

SB 1574-2
(LC 48)
2/9/16 (MAM/ps)

Requested by Senator EDWARDS

**PROPOSED AMENDMENTS TO
SENATE BILL 1574**

1 On page 1 of the printed bill, line 3, after “352.823,” insert “468A.020,”.

2 On page 3, line 4, delete “the generation of electricity generated” and
3 delete “is” and insert “are attributable to the generation of electricity that
4 is”.

5 In line 21, delete “emission limits” and insert “emissions levels”.

6 In line 32, delete “and 11” and insert “, 11 and 15”.

7 On page 4, line 12, delete “from sources”.

8 On page 5, line 9, after “project” insert a period and delete the rest of the
9 line and delete line 10 and insert “One offset credit equals one allowance.”.

10 In line 11, after the second “project” insert “, implemented by a person
11 that is not a covered entity,”.

12 In line 12, delete “derive from sources” and insert “are attributable to
13 persons”.

14 After line 15, insert:

15 “(19) ‘Project labor agreement’ means a collective bargaining agreement
16 with one or more labor organizations that establishes the terms and condi-
17 tions of employment for a specific construction project and that, at a mini-
18 mum:

19 “(a) Binds all contractors and subcontractors on the construction project
20 through the inclusion of appropriate specifications in all relevant solicita-
21 tion provisions and contract documents;

1 “(b) Allows all contractors and subcontractors to compete for contracts
2 and subcontracts without regard to whether they are parties to any other
3 collective bargaining agreement;

4 “(c) Contains guarantees against strikes, lockouts and similar job dis-
5 ruptions; and

6 “(d) Sets forth effective, prompt and mutually binding procedures for re-
7 solving labor disputes that arise during the term of the project labor agree-
8 ment.”.

9 In line 16, delete “(19)” and insert “(20)”.

10 In line 18, delete “(20)” and insert “(21)” and delete “an allowance or
11 offset credit” and insert “a compliance instrument”.

12 In line 19, delete “allowance or offset credit” and insert “compliance in-
13 strument”.

14 In line 21, delete “(21)” and insert “(22)”.

15 In line 27, delete “(22)” and insert “(23)” and delete “an allowance or
16 offset credit” and insert “a compliance instrument”.

17 In line 28, delete “either” and after “obligation” insert “, to satisfy a
18 penalty imposed”.

19 In line 33, delete “section” and insert “subsection”.

20 In line 35, delete the colon.

21 Delete lines 36 through 40.

22 In line 41, delete “(B)”.

23 Delete lines 44 and 45.

24 On page 6, delete lines 1 through 3 and insert:

25 “(b) Set a cap on the total combined greenhouse gas emissions allowed
26 from covered entities during the calendar year 2020, and a schedule for the
27 cap to decrease by a predetermined amount each calendar year until 2050.
28 The cap and schedule shall reflect the total greenhouse gas emissions from
29 covered entities, as a proportionate share of statewide greenhouse gas emis-
30 sions as defined in section 4 of this 2016 Act, that must be reduced in order

1 to prevent exceedance of the statewide greenhouse gas emissions levels es-
2 tablished by section 4 of this 2016 Act.

3 “(c) Establish an annual allowance budget for the calendar year 2020, and
4 a schedule for the annual allowance budget to decrease by a predetermined
5 amount each calendar year until 2050, consistent with the cap set under
6 paragraph (b) of this subsection and taking into account the effect of offset
7 projects.”.

8 In line 4, delete “(c)” and insert “(d)”.

9 In line 13, after “be” delete the rest of the line and lines 14 through 16
10 and insert “consigned to the state for auction under section 10 of this 2016
11 Act;

12 “(C) Shall, in order to address leakage and as determined necessary by the
13 commission, distribute allowances directly and free of charge to covered en-
14 tities that include, but are not limited to, covered entities that are part of
15 an emissions-intensive, trade-exposed industry; and”.

16 Delete lines 19 through 26.

17 After line 33, insert:

18 “(2)(a) The commission shall adopt by rule standards for offset projects
19 that may generate offset credits and standards for covered entities to use
20 offset credits in meeting their compliance obligations under the carbon pol-
21 lution market.

22 “(b) Offset projects:

23 “(A) Must be located in this state;

24 “(B) Must not be otherwise required by law; and

25 “(C) Must result in greenhouse gas emissions reductions or removals that
26 are in addition to greenhouse gas emissions reductions or removals otherwise
27 required by law, that would not otherwise have occurred if the emissions
28 reduction or removal activity had not been implemented as part of the offset
29 project and that meet the requirements of subsection (4) of this section.

30 “(c) Standards adopted under this subsection must ensure that offset

1 credits may be used to account for no more than 50 percent of the greenhouse
2 gas emissions reductions required of a covered entity during a compliance
3 period, relative to the previous compliance period.

4 “(d) In adopting standards under this subsection, the commission shall
5 take into consideration any standards for offset projects and offset credits
6 established by other states and countries with comparable carbon pollution
7 markets.”.

8 In line 34, delete “(2)” and insert “(3)”.

9 In line 41, delete “(3)” and insert “(4)”.

10 In line 44, delete “(4)” and insert “(5)”.

11 On page 7, delete lines 25 through 28 and insert:

12 “(f) Require that allowances distributed free of charge to an electric
13 utility or a natural gas utility must be consigned to the state for auction and
14 may not be surrendered under section 11 of this 2016 Act to meet the utility’s
15 compliance obligation. Proceeds from the sale of allowances consigned to
16 the state for auction under this paragraph may be used by the utility only
17 as provided in section 12 of this 2016 Act.”.

18 In line 45, after “to” insert “the state for”.

19 On page 8, delete lines 15 through 17.

20 In line 18, delete “(3)” and insert “(2)”.

21 In line 23, delete “(4)” and insert “(3)”.

22 In line 26, delete “(3)” and insert “(2)”.

23 In line 27, delete “(5)” and insert “(4)”.

24 In line 37, delete “at” and insert “consigned to the state for”.

25 On page 9, line 7, after “10” insert “(3)(b)”.

26 Delete line 17 and insert:

27 “(a) Consult with the advisory committee created under section 15a of this
28 2016 Act; and”.

29 Delete lines 19 through 27 and insert “that will result in the greatest
30 greenhouse gas emissions reductions.

1 “(5) If a construction project is funded in whole or in part by moneys from
2 the account, the primary contractor participating in the construction project:

3 “(a) Must participate in an apprenticeship program registered with the
4 State Apprenticeship and Training Council;

5 “(b) May not be a contractor listed by the Commissioner of the Bureau
6 of Labor and Industries under ORS 279C.860 as ineligible to receive a con-
7 tract or subcontract for public works;

8 “(c) Must demonstrate a history of compliance with the rules and other
9 requirements of the Construction Contractors Board and of the Workers’
10 Compensation Division and the Occupational Safety and Health Division of
11 the Department of Consumer and Business Services; and

12 “(d) Must demonstrate a history of compliance with federal and state
13 wage and hour laws.

14 “(6) If a construction project is funded in whole or in part by moneys from
15 the account, the Department of Transportation may, on a project-by-project
16 basis, require the use of a high road agreement or a project labor agreement
17 if the use of either type of agreement would advance the public interest and
18 be consistent with law.”.

19 In line 34, after “10” insert “(3)(c)(A)”.

20 Delete lines 37 through 45.

21 On page 10, delete lines 1 through 39 and insert:

22 **“SECTION 15. (1) The Environmental Quality Commission shall**
23 **adopt by rule a Climate Investments Grant Program for distributing**
24 **moneys in the Oregon Climate Investments Fund. The grant program**
25 **must carry out the purposes of sections 6 to 17 of this 2016 Act as**
26 **stated in section 6 of this 2016 Act.**

27 **“(2)(a) Moneys must be distributed through the grant program de-**
28 **veloped under this section such that, of the moneys deposited in or**
29 **credited to the Oregon Climate Investments Fund each biennium:**

30 **“(A) At least 40 percent are distributed to projects or programs that**

1 are geographically located in disadvantaged communities; and

2 “(B) At least 40 percent are distributed to projects or programs that
3 are geographically located in economically distressed areas, with an
4 emphasis placed on projects or programs funded under this paragraph
5 that support job creation and job education and training opportunities.

6 “(b) Disadvantaged communities and economically distressed areas
7 are not required to be considered mutually exclusive for purposes of
8 this subsection.

9 “(c) The commission shall consult with the Environmental Justice
10 Task Force, other state agencies, local agencies and local officials in
11 adopting by rule a methodology for designating disadvantaged com-
12 munities for purposes of this subsection.

13 “(3) The grant program shall include the appointment of a grant
14 committee. Members of the grant committee shall be appointed by the
15 Governor. The grant committee may be composed of any number of
16 individuals with qualifications that the Governor determines neces-
17 sary. However, the Governor shall appoint at least one member from
18 each congressional district in this state and shall include individuals
19 with experience in administering state grant programs. The appoint-
20 ment of members of the grant committee is subject to confirmation
21 by the Senate in the manner prescribed in ORS 171.562 and 171.565.

22 “(4) The commission shall determine the form and method of ap-
23 plying for grants from the grant program, the eligibility requirements
24 for grant applicants and general terms and conditions of the grants.

25 “(5) The rules adopted by the commission under this section shall
26 provide that the grant committee consult with the advisory committee
27 created under section 15a of this 2016 Act in reviewing grant applica-
28 tions and making determinations of funding based on a scoring system
29 developed by the commission. The scoring system shall give funding
30 preference to projects and programs that:

1 **“(a) Maximize multiple benefits in this state, including but not**
2 **limited to environmental, social and economic benefits;**

3 **“(b) Result in greenhouse gas emissions reductions that are cost**
4 **effective or that are the product of business and research development**
5 **interests in this state;**

6 **“(c) Constitute investments in, and facilitate the development of,**
7 **clean energy infrastructure and technologies in this state;**

8 **“(d) Complement efforts to achieve and maintain federal and state**
9 **air quality standards;**

10 **“(e) Protect disadvantaged communities and economically dis-**
11 **trressed areas from economic uncertainties associated with climate**
12 **change or climate change policies; or**

13 **“(f) Make use of domestically produced products to the maximum**
14 **extent feasible.**

15 **“(6) The grant program adopted under this section may:**

16 **“(a) Require that a grant applicant provide matching funds for**
17 **completion of the project or program for which a grant is awarded.**

18 **“(b) Allow an applicant to appeal to the commission for reevalu-**
19 **ation of any determination of grant funding.**

20 **“(7) If a construction project is funded in whole or in part by a**
21 **grant awarded under the grant program, the grant agreement shall**
22 **require that the primary contractor participating in the construction**
23 **project:**

24 **“(a) Must participate in an apprenticeship program registered with**
25 **the State Apprenticeship and Training Council;**

26 **“(b) May not be a contractor listed by the Commissioner of the**
27 **Bureau of Labor and Industries under ORS 279C.860 as ineligible to**
28 **receive a contract or subcontract for public works;**

29 **“(c) Must demonstrate a history of compliance with the rules and**
30 **other requirements of the Construction Contractors Board and of the**

1 **Workers' Compensation Division and the Occupational Safety and**
2 **Health Division of the Department of Consumer and Business Services;**
3 **and**

4 **“(d) Must demonstrate a history of compliance with federal and**
5 **state wage and hour laws.**

6 **“(8) If a construction project is funded in whole or in part by a**
7 **grant awarded under the grant program, the Department of Environ-**
8 **mental Quality may, on a project-by-project basis, require the use of**
9 **a high road agreement or a project labor agreement if the use of either**
10 **type of agreement would advance the public interest and be consistent**
11 **with law.**

12 **“(9) Subject to the rules adopted by the commission, and subject to**
13 **reevaluation by the commission on appeal, the grant committee has**
14 **the responsibility to review grant applications and make funding de-**
15 **terminations under the grant program adopted pursuant to this sec-**
16 **tion.**

17 **“SECTION 15a. (1) There is created a Climate Investments in Dis-**
18 **advantaged Communities Advisory Committee consisting of 17 mem-**
19 **bers appointed by the Governor, with at least one member from each**
20 **congressional district in this state. The Governor shall appoint mem-**
21 **bers to the advisory committee as follows:**

22 **“(a) Eight members must be recommended by the Environmental**
23 **Justice Task Force and have experience in working to support envi-**
24 **ronmental justice in disadvantaged communities;**

25 **“(b) Three members must represent labor interests;**

26 **“(c) Three members must have experience in sustainable develop-**
27 **ment;**

28 **“(d) One member must represent the interests of cities;**

29 **“(e) One member must represent the interests of counties; and**

30 **“(f) One member must represent the interests of business.**

1 “(2) The advisory committee shall consult with and make recom-
2 mendations to the following public bodies regarding the investment
3 of funds in projects and programs that are geographically located in
4 disadvantaged communities or that otherwise benefit disadvantaged
5 communities:

6 “(a) The Department of Transportation with relation to the use of
7 moneys in the Climate Investments Account; and

8 “(b) The grant committee appointed by the Governor under section
9 15 of this 2016 Act with relation to the award of grants under the Cli-
10 mate Investments Grant Program.

11 “(3) A majority of the members of the advisory committee consti-
12 tutes a quorum for the transaction of business.

13 “(4) The advisory committee shall elect one of its members to serve
14 as chairperson.

15 “(5) The term of a member of the advisory committee shall be four
16 years. Members of the advisory committee may be reappointed. If
17 there is a vacancy for any cause, the Governor shall make an ap-
18 pointment to become immediately effective.

19 “(6) The advisory committee shall meet at times and places speci-
20 fied by the call of the chairperson or of a majority of the members of
21 the advisory committee.

22 “SECTION 15b. Notwithstanding the term of office specified by
23 section 15a of this 2016 Act, of the members first appointed to the
24 Climate Investments in Disadvantaged Communities Advisory Com-
25 mittee:

26 “(1) Four shall serve for a term ending January 1, 2021.

27 “(2) Four shall serve for a term ending January 1, 2022.

28 “(3) Four shall serve for a term ending January 1, 2023.

29 “(4) Five shall serve for a term ending January 1, 2024.”.

30 In line 43, after “10” insert “(3)(c)(B)”.

1 On page 11, line 3, delete “develop” and insert “adopt”.

2 In line 11, after “Governor” insert “, subject to confirmation by the Sen-
3 ate in the manner provided in ORS 171.562 and 171.565”.

4 In line 17, delete “and”.

5 In line 18, delete the period and delete lines 19 through 22 and insert “;
6 and

7 “(e) At least one individual from each congressional district in this state.

8 “(3) Subject to the rules adopted by the department, and subject to ree-
9 valuation by the department on appeal, the grant committee has the respon-
10 sibility to review grant applications and make funding determinations under
11 the grant program adopted pursuant to this section.”.

12 Delete lines 26 through 30 and insert:

13 “(5) The grant program adopted under this section may:

14 “(a) Require that a grant applicant provide matching funds for completion
15 of the project or program for which a grant is awarded.

16 “(b) Allow an applicant to appeal to the department for reevaluation of
17 any determination of grant funding.”.

18 On page 17, line 33, delete “limits on” and insert “levels of”.

19 In line 39, delete “limits on” and insert “levels of”.

20 On page 18, line 26, delete “limits” and insert “levels”.

21 In line 42, delete “limits” and insert “levels”.

22 On page 19, line 15, delete “limits” and insert “levels”.

23 In line 30, delete “limits” and insert “levels”.

24 On page 22, after line 9, insert:

25 **“SECTION 39.** ORS 468A.020 is amended to read:

26 “468A.020. (1) Except as provided in subsection (2) of this section, the air
27 pollution laws contained in ORS chapters 468, 468A and 468B do not apply
28 to:

29 “(a) Agricultural operations, including but not limited to:

30 “(A) Growing or harvesting crops;

1 “(B) Raising fowl or animals;
2 “(C) Clearing or grading agricultural land;
3 “(D) Propagating and raising nursery stock;
4 “(E) Propane flaming of mint stubble; and
5 “(F) Stack or pile burning of residue from Christmas trees, as defined in
6 ORS 571.505, during the period beginning October 1 and ending May 31 of
7 the following year.

8 “(b) Equipment used in agricultural operations, except boilers used in
9 connection with propagating and raising nursery stock.

10 “(c) Barbecue equipment used in connection with any residence.

11 “(d) Heating equipment in or used in connection with residences used
12 exclusively as dwellings for not more than four families, except solid fuel
13 burning devices, as defined in ORS 468A.485, that are subject to regulation
14 under this section and ORS 468A.140 and 468A.460 to 468A.515.

15 “(e) Fires set or permitted by any public agency when such fire is set or
16 permitted in the performance of its official duty for the purpose of weed
17 abatement, prevention or elimination of a fire hazard, or instruction of em-
18 ployees in the methods of fire fighting, which in the opinion of the agency
19 is necessary.

20 “(f) Fires set pursuant to permit for the purpose of instruction of em-
21 ployees of private industrial concerns in methods of fire fighting, or for civil
22 defense instruction.

23 “(2) Subsection (1) of this section does not apply to the extent:

24 “(a) Otherwise provided in ORS 468A.555 to 468A.620, 468A.790, 468A.992,
25 476.380 and 478.960;

26 “(b) Necessary to implement the federal Clean Air Act (P.L. 88-206 as
27 amended) under ORS 468A.025, 468A.030, 468A.035, 468A.040, 468A.045 and
28 468A.300 to 468A.330; or

29 “(c) Necessary for the Environmental Quality Commission, in the
30 commission’s discretion, to implement a recommendation of the Task Force

1 on Dairy Air Quality created under section 3, chapter 799, Oregon Laws 2007,
2 for the regulation of dairy air contaminant emissions.

3 “(3)(a) Except to the extent necessary to implement the federal Clean Air
4 Act (P.L. 88-206 as amended), [*the air pollution laws contained in*] ORS
5 468A.025, 468A.030, 468A.035, 468A.040, 468A.045 and 468A.300 to 468A.330
6 **and sections 6 to 17 of this 2016 Act** do not apply to carbon dioxide emis-
7 sions from the combustion or decomposition of biomass.

8 “(b) As used in this subsection, ‘biomass’ means:

9 “(A) Nonfossilized and biodegradable organic materials that originate
10 from plants, animals and microorganisms and that are products, byproducts,
11 residues or wastes from agriculture, forestry and related industries;

12 “(B) Nonfossilized and biodegradable organic fractions of industrial and
13 municipal wastes; and

14 “(C) Gases and liquids recovered from the decomposition of nonfossilized
15 and biodegradable organic matter.”.

16 In line 13, delete “39” and insert “40”.

17 In line 23, after “ORS” insert “468A.020,”.

18 In line 24, delete “37 and 38” and insert “37, 38 and 39”.

19 In line 37, delete “40” and insert “41”.

20 In line 43, delete “41” and insert “42”.

21 On page 23, in line 3, delete “42” and insert “43”.

22
