

## SENATE AMENDMENTS TO SENATE BILL 978

By COMMITTEE ON BUSINESS AND TRANSPORTATION

April 24

1 On page 1 of the printed bill, line 2, after “utilities” insert a period and delete the rest of the  
2 line and line 3.

3 Delete lines 5 through 27 and delete pages 2 through 8 and insert:

4 **“SECTION 1. (1) The Public Utility Commission shall establish a public process for the**  
5 **purpose of investigating how developing industry trends, technologies and policy drivers in**  
6 **the electricity sector might impact the existing regulatory system and incentives currently**  
7 **employed by the commission. If warranted, the commission may consider changes to the**  
8 **existing regulatory system and incentives.**

9 **“(2) As part of the public process established under subsection (1) of this section, the**  
10 **commission shall investigate the following:**

11 **“(a) The obligations of and benefits to electric companies under the existing regulatory**  
12 **system;**

13 **“(b) The obligations of and benefits to customers of electric companies under the existing**  
14 **regulatory system, including customers that participate in direct access;**

15 **“(c) The current use of regulatory incentives, including but limited to:**

16 **“(A) Incentives for electric companies to place capital investment in rate base, paying**  
17 **particular attention to the perception of bias in resource selection;**

18 **“(B) Incentives for electric companies to plan for serving all existing and all new elec-**  
19 **tricity loads in electric companies’ service territories; and**

20 **“(C) Incentives for electric companies and for customers of electric companies to develop**  
21 **renewable energy resources and purchase renewable energy; and**

22 **“(d) The primary public policy objectives that are promoted by the commission’s current**  
23 **statutory authority and by the existing regulatory system and incentives.**

24 **“(3) As part of the public process established under subsection (1) of this section, the**  
25 **commission shall identify industry trends, technologies and policy drivers currently develop-**  
26 **ing in the electricity industry, including but not limited to:**

27 **“(a) Greater penetration by variable energy resources of electric utilities’ electrical sys-**  
28 **tems;**

29 **“(b) Increasing presence and cost-effectiveness of distributed energy resources in electric**  
30 **utilities’ electrical systems;**

31 **“(c) Greater customer support sophistication and desire for energy service options and**  
32 **energy management tools;**

33 **“(d) Increasing customer desire for energy service needs to be met by a specific gener-**  
34 **ating resource through either nonutility owned resources and delivery options or utility**  
35 **owned resources and delivery options;**

1       “(e) Greater recognition of the carbon output of electricity generation;  
2       “(f) The electrification of the transportation sector;  
3       “(g) The potential for regional transmission markets;  
4       “(h) Advances in distribution system communication and control technologies;  
5       “(i) The need to replace aging distribution system equipment for grid modernization;  
6       “(j) Use of performance-based incentives used by other states in addressing the industry  
7 trends, technologies and policy drivers described in this subsection; and  
8       “(k) Changes in public policy objectives that are developing in relation to the electricity  
9 sector or that have directly or indirectly been identified by the Legislative Assembly.  
10       “(4) The commission shall explore changes to the existing regulatory system and incen-  
11 tives that could accommodate developing industry trends and support new policy objectives  
12 without compromising affordable rates, safety and reliable service. If the commission deter-  
13 mines that changes to the existing regulatory system and incentives would be in the interest  
14 of customers of electric companies and the public generally, the commission shall develop  
15 plans to administratively implement changes to the regulatory system and incentives or shall  
16 make recommendations to the Legislative Assembly for the purpose of legislatively imple-  
17 menting changes to the regulatory system and incentives.  
18       “(5) As part of the public process established under subsection (1) of this section, the  
19 commission shall provide the public with an opportunity to comment.  
20       “(6) The commission shall submit a report on the findings of the public process estab-  
21 lished under subsection (1) of this section and the progress of investigations conducted under  
22 subsection (2) of this section in the manner provided by ORS 192.245 to the interim commit-  
23 tees of the Legislative Assembly related to energy and business no later than September 15,  
24 2018. The commission may include, as part of the commission’s report, recommendations for  
25 legislation.  
26       “SECTION 2. Section 1 of this 2017 Act is repealed on January 2, 2019.”.  
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