renewable energy resources and new low-
10 income weatherization. The public purpose expenditure standard shall be
11 funded by the public purpose charge described in subsection (2) of this sec-
12 tion.

13 “(2)(a) Beginning on the date an electric company or Oregon Community
14 Power offers direct access to *[its]* retail electricity consumers, except resi-
15 dential electricity consumers, the electric company or Oregon Community
16 Power shall collect a public purpose charge from all of the retail electricity
17 consumers located within *[its]* **the electric company’s or Oregon Com-**
18 **munity Power’s** service area until January 1, 2026. Except as provided in
19 paragraph (b) of this subsection, the public purpose charge shall be equal to
20 three percent of the total revenues collected by the electric company, Oregon
21 Community Power or the electricity service supplier from *[its]* retail elec-
22 tricity consumers for electricity services, distribution **services**, ancillary

1 services, metering and billing, transition charges and other types of costs
2 included in electric rates on July 23, 1999.

3 “(b) For an aluminum plant that averages more than 100 average mega-
4 watts of electricity use per year, [*beginning on March 1, 2002,*] the electric
5 company or Oregon Community Power [*whose*], **whichever’s** territory abuts
6 the greatest percentage of the site of the aluminum plant, shall collect from
7 the aluminum company a public purpose charge equal to one percent of the
8 total revenue from the sale of electricity [*services*] to the aluminum plant
9 [*from any source*].

10 “(3)(a) The Public Utility Commission shall establish rules implementing
11 the provisions of this section relating to electric companies and Oregon
12 Community Power.

13 “(b) [*Subject to paragraph (e)*] **Except as provided in paragraph (d)(B)**
14 of this subsection, funds collected [*by an electric company or Oregon Com-*
15 *munity Power*] through public purpose charges **under subsection (2) of this**
16 **section** shall be allocated as follows:

17 “(A) **Subject to paragraph (d)(B) of this subsection**, sixty-three per-
18 cent for new cost-effective **local energy** conservation[,] **and** new market
19 transformation **efforts**.

20 “(B) **Subject to paragraph (d)(B) of this subsection**, nineteen percent
21 for the above-market costs of constructing and operating new renewable en-
22 ergy [*resources*] **resource projects** with a nominal electric generating ca-
23 pacity, as defined in ORS 469.300, of 20 megawatts or less.

24 “(C) Thirteen percent for new low-income weatherization.

25 “(D) Five percent [*shall be transferred to*] **for deposit in** the Housing and
26 Community Services Department Electricity Public Purpose Charge Fund
27 established by ORS 456.587 (1) [*and used*] for the purpose of providing grants
28 as described in ORS 458.625 (2).

29 “(c) The costs of administering subsections (1) to (6) of this section for
30 an electric company or Oregon Community Power shall be paid out of the

1 funds collected through public purpose charges. The commission may require
2 *[that]* an electric company or Oregon Community Power **to** direct funds col-
3 lected through public purpose charges to *[the]* state agencies responsible for
4 implementing subsections (1) to (6) of this section in order to pay the costs
5 of *[administering such responsibilities]* **implementation.**

6 “(d)(A) The commission shall direct the manner in which public purpose
7 charges are collected and spent by an electric company or Oregon Commu-
8 nity Power and may require an electric company or Oregon Community
9 Power to expend funds through competitive bids or other means designed to
10 encourage competition, except that funds dedicated for **new** low-income
11 weatherization shall be directed to the Housing and Community Services
12 Department as provided in subsection (7) of this section.

13 “(B) *[The commission may also direct that]* **The commission also may**
14 **require** funds collected *[by an electric company or Oregon Community*
15 *Power]* through public purpose charges **to be paid by an electric company**
16 **or Oregon Community Power:**

17 “(i) To a nongovernmental entity for investment in public purposes de-
18 scribed in subsection (1) of this section[.]; **and**

19 “(ii) **Into the Carbon Reduction Technology Research and Develop-**
20 **ment Fund established under section 3 of this 2015 Act.**

21 “(C) **If the commission requires public purpose charges to be paid**
22 **as described in subparagraph (B) of this paragraph, the commission**
23 **shall require an electric company and Oregon Community Power to**
24 **make payments in equal amounts to the nongovernmental entity and**
25 **into the Carbon Reduction Technology Research and Development**
26 **Fund established under section 3 of this 2015 Act.**

27 “(D) *[Notwithstanding any other provision of this subsection:]* **Except as**
28 **provided in paragraph (d)(B) and (C) of this subsection:**

29 “[A] (i) At least 80 percent of the funds allocated for **new cost-**
30 **effective local energy** conservation shall be spent within the service area

1 of the electric company that collected the funds; or

2 “[B)] (ii) If Oregon Community Power collected the funds, at least 80
3 percent of the funds allocated for **new cost-effective local energy** conser-
4 vation shall be spent within the service area of Oregon Community Power.

5 “(e)(A) The first 10 percent of [*the*] funds collected [*annually*] **each year**
6 by an electric company or Oregon Community Power under subsection (2)
7 of this section shall be distributed to school districts that are located in the
8 service territory of the electric company or Oregon Community Power. The
9 funds shall be distributed to individual school districts according to the
10 weighted average daily membership (ADMw) of each school district for the
11 prior fiscal year as calculated under ORS 327.013. The commission shall es-
12 tablish by rule a methodology for distributing a proportionate share of funds
13 under this paragraph to school districts that are only partially located in the
14 service territory of the electric company or Oregon Community Power.

15 “(B) A school district that receives funds under this paragraph shall use
16 the funds first to pay for energy audits for schools located within the school
17 district. A school district may not expend additional funds received under
18 this paragraph on a school [*facility*] until an energy audit has been completed
19 for that school [*facility*]. To the extent practicable, a school district shall
20 coordinate with the State Department of Energy and incorporate federal
21 funding in complying with this paragraph. Following completion of an en-
22 ergy audit for an individual school, the school district may expend funds
23 received under this paragraph to implement the energy audit. Once an energy
24 audit has been conducted and completely implemented for each school within
25 the school district, the school district may expend funds received under this
26 paragraph for any of the following purposes:

27 “(i) Conducting **additional** energy audits. A school district shall conduct
28 an energy audit prior to expending funds on any other purpose authorized
29 under this paragraph unless the school district has performed an energy au-
30 dit within the three years immediately prior to receiving the funds.

1 “(ii) [*Weatherization*] **Weatherizing school district facilities** and up-
2 grading the energy efficiency of school district facilities.

3 “(iii) Energy conservation education programs.

4 “(iv) Purchasing electricity from [*environmentally focused*] sources **that**
5 **protect the environment.** [*and*]

6 “(v) Investing in renewable energy resources.

7 “(f) The commission may not establish a different public purpose charge
8 than the public purpose charge described in subsection (2) of this section.

9 “(g) If the commission [*directs*] **requires** funds collected through public
10 purpose charges to **be paid to** a nongovernmental entity, the entity shall,
11 **pursuant to an agreement entered into or renewed between the com-**
12 **mission and the entity:**

13 “(A) Include on the entity’s board of directors an ex officio member des-
14 ignated by the commission, who shall also serve on the entity’s nominating
15 committee for filling board vacancies.

16 “(B) Require the entity’s officers and directors to provide an annual dis-
17 closure of economic interest to be filed with the commission on or prior to
18 April 15 of each calendar year for public review in a form similar to the
19 statement of economic interest required for public officials under ORS
20 244.060.

21 “(C) Require the entity’s officers and directors to declare actual and po-
22 tential conflicts of interest at regular meetings of the entity’s governing body
23 when such conflicts arise, and require an officer or director to abstain from
24 participating in any discussion or [*vote*] **voting** on any item where that of-
25 ficer or director has an actual conflict of interest. For the purposes of this
26 subparagraph, ‘actual conflict of interest’ and ‘potential conflict of interest’
27 have the meanings given those terms in ORS 244.020.

28 “(D) **Annually**, arrange for an independent auditor to audit the entity’s
29 financial statements [*annually*], and direct the auditor to file an audit opin-
30 ion with the commission for public review.

1 “(E) **Annually** file with the commission [*annually*] the entity’s budget,
2 action plan and quarterly and annual reports for public review.

3 “(F) At least once every five years, contract for an independent manage-
4 ment evaluation to review the entity’s operations, efficiency and effective-
5 ness, and direct the independent reviewer to file a report with the
6 commission for public review.

7 “(h) The commission may remove from the board of directors of a non-
8 governmental entity an officer or director who fails to provide an annual
9 disclosure of economic interest, or **who fails to declare an** actual or poten-
10 tial conflict of interest, as described in paragraph (g)(B) and (C) of this
11 subsection, [*in connection with*] **if the failure is connected to** the allocation
12 or expenditure of funds collected through public purpose charges and [*di-*
13 *rected*] **paid** to the entity.

14 “(4)(a) An electric company that satisfies its obligations under this sec-
15 tion [*shall have*]:

16 “(A) **Has** no further obligation to invest in **new cost-effective local**
17 **energy** conservation, new market transformation or new low-income
18 weatherization or to provide a commercial energy conservation services
19 program; and

20 “(B) Is not subject to ORS 469.631 to 469.645 and 469.860 to 469.900.

21 “(b) Oregon Community Power, for any period during which Oregon
22 Community Power collects a public purpose charge under subsection (2) of
23 this section:

24 “(A) [*Shall have*] **Has** no [*other*] **further** obligation to invest in **new**
25 **cost-effective local energy** conservation, new market transformation or
26 new low-income weatherization or to provide a commercial energy conserva-
27 tion services program; and

28 “(B) Is not subject to ORS 469.631 to 469.645 and 469.860 to 469.900.

29 “(5)(a) A retail electricity consumer that uses more than one average
30 megawatt of electricity at any site in the prior year shall receive a credit

1 against public purpose charges billed by an electric company or Oregon
2 Community Power for that site. The amount of the credit shall be equal to
3 the total amount of qualifying expenditures for new **cost-effective local**
4 energy conservation, not to exceed 68 percent of the annual public purpose
5 charges, and the above-market costs [*of purchases*] of new renewable energy
6 resources incurred by the retail electricity consumer, not to exceed 19 per-
7 cent of the annual public purpose charges, less administration costs incurred
8 under this subsection. The credit may not exceed, on an annual basis, the
9 lesser of:

10 “(A) The amount of the retail electricity consumer’s qualifying expendi-
11 tures; or

12 “(B) The portion of the public purpose charge billed to the retail elec-
13 tricity consumer that is dedicated to new **cost-effective local** energy con-
14 servation, new market transformation or the above-market costs of new
15 renewable energy resources.

16 “(b) To obtain a credit under this subsection, a retail electricity consumer
17 shall file with the State Department of Energy a description of the proposed
18 conservation project or new renewable energy resource and a declaration
19 that the retail electricity consumer plans to incur the qualifying expenditure.
20 The State Department of Energy shall issue a notice of precertification
21 within 30 days of receipt of the filing, if such filing is consistent with this
22 subsection. The credit may be taken after a retail electricity consumer pro-
23 vides a letter from a certified public accountant to the State Department of
24 Energy verifying that the precertified qualifying expenditure has been made.

25 “(c) Credits earned by a retail electricity consumer as a result of quali-
26 fying expenditures that are not used in one year may be carried forward for
27 use in subsequent years.

28 “(d)(A) A retail electricity consumer that uses more than one average
29 megawatt of electricity at any site in the prior year may request that the
30 State Department of Energy hire an independent auditor to assess the po-

1 tential for conservation investments at the site. If the independent auditor
2 determines there is no available conservation measure at the site that would
3 have a simple payback of one to 10 years, the retail electricity consumer
4 shall be relieved of 54 percent of its payment obligation for public purpose
5 charges related to the site. If the independent auditor determines that there
6 are potential conservation measures available at the site, the retail elec-
7 tricity consumer shall be entitled to a credit against public purpose charges
8 related to the site equal to 54 percent of the public purpose charges less the
9 estimated cost of available conservation measures.

10 “(B) A retail electricity consumer shall be entitled each year to the credit
11 described in this subsection unless a subsequent independent audit deter-
12 mines that new conservation investment opportunities are available. The
13 State Department of Energy may require that a new independent audit be
14 performed on the site to determine whether new conservation measures are
15 available, provided that the independent audits [*shall*] occur no more than
16 once every two years.

17 “(C) The retail electricity consumer shall pay the cost of the independent
18 audits described in this subsection.

19 “(6) Electric utilities and retail electricity consumers shall receive a fair
20 and reasonable credit for the public purpose expenditures of their energy
21 suppliers. The State Department of Energy shall adopt rules to determine
22 eligible expenditures and the [*methodology*] **method** by which such credits
23 are accounted for and used. The [*rules*] **State Department of Energy** also
24 shall adopt methods to account for eligible public purpose expenditures made
25 through consortia or collaborative projects.

26 “(7)(a) In addition to the public purpose charge provided under subsection
27 (2) of this section, an electric company or Oregon Community Power shall
28 collect funds for low-income electric bill payment assistance in an amount
29 determined under paragraph (b) of this subsection.

30 “(b) The commission shall establish the amount to be collected by each

1 electric company in calendar year 2008 from retail electricity consumers
2 served by the company, and the rates to be charged to retail electricity
3 consumers served by the company, so that the total anticipated collection for
4 low-income electric bill payment assistance by all electric companies in **the**
5 calendar year 2008 is \$15 million. In **the** calendar year 2009 and subsequent
6 calendar years, the commission may not change the rates established for re-
7 tail electricity consumers, but the total amount collected in a calendar year
8 for low-income electric bill payment assistance may vary based on electricity
9 usage by retail electricity consumers and changes in the number of retail
10 electricity consumers in this state. In no event shall a retail electricity
11 consumer be required to pay more than \$500 per month per site for low-
12 income electric bill payment assistance.

13 “(c) Funds collected [by] **through** the low-income electric bill payment
14 assistance charge shall be paid into the Housing and Community Services
15 Department Low-Income Electric Bill Payment Assistance Fund established
16 by ORS 456.587 (2). Moneys deposited in the **Housing and Community**
17 **Services Department Low-Income Electric Bill Payment Assistance**
18 Fund under this paragraph shall be used by the Housing and Community
19 Services Department **solely** for *[the purpose of funding]* **purposes related**
20 **to** low-income electric bill payment assistance[.] **and for the Housing and**
21 **Community Services** Department’s cost of administering this subsection.
22 *[shall be paid out of funds collected by the low-income electric bill payment*
23 *assistance charge. Moneys deposited in the fund under this paragraph shall*
24 *be expended solely for low-income electric bill payment assistance.]* Funds
25 collected *[from]* **by** an electric company or Oregon Community Power **under**
26 **this subsection** shall be expended in the service area of the electric com-
27 pany or Oregon Community Power from which the funds are collected.

28 “(d)(A) The Housing and Community Services Department, in consultation
29 with the advisory committee on energy established by ORS 458.515, shall
30 determine the manner in which funds collected under this subsection will be

1 allocated by the department to energy assistance program providers for the
2 purpose of providing low-income bill payment [*and crisis*] assistance.

3 “(B) The **Housing and Community Services** Department, in **consulta-**
4 **tion with electric companies**, shall investigate and may implement alter-
5 native delivery models specified by the advisory committee on energy[, *in*
6 *consultation with electric companies*,] to effectively reduce service discon-
7 nections and related costs to retail electricity consumers and electric utili-
8 ties.

9 “(C) Priority assistance shall be directed to low-income electricity con-
10 sumers who are in danger of having their electricity service disconnected.

11 “(D) The **Housing and Community Services** Department shall maintain
12 records and provide those records upon request to an electric company,
13 Oregon Community Power and the Citizens’ Utility Board established under
14 ORS chapter 774 on a quarterly basis. Records maintained must include the
15 numbers of low-income electricity consumers served, the average amounts
16 paid to **low-income electricity consumers** and the type of assistance pro-
17 vided to **low-income electricity consumers**. Electric companies and
18 Oregon Community Power shall, if requested, provide the **Housing and**
19 **Community Services** Department with aggregate data relating to consum-
20 ers served on a quarterly basis to support program development.

21 “(e) Interest on moneys deposited in the Housing and Community Services
22 Department Low-Income Electric Bill Payment Assistance Fund established
23 by ORS 456.587 (2) may be used to provide bill payment [*and crisis*] assist-
24 ance to electricity consumers whose primary source of heat is not electricity.

25 “(f) Notwithstanding ORS 757.310, the commission may allow an electric
26 company or Oregon Community Power to provide reduced rates or other
27 payment [*or crisis*] assistance or low-income program assistance to a low-
28 income household eligible for assistance under the federal Low Income Home
29 Energy Assistance Act of 1981, as amended and in effect on July 23, 1999.

30 “(8) For purposes of this section, ‘retail electricity consumers’ includes

1 any direct service industrial consumer that purchases electricity without
2 purchasing distribution services from the electric utility.

3 “(9) For purposes of this section, [*amounts*] **funds** collected by Oregon
4 Community Power through public purpose charges are not considered moneys
5 received from electric utility operations.

6 **“SECTION 2. (1) The Higher Education Coordinating Commission**
7 **shall develop, maintain and manage a consortium created for the**
8 **purpose of promoting and advancing research and development of**
9 **carbon reduction technologies related to transportation fuels.**

10 **“(2) The consortium shall be composed of representatives from each**
11 **of the following:**

12 **“(a) The University of Oregon.**

13 **“(b) Portland State University.**

14 **“(c) Oregon State University.**

15 **“(3) Members of the consortium shall:**

16 **“(a) Establish a grant program and select qualified applicants to**
17 **receive grants from funds available in the Carbon Reduction Technol-**
18 **ogy Research and Development Fund established under section 3 of**
19 **this 2015 Act;**

20 **“(b) Make grants for the purpose of facilitating research and de-**
21 **velopment of carbon reduction technologies related to transportation**
22 **fuels; and**

23 **“(c) Facilitate programs at the member universities for research**
24 **and development of carbon reduction technologies related to trans-**
25 **portation fuels.**

26 **“(3) The commission may adopt rules to implement this section.**

27 **“SECTION 3. (1) The Carbon Reduction Technology Research and**
28 **Development Fund is established in the State Treasury, separate and**
29 **distinct from the General Fund. Interest earned by the Carbon Re-**
30 **duction Technology Research and Development Fund shall be credited**

1 to the fund. The purpose of the fund is to facilitate the research and
2 development of carbon reduction technology related to transportation
3 fuels.

4 “(2) Moneys in the Carbon Reduction Technology Research and De-
5 velopment Fund are continuously appropriated to the Higher Educa-
6 tion Coordinating Commission for use by the consortium established
7 under section 2 of this 2015 Act.

8 “SECTION 4. The amendments to ORS 757.612 by section 1 of this
9 2015 Act apply to revenues collected by electric companies, Oregon
10 Community Power and electricity service suppliers on and after the
11 effective date of this 2015 Act.”.

12
