PROPOSED AMENDMENTS TO

HOUSE BILL 4001

On page 1 of the printed bill, delete lines 6 through 15.
On page 2, delete lines 1 through 43.
Delete line 45 and delete pages 3 through 33 and insert:

“‘GREENHOUSE GAS’ DEFINED FOR PURPOSES OF
AIR QUALITY LAWS

SECTION 1. ORS 468A.005 is amended to read:
“468A.005. As used in ORS chapters 468, 468A and 468B, unless the context requires otherwise:
“(1) ‘Air-cleaning device’ means any method, process or equipment which removes, reduces or renders less noxious air contaminants prior to their discharge in the atmosphere.
“(2) ‘Air contaminant’ means a dust, fume, gas, mist, odor, smoke, vapor, pollen, soot, carbon, acid or particulate matter or any combination thereof.
“(3) ‘Air contamination’ means the presence in the outdoor atmosphere of one or more air contaminants which contribute to a condition of air pollution.
“(4) ‘Air contamination source’ means any source at, from, or by reason of which there is emitted into the atmosphere any air contaminant, regardless of who the person may be who owns or operates the building, premises
or other property in, at or on which such source is located, or the facility, 
equipment or other property by which the emission is caused or from which 
the emission comes.

“(5) ‘Air pollution’ means the presence in the outdoor atmosphere of one 
or more air contaminants, or any combination thereof, in sufficient quanti-
ties and of such characteristics and of a duration as are or are likely to be 
injurious to public welfare, to the health of human, plant or animal life or 
to property or to interfere unreasonably with enjoyment of life and property 
throughout such area of the state as shall be affected thereby.

“(6) ‘Area of the state’ means any city or county or portion thereof or 
other geographical area of the state as may be designated by the Environ-
mental Quality Commission.

“(7) ‘Greenhouse gas’ includes, but is not limited to, carbon dioxide, 
methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur 
hexafluoride and nitrogen trifluoride.

“STATEWIDE GREENHOUSE GAS EMISSION LIMITS

“SECTION 2. ORS 468A.205 is repealed.

“SECTION 3. Section 4 of this 2018 Act is added to and made a part 
of ORS chapter 468A.

“SECTION 4. (1) As used in this section, ‘statewide greenhouse gas 
emissions’ means:

“(a) The total annual emissions of greenhouse gases in this state; 
and

“(b) All emissions of greenhouse gases from outside this state that 
are attributable to the generation of electricity that is delivered to and 
consumed in this state, accounting for transmission and distribution 
line losses.

“(2) The Environmental Quality Commission shall adopt by rule:
“(a) A statewide greenhouse gas emissions reduction goal to, by the
year 2025, achieve greenhouse gas levels that are at least 20 percent
below 1990 levels;

“(b) A statewide greenhouse gas emissions limit that, for the year
2035, requires greenhouse gas emissions to be reduced to levels that
are at least 45 percent below 1990 levels; and

“(c) A statewide greenhouse gas emissions limit that, for the year
2050, requires greenhouse gas emissions to be reduced to levels that
are at least 80 percent below 1990 levels.

“(3) This section does not create any additional regulatory authority
for an agency of the executive department as defined in ORS 174.112.

"LEGISLATIVE INTENT"

“SECTION 5. (1) It is the intent of the Legislative Assembly to
adopt by law a cap and trade program to prevent exceedance of the
statewide greenhouse gas emission limits established under section 4
of this 2018 Act no later than July 31, 2019. The Legislative Assembly
finds and declares that a regulatory program that accomplishes the
intent of this subsection must place a cap on greenhouse gas emissions
and provide a market-based mechanism for entities subject to the
program to demonstrate compliance.

“(2) It is the intent of the Legislative Assembly to repeal sections
7 to 9 of this 2018 Act, which authorize the Environmental Quality
Commission to adopt by rule a program for regulating greenhouse gas
emissions to become enforceable against persons subject to the pro-
gram beginning January 1, 2021, if, prior to July 31, 2019, the Legisla-
tive Assembly adopts by law a mechanism for authorizing and
directing the establishment and implementation of a cap and trade
program that will accomplish the intentions of the Legislative As-
SEMBLY as set forth in subsection (1) of this section.

“SECTION 6. Section 5 of this 2018 Act is repealed on August 1, 2019.

“AUTHORIZATION FOR ENVIRONMENTAL QUALITY COMMISSION TO ADOPT GREENHOUSE GAS REGULATORY PROGRAM

“SECTION 7. (1) Sections 8 and 9 of this 2018 Act become operative on August 1, 2019.

“(2) Any rules adopted by the Environmental Quality Commission under section 9 of this 2018 Act may not become operative until January 1, 2021.

“SECTION 8. Section 9 of this 2018 Act is added to and made a part of ORS chapter 468A.

“SECTION 9. (1) The Environmental Quality Commission shall, by rule, adopt a program for regulating greenhouse gas emissions attributable to:

“(a) Persons in control of air contamination sources of any class for which registration and reporting is required under ORS 468A.050;

“(b) Persons who import, sell, allocate or distribute electricity for use in this state; and

“(c) Persons who import, sell or distribute for use in this state fuel that emits greenhouse gases when combusted.

“(2) The purpose of a program adopted under this section shall be to reduce the total anthropogenic greenhouse gas emissions by all persons subject to the program as a proportionate share of statewide greenhouse gas emissions, as defined in section 4 of this 2018 Act, that must be reduced to prevent exceedance of the statewide greenhouse gas emissions limits established under section 4 of this 2018 Act.

“(3) The commission by rule may adopt a schedule of fees reasonably calculated not to exceed the costs to the Department of Envi-
ronmental Quality in developing and administering a program adopted under this section.

“CONFORMING PROVISIONS

“SECTION 10. ORS 184.617 is amended to read:

“184.617. (1) The Oregon Transportation Commission shall:

“(a) Establish the policies for the operation of the Department of Transportation in a manner consistent with the policies and purposes of ORS 184.610 to 184.665.

“(b) Develop and maintain state transportation policies, including but not limited to policies related to the management, construction and maintenance of highways and other transportation systems in Oregon, including but not limited to aviation, ports and rail.

“(c) Develop and maintain a comprehensive, 20-year long-range plan for a safe, multimodal transportation system for the state which encompasses economic efficiency, orderly economic development and environmental quality. The comprehensive, long-range plan:

“(A) Must include, but not be limited to, aviation, highways, mass transit, ports, rails and waterways; and

“(B) Must be used by all agencies and officers to guide and coordinate transportation activities and to ensure transportation planning utilizes the potential of all existing and developing modes of transportation.

“(d) In coordination with the State Marine Board, the Oregon Business Development Department, the State Aviation Board, cities, counties, mass transit districts organized under ORS 267.010 to 267.390 and transportation districts organized under ORS 267.510 to 267.650, develop plans for each mode of transportation and multimodal plans for the movement of people and freight. Subject to paragraph (c) of this subsection, the plans must include a list of projects needed to maintain and develop the transportation
infrastructure of this state for at least 20 years in the future.

“(e) For the plans developed under paragraph (d) of this subsection, include a list of projects for at least 20 years into the future that are capable of being accomplished using the resources reasonably expected to be available. As the plans are developed by the commission, the Director of Transportation shall prepare and submit implementation programs to the commission for approval. Work approved by the commission to carry out the plans shall be assigned to the appropriate unit of the Department of Transportation or other appropriate public body, as defined in ORS 174.109.

“(f) Initiate studies, as it deems necessary, to guide the director concerning the transportation needs of Oregon.

“(g) Prescribe the administrative practices followed by the director in the performance of any duty imposed on the director by law.

“(h) Seek to enter into intergovernmental agreements with local governments and local service districts, as those terms are defined in ORS 174.116, to encourage cooperation between the department and local governments and local service districts to maximize the efficiency of transportation systems in Oregon.

“(i) Review and approve the department’s:

“(A) Proposed transportation projects, as described in the Statewide Transportation Improvement Program, and any significant transportation project modifications, as determined by the commission;

“(B) Proposed budget form prior to the department submitting the form to the Oregon Department of Administrative Services under ORS 291.208;

“(C) Anticipated capital construction requirements;

“(D) Construction priorities; and

“(E) Selection, vacation or abandonment of state highways.

“(j) Adopt a statewide transportation strategy on greenhouse gas emissions to aid in achieving the greenhouse gas emissions reduction goals set forth in ORS 468A.205 (2017 Edition). The commission shall focus on reduc-
ing greenhouse gas emissions resulting from transportation. In developing
the strategy, the commission shall consider state and federal programs, pol-
icies and incentives related to reducing greenhouse gas emissions. The com-
mission shall consult and cooperate with metropolitan planning
organizations, other state agencies, local governments and stakeholders and
shall actively solicit public review and comment in the development of the
strategy. The commission shall periodically assess, update and modify
the strategy as necessary to prevent exceedance of the statewide
greenhouse gas emissions limits established under section 4 of this 2018
Act.

“(k) Perform any other duty vested in it by law.

“(2) The commission has general power to take any action necessary to
coordinate and administer programs relating to highways, motor carriers,
motor vehicles, public transit, rail, transportation safety and such other
programs related to transportation.

“(3) The commission may require the director to furnish whatever reports,
statistics, information or assistance the commission may request in order to
study the department or transportation-related issues.

“SECTION 11. ORS 468A.210 is amended to read:

“468A.210. As used in ORS 352.823 and 468A.200 to 468A.260,[:] 

“[(J)] ‘global warming’ means an increase in the average temperature of
the earth’s atmosphere that is associated with the release of greenhouse
gases.

“[(2) ‘Greenhouse gas’ means any gas that contributes to anthropogenic
global warming including, but not limited to, carbon dioxide, methane, nitrous
oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride.]

“[(3) ‘Greenhouse gas cap-and-trade system’ means a system that:

“[(a) Establishes a total cap on greenhouse gas emissions from an identified
group of emitters;]

“[(b) Establishes a market for allowances that represent emissions; and]
"[(c) Allows trading of allowances among greenhouse gas emitters.]

"SECTION 12. ORS 468A.235 is amended to read:

468A.235. The Oregon Global Warming Commission shall recommend
ways to coordinate state and local efforts to reduce greenhouse gas emissions
in Oregon consistent with [the greenhouse gas emissions reduction goals es-
tablished by ORS 468A.205] section 4 of this 2018 Act and shall recommend
efforts to help Oregon prepare for the effects of global warming. The Office
of the Governor and state agencies working on multistate and regional ef-
forts to reduce greenhouse gas emissions shall inform the commission about
these efforts and shall consider input from the commission for such efforts.

"SECTION 13. ORS 468A.240 is amended to read:

468A.240. (1) In furtherance of [the greenhouse gas emissions reduction
goals established by ORS 468A.205] section 4 of this 2018 Act, the Oregon
Global Warming Commission may recommend statutory and administrative
changes, policy measures and other recommendations to be carried out by
state and local governments, businesses, nonprofit organizations or residents.
In developing its recommendations, the commission shall consider economic,
environmental, health and social costs, and the risks and benefits of alter-
native strategies, including least-cost options. The commission shall solicit
and consider public comment relating to statutory, administrative or policy
recommendations.

"[(2) The commission shall examine greenhouse gas cap-and-trade systems,
including a statewide and multistate carbon cap-and-trade system and
market-based mechanisms, as a means of achieving the greenhouse gas emis-
sions reduction goals established by ORS 468A.205.]

"[(3)] (2) The commission shall examine possible funding mechanisms to
obtain low-cost greenhouse gas emissions reductions and energy efficiency
enhancements, including but not limited to those in the natural gas industry.

"SECTION 14. ORS 468A.250 is amended to read:

468A.250. (1) The Oregon Global Warming Commission shall track and
evaluate:

“(a) Economic, environmental, health and social assessments of global warming impacts on Oregon and the Pacific Northwest;

“(b) Existing greenhouse gas emissions reduction policies and measures;

“(c) Economic, environmental, health and social costs, and the risks and benefits of alternative strategies, including least-cost options;

“(d) The physical science of global warming;

“(e) Progress toward [the greenhouse gas emissions reduction goals established by ORS 468A.205] preventing exceedance of the statewide greenhouse gas emissions limits established under section 4 of this 2018 Act;

“(f) Greenhouse gases emitted by various sectors of the state economy, including but not limited to industrial, transportation and utility sectors;

“(g) Technological progress on sources of energy the use of which generates no or low greenhouse gas emissions and methods for carbon sequestration;

“(h) Efforts to identify the greenhouse gas emissions attributable to the residential and commercial building sectors;

“(i) The carbon sequestration potential of Oregon’s forests, alternative methods of forest management that can increase carbon sequestration and reduce the loss of carbon sequestration to wildfire, changes in the mortality and distribution of tree and other plant species and the extent to which carbon is stored in tree-based building materials;

“(j) The advancement of regional, national and international policies to reduce greenhouse gas emissions;

“(k) Local and regional efforts to prepare for the effects of global warming; and

“(L) Any other information, policies or analyses that the commission determines will aid in [the achievement of the greenhouse gas emissions reduction goals established by ORS 468A.205.] preventing exceedance of the
statewide greenhouse gas emissions limits established under section 4 of this 2018 Act.

“(2) The commission shall:

“(a) Work with the State Department of Energy and the Department of Environmental Quality to evaluate all gases with the potential to be greenhouse gases and to determine a carbon dioxide equivalency for those gases; and

“(b) Use regional and national baseline studies of building performance to identify incremental targets for the reduction of greenhouse gas emissions attributable to residential and commercial building construction and operations.

“SECTION 15. ORS 468A.260 is amended to read:

“468A.260. The Oregon Global Warming Commission shall submit a report to the Legislative Assembly, in the manner provided by ORS 192.245, by [March 31 of each odd-numbered year] September 15 of each even-numbered year that describes Oregon’s progress toward [achievement of the greenhouse gas emissions reduction goals established by ORS 468A.205] preventing exceedance of the statewide greenhouse gas emissions limits established under section 4 of this 2018 Act. The report may include relevant issues and trends of significance, including trends of greenhouse gas emissions, emerging public policy and technological advances. The report also may discuss measures the state may adopt to mitigate the impacts of global warming on the environment, the economy and the residents of Oregon and to prepare for those impacts.

“SECTION 16. ORS 468A.265 is amended to read:

“468A.265. As used in ORS 468A.265 to 468A.277:

“(1) ‘Biodiesel’ means a motor vehicle fuel consisting of mono-alkyl esters of long chain fatty acids derived from vegetable oils, animal fats or other nonpetroleum resources, not including palm oil.

“(2) ‘Clean fuels program’ means the program adopted by rule by the En-
(3) ‘Compliance period’ means the calendar year during which a regulated party must demonstrate compliance with the low carbon fuel standards through participation in the clean fuels program.

(4) ‘Credit’ means a unit of measure generated when a fuel with a carbon intensity that is less than the applicable low carbon fuel standard is produced, imported or dispensed for use in Oregon, such that one credit is equal to one metric ton of carbon dioxide equivalent.

(5) ‘Credit aggregator’ means a person who voluntarily registers to participate in the clean fuels program to facilitate credit generation on behalf of a credit generator and to trade credits with regulated parties, credit generators and other credit aggregators.

(6) ‘Credit generator’ means a person eligible to generate credits by providing fuels for use in Oregon with carbon intensities less than the applicable low carbon fuel standard.

(7) ‘Deferral’ means a delay or change in the applicability of a scheduled applicable low carbon fuel standard for a period of time, accomplished pursuant to an order issued under ORS 468A.273 or 468A.274.

(8) ‘Deficit’ means a unit of measure generated when a fuel with a carbon intensity that is more than the applicable low carbon fuel standard is produced, imported or dispensed for use in Oregon, such that one deficit is equal to one metric ton of carbon dioxide equivalent.

(9) ‘Greenhouse gas’ has the meaning given that term in ORS 468A.210.

(10) ‘Low carbon fuel standard’ means a standard adopted by the commission by rule under ORS 468A.266 for the reduction of greenhouse gas emissions, on average, per unit of fuel energy.

(11) ‘Motor vehicle’ has the meaning given that term in ORS 801.360.

(12) ‘Regulated party’ means a person responsible for complying with the low carbon fuel standards.
‘Small deficit’ means a net deficit balance at the end of a compliance period, after retirement of all credits held by a regulated party, that does not exceed a percentage set by the commission by rule of the total number of deficits that the regulated party generated for a compliance period and that may not be greater than 10 percent of the total number of deficits that the regulated party generated for a compliance period.

SECTION 17. ORS 468A.279 is amended to read:

As used in this section:

(a) ‘Greenhouse gas’ has the meaning given that term in ORS 468A.210.

(b) ‘Motor vehicle’ has the meaning given that term in ORS 801.360.

(2) The Environmental Quality Commission may adopt by rule standards and requirements described in this section to reduce greenhouse gas emissions.

(3)(a) The commission may adopt requirements to prevent the tampering, alteration and modification of the original design or performance of motor vehicle pollution control systems.

(b) Before adopting requirements under this section, the commission shall consider the antitampering requirements and exemptions of the State of California.

(4) The commission may adopt requirements for motor vehicle service providers to check and inflate tire pressure according to the tire manufacturer’s or motor vehicle manufacturer’s recommended specifications, provided that the requirements:

(a) Do not apply when the primary purpose of the motor vehicle service is fueling vehicles; and

(b) Do not require motor vehicle service providers to purchase equipment to check and inflate tire pressure.

(5) The commission may adopt restrictions on engine use by commercial ships while at port, and requirements that ports provide alternatives to engine use such as electric power, provided that:
“(a) Engine use shall be allowed when necessary to power mechanical or
electrical operations if alternatives are not reasonably available;
“(b) Engine use shall be allowed when necessary for reasonable periods
due to emergencies and other considerations as determined by the commis-

sion; and
“(c) The requirements must be developed in consultation with represen-
tatives of Oregon ports and take into account operational considerations,
operational agreements, international protocols and limitations, the ability
to fund the purchase and use of electric power equipment and the potential
effect of the requirements on competition with other ports.
“(6) In adopting rules under this section, the commission shall evaluate:
“(a) Safety, feasibility, net reduction of greenhouse gas emissions and
cost-effectiveness;
“(b) Potential adverse impacts to public health and the environment, in-
cluding but not limited to air quality, water quality and the generation and
disposal of waste in this state;
“(c) Flexible implementation approaches to minimize compliance costs;
and
“(d) Technical and economic studies of comparable greenhouse gas emis-
sions reduction measures implemented in other states and any other studies
as determined by the commission.
“(7) The provisions of this section do not apply to:
“(a) Motor vehicles registered as farm vehicles under the provisions of
ORS 805.300.
“(b) Farm tractors, as defined in ORS 801.265.
“(c) Implements of husbandry, as defined in ORS 801.310.
“(d) Motor trucks, as defined in ORS 801.355, used primarily to transport
logs.

“SECTION 18. ORS 468A.280 is amended to read:
“468A.280. (1) In addition to any registration and reporting that may be
required under ORS 468A.050, the Environmental Quality Commission by
rule may require registration and reporting by:

“(a) Any person who imports, sells, allocates or distributes for use in this
state electricity, the generation of which emits greenhouse gases.

“(b) Any person who imports, sells or distributes for use in this state
fossil fuel that generates greenhouse gases when combusted.

“(2) Rules adopted by the commission under this section for electricity
that is imported, sold, allocated or distributed for use in this state may re-
quire reporting of information necessary to determine greenhouse gas emis-
sions from generating facilities used to produce the electricity and related
electricity transmission line losses.

“(3)(a) The commission shall allow consumer-owned utilities, as defined
in ORS 757.270, to comply with reporting requirements imposed under this
section by the submission of a report prepared by a third party. A report
submitted under this paragraph may include information for more than one
consumer-owned utility, but must include all information required by the
commission for each individual utility.

“(b) For the purpose of determining greenhouse gas emissions related to
electricity purchased from the Bonneville Power Administration by a
consumer-owned utility, as defined in ORS 757.270, the commission may re-
quire only that the utility report:

“(A) The number of megawatt-hours of electricity purchased by the utility
from the Bonneville Power Administration, segregated by the types of con-
tracts entered into by the utility with the Bonneville Power Administration;
and

“(B) The percentage of each fuel or energy type used to produce electric-
ity purchased under each type of contract.

“(4)(a) Rules adopted by the commission pursuant to this section for
electricity that is purchased, imported, sold, allocated or distributed for use
in this state by an electric company, as defined in ORS 757.600, must be
limited to the reporting of:

“(A) Greenhouse gas emissions emitted from generating facilities owned or operated by the electric company;

“(B) Greenhouse gas emissions emitted from transmission equipment owned or operated by the electric company;

“(C) The number of megawatt-hours of electricity purchased by the electric company for use in this state, including information, if known, on:

“(i) The seller of the electricity to the electric company; and

“(ii) The original generating facility fuel type or types; and

“(D) An estimate of the amount of greenhouse gas emissions, using default greenhouse gas emissions factors established by the commission by rule, attributable to:

“(i) Electricity purchases made by a particular seller to the electric company;

“(ii) Electricity purchases from an unknown origin or from a seller who is unable to identify the original generating facility fuel type or types;

“(iii) Electricity purchases for which a renewable energy certificate under ORS 469A.130 has been issued but subsequently transferred or sold to a person other than the electric company;

“(iv) Electricity transmitted for others by the electric company; and

“(v) Total energy losses from electricity transmission and distribution equipment owned or operated by the electric company.

“(b) Pursuant to paragraph (a) of this subsection, a multijurisdictional electric company may rely upon a cost allocation methodology approved by the Public Utility Commission for reporting emissions allocated in this state.

“(5) Rules adopted by the commission under this section for fossil fuel that is imported, sold or distributed for use in this state may require reporting of the type and quantity of the fuel and any additional information necessary to determine the carbon content of the fuel. For the purpose of determining greenhouse gas emissions related to liquefied petroleum gas, the
commission shall allow reporting using publications or submission of data by the American Petroleum Institute but may require reporting of such other information necessary to achieve the purposes of the rules adopted by the commission under this section.

“(6) To an extent that is consistent with the purposes of the rules adopted by the commission under this section, the commission shall minimize the burden of the reporting required under this section by:

“(a) Allowing concurrent reporting of information that is also reported to another state agency;

“(b) Allowing electronic reporting;

“(c) Allowing use of good engineering practice calculations in reports, or of emission factors published by the United States Environmental Protection Agency;

“(d) Establishing thresholds for the amount of specific greenhouse gases that may be emitted or generated without reporting;

“(e) Requiring reporting by the fewest number of persons in a fuel distribution system that will allow the commission to acquire the information needed by the commission; or

“(f) Other appropriate means and procedures determined by the commission.

“(7) As used in this section, ‘greenhouse gas’ has the meaning given that term in ORS 468A.210.

“SECTION 19. ORS 757.357 is amended to read:

“757.357. (1) As used in this section:

“(a) ‘Electric company’ has the meaning given that term in ORS 757.600.

“(b) ‘Transportation electrification’ means:

“(A) The use of electricity from external sources to provide power to all or part of a vehicle;

“(B) Programs related to developing the use of electricity for the purpose described in subparagraph (A) of this paragraph; and
“(C) Infrastructure investments related to developing the use of electricity for the purpose described in subparagraph (A) of this paragraph.

“(c) ‘Vehicle’ means a vehicle, vessel, train, boat or any other equipment that is mobile.

“(2) The Legislative Assembly finds and declares that:

“(a) Transportation electrification is necessary to reduce petroleum use, achieve optimum levels of energy efficiency and carbon reduction, meet federal and state air quality standards, meet this state’s greenhouse gas emissions reduction goals described in ORS 468A.205] prevent exceedance of the statewide greenhouse gas emissions limits established under section 4 of this 2018 Act and improve the public health and safety;

“(b) Widespread transportation electrification requires that electric companies increase access to the use of electricity as a transportation fuel;

“(c) Widespread transportation electrification requires that electric companies increase access to the use of electricity as a transportation fuel in low and moderate income communities;

“(d) Widespread transportation electrification should stimulate innovation and competition, provide consumers with increased options in the use of charging equipment and in procuring services from suppliers of electricity, attract private capital investments and create high quality jobs in this state;

“(e) Transportation electrification and the purchase and use of electric vehicles should assist in managing the electrical grid, integrating generation from renewable energy resources and improving electric system efficiency and operational flexibility, including the ability of an electric company to integrate variable generating resources;

“(f) Deploying transportation electrification and electric vehicles creates the opportunity for an electric company to propose, to the Public Utility Commission, that a net benefit for the customers of the electric company is attainable; and

“(g) Charging electric vehicles in a manner that provides benefits to
electrical grid management affords fuel cost savings for vehicle drivers.

“(3) The Public Utility Commission shall direct each electric company to file applications, in a form and manner prescribed by the commission, for programs to accelerate transportation electrification. A program proposed by an electric company may include prudent investments in or customer rebates for electric vehicle charging and related infrastructure.

“(4) When considering a transportation electrification program and determining cost recovery for investments and other expenditures related to a program proposed by an electric company under subsection (3) of this section, the commission shall consider whether the investments and other expenditures:

“(a) Are within the service territory of the electric company;
“(b) Are prudent as determined by the commission;
“(c) Are reasonably expected to be used and useful as determined by the commission;
“(d) Are reasonably expected to enable the electric company to support the electric company’s electrical system;
“(e) Are reasonably expected to improve the electric company’s electrical system efficiency and operational flexibility, including the ability of the electric company to integrate variable generating resources; and
“(f) Are reasonably expected to stimulate innovation, competition and customer choice in electric vehicle charging and related infrastructure and services.

“(5)(a) Tariff schedules and rates allowed pursuant to subsection (3) of this section:
“(A) May allow a return of and a return on an investment made by an electric company under subsection (3) of this section; and
“(B) Shall be recovered from all customers of an electric company in a manner that is similar to the recovery of distribution system investments.
“(b) A return on investment allowed under this subsection may be earned
for a period of time that does not exceed the depreciation schedule of the
investment approved by the commission. When an electric company’s invest-
ment is fully depreciated, the commission may authorize the electric company
to donate the electric vehicle charging infrastructure to the owner of the
property on which the infrastructure is located.

“(6) For purposes of ORS 757.355, electric vehicle charging infrastructure
provides utility service to the customers of an electric company.

“(7) In authorizing programs described in subsection (3) of this section,
the commission shall review data concerning current and future adoption of
electric vehicles and utilization of electric vehicle charging infrastructure.
If market barriers unrelated to the investment made by an electric company
prevent electric vehicles from adequately utilizing available electric vehicle
charging infrastructure, the commission may not permit additional invest-
ments in transportation electrification without a reasonable showing that
the investments would not result in long-term stranded costs recoverable
from the customers of electric companies.

“SECTION 20. ORS 757.528 is amended to read:

“757.528. (1) Unless modified by rule by the State Department of Energy
as provided in this section, the greenhouse gas emissions standard that ap-
plies to consumer-owned utilities is 1,100 pounds of greenhouse gases per
megawatt-hour for a generating facility.

“(2) Unless modified pursuant to subsection (4) of this section, the
greenhouse gas emissions standard includes only carbon dioxide emissions.

“(3) For purposes of applying the emissions standard to cogeneration fa-
cilities, the department shall establish an output-based methodology to en-
sure that the calculation of emissions of greenhouse gases for cogeneration
facilities recognizes the total usable energy output of the process and in-
cludes all greenhouse gases emitted by the facility in the production of both
electrical and thermal energy.

“(4) The department shall review the greenhouse gas emissions standard
established under this section no more than once every three years. After
public notice and hearing, and consultation with the Public Utility Com-
mission, the department may:

“(a) Modify the emissions standard to include other greenhouse gases as
defined in ORS 468A.210, with the other greenhouse gases ex-
pressed as their carbon dioxide equivalent; and

“(b) Modify the emissions standard based upon current information on the
rate of greenhouse gas emissions from a commercially available combined-
cycle natural gas generating facility that:

“(A) Employs a combination of one or more gas turbines and one or more
steam turbines and produces electricity in the steam turbines from waste
heat produced by the gas turbines;

“(B) Has a heat rate at high elevation within the boundaries of the
Western Electricity Coordinating Council; and

“(C) Has a heat rate at ambient temperatures when operating during the
hottest day of the year.

“(5) In modifying the greenhouse gas emissions standard, the department
shall:

“(a) Use an output-based methodology to ensure that the calculation of
greenhouse gas emissions through cogeneration recognizes the total usable
energy output of the process and includes all greenhouse gases emitted by
the generating facility in the production of both electrical and thermal en-
ergy; and

“(b) Consider the effects of the emissions standard on system reliability
and overall costs to electricity consumers.

“(6) If upon a review conducted pursuant to subsection (4) of this section,
the department determines that a mandatory greenhouse gas emissions limit
has been established pursuant to state or federal law, the department shall
issue a report to the appropriate legislative committees of the Legislative
Assembly stating which portions, if any, of the greenhouse gas emissions
standard are no longer necessary as a matter of state law.

“SECTION 21. Section 9, chapter 751, Oregon Laws 2009, is amended to read:

“Sec. 9. (1) The Public Utility Commission shall develop estimates of the rate impacts for electric companies and natural gas companies to meet the following alternative greenhouse gas emission reduction goals for 2020:

“(a) Ten percent below 1990 levels, as specified in ORS 468A.205; and

“(b) Fifteen percent below 2005 levels.

“(2) The commission shall submit a report presenting the estimates and explaining the analysis used to develop the estimates to the appropriate interim committee of the Legislative Assembly prior to November 1 of each even-numbered year.

“SECTION 22. ORS 468A.200 to 468A.260 are added to and made a part of ORS chapter 468A.

“CAPTIONS

“SECTION 23. The unit captions used in this 2018 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2018 Act.

“EMERGENCY CLAUSE

“SECTION 24. This 2018 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2018 Act takes effect on its passage.”.