

Requested by Representative KOTEK

**PROPOSED AMENDMENTS TO  
HOUSE BILL 4001**

1 On page 1 of the printed bill, delete lines 6 through 15.

2 On page 2, delete lines 1 through 43.

3 Delete line 45 and delete pages 3 through 33 and insert:

4

5 **“GREENHOUSE GAS’ DEFINED FOR PURPOSES OF**  
6 **AIR QUALITY LAWS**

7

8 **“SECTION 1.** ORS 468A.005 is amended to read:

9 “468A.005. As used in ORS chapters 468, 468A and 468B, unless the con-  
10 text requires otherwise:

11 “(1) ‘Air-cleaning device’ means any method, process or equipment which  
12 removes, reduces or renders less noxious air contaminants prior to their  
13 discharge in the atmosphere.

14 “(2) ‘Air contaminant’ means a dust, fume, gas, mist, odor, smoke, vapor,  
15 pollen, soot, carbon, acid or particulate matter or any combination thereof.

16 “(3) ‘Air contamination’ means the presence in the outdoor atmosphere  
17 of one or more air contaminants which contribute to a condition of air pol-  
18 lution.

19 “(4) ‘Air contamination source’ means any source at, from, or by reason  
20 of which there is emitted into the atmosphere any air contaminant, regard-  
21 less of who the person may be who owns or operates the building, premises

1 or other property in, at or on which such source is located, or the facility,  
2 equipment or other property by which the emission is caused or from which  
3 the emission comes.

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

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

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

16

17 **“STATEWIDE GREENHOUSE GAS EMISSION LIMITS**

18

19 **“SECTION 2. ORS 468A.205 is repealed.**

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

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

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

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

30 **“(2) The Environmental Quality Commission shall adopt by rule:**



1 **sembly as set forth in subsection (1) of this section.**

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

3  
4 **“AUTHORIZATION FOR ENVIRONMENTAL QUALITY COMMISSION**  
5 **TO ADOPT GREENHOUSE GAS REGULATORY PROGRAM**

6  
7 **“SECTION 7. (1) Sections 8 and 9 of this 2018 Act become operative**  
8 **on August 1, 2019.**

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

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

14 **“SECTION 9. (1) The Environmental Quality Commission shall, by**  
15 **rule, adopt a program for regulating greenhouse gas emissions attrib-**  
16 **utable to:**

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

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

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

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

29 **“(3) The commission by rule may adopt a schedule of fees reason-**  
30 **ably calculated not to exceed the costs to the Department of Envi-**

1 **ronmental Quality in developing and administering a program adopted**  
2 **under this section.**

3

4

#### “CONFORMING PROVISIONS

5

6 **“SECTION 10.** ORS 184.617 is amended to read:

7 “184.617. (1) The Oregon Transportation Commission shall:

8 “(a) Establish the policies for the operation of the Department of Trans-  
9 portation in a manner consistent with the policies and purposes of ORS  
10 184.610 to 184.665.

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

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

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

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

24 “(d) In coordination with the State Marine Board, the Oregon Business  
25 Development Department, the State Aviation Board, cities, counties, mass  
26 transit districts organized under ORS 267.010 to 267.390 and transportation  
27 districts organized under ORS 267.510 to 267.650, develop plans for each mode  
28 of transportation and multimodal plans for the movement of people and  
29 freight. Subject to paragraph (c) of this subsection, the plans must include  
30 a list of projects needed to maintain and develop the transportation

1 infrastructure of this state for at least 20 years in the future.

2 “(e) For the plans developed under paragraph (d) of this subsection, in-  
3 clude a list of projects for at least 20 years into the future that are capable  
4 of being accomplished using the resources reasonably expected to be avail-  
5 able. As the plans are developed by the commission, the Director of Trans-  
6 portation shall prepare and submit implementation programs to the  
7 commission for approval. Work approved by the commission to carry out the  
8 plans shall be assigned to the appropriate unit of the Department of Trans-  
9 portation or other appropriate public body, as defined in ORS 174.109.

10 “(f) Initiate studies, as it deems necessary, to guide the director concern-  
11 ing the transportation needs of Oregon.

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

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

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

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

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

25 “(C) Anticipated capital construction requirements;

26 “(D) Construction priorities; and

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

28 “(j) Adopt a statewide transportation strategy on greenhouse gas emis-  
29 sions to aid in achieving the greenhouse gas emissions reduction goals set  
30 forth in ORS 468A.205 (**2017 Edition**). The commission shall focus on reduc-

1 ing greenhouse gas emissions resulting from transportation. In developing  
2 the strategy, the commission shall consider state and federal programs, pol-  
3 icies and incentives related to reducing greenhouse gas emissions. The com-  
4 mission shall consult and cooperate with metropolitan planning  
5 organizations, other state agencies, local governments and stakeholders and  
6 shall actively solicit public review and comment in the development of the  
7 strategy. **The commission shall periodically assess, update and modify**  
8 **the strategy as necessary to prevent exceedance of the statewide**  
9 **greenhouse gas emissions limits established under section 4 of this 2018**  
10 **Act.**

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

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

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

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

20 “468A.210. As used in ORS 352.823 and 468A.200 to 468A.260,[:]

21 “[*1*] ‘global warming’ means an increase in the average temperature of  
22 the earth’s atmosphere that is associated with the release of greenhouse  
23 gases.

24 “[*2*] ‘Greenhouse gas’ means any gas that contributes to anthropogenic  
25 global warming including, but not limited to, carbon dioxide, methane, nitrous  
26 oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride.]

27 “[*3*] ‘Greenhouse gas cap-and-trade system’ means a system that:]

28 “[*a*] Establishes a total cap on greenhouse gas emissions from an identified  
29 group of emitters;]

30 “[*b*] Establishes a market for allowances that represent emissions; and]

1       “[(c) Allows trading of allowances among greenhouse gas emitters.]

2       “**SECTION 12.** ORS 468A.235 is amended to read:

3       “468A.235. The Oregon Global Warming Commission shall recommend  
4 ways to coordinate state and local efforts to reduce greenhouse gas emissions  
5 in Oregon consistent with [*the greenhouse gas emissions reduction goals es-*  
6 *tablished by ORS 468A.205*] **section 4 of this 2018 Act** and shall recommend  
7 efforts to help Oregon prepare for the effects of global warming. The Office  
8 of the Governor and state agencies working on multistate and regional ef-  
9 forts to reduce greenhouse gas emissions shall inform the commission about  
10 these efforts and shall consider input from the commission for such efforts.

11       “**SECTION 13.** ORS 468A.240 is amended to read:

12       “468A.240. (1) In furtherance of [*the greenhouse gas emissions reduction*  
13 *goals established by ORS 468A.205*] **section 4 of this 2018 Act**, the Oregon  
14 Global Warming Commission may recommend statutory and administrative  
15 changes, policy measures and other recommendations to be carried out by  
16 state and local governments, businesses, nonprofit organizations or residents.  
17 In developing its recommendations, the commission shall consider economic,  
18 environmental, health and social costs, and the risks and benefits of alter-  
19 native strategies, including least-cost options. The commission shall solicit  
20 and consider public comment relating to statutory, administrative or policy  
21 recommendations.

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

26       “[(3)] (2) The commission shall examine possible funding mechanisms to  
27 obtain low-cost greenhouse gas emissions reductions and energy efficiency  
28 enhancements, including but not limited to those in the natural gas industry.

29       “**SECTION 14.** ORS 468A.250 is amended to read:

30       “468A.250. (1) The Oregon Global Warming Commission shall track and



1 evaluate:

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

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

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

7 “(d) The physical science of global warming;

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

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

14 “(g) Technological progress on sources of energy the use of which gener-  
15 ates no or low greenhouse gas emissions and methods for carbon  
16 sequestration;

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

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

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

26 “(k) Local and regional efforts to prepare for the effects of global warm-  
27 ing; and

28 “(L) Any other information, policies or analyses that the commission de-  
29 termines will aid in [*the achievement of the greenhouse gas emissions re-*  
30 *duction goals established by ORS 468A.205.*] **preventing exceedance of the**

1 **statewide greenhouse gas emissions limits established under section 4**  
2 **of this 2018 Act.**

3 “(2) The commission shall:

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

8 “(b) Use regional and national baseline studies of building performance  
9 to identify incremental targets for the reduction of greenhouse gas emissions  
10 attributable to residential and commercial building construction and oper-  
11 ations.

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

13 “468A.260. The Oregon Global Warming Commission shall submit a report  
14 to the Legislative Assembly, in the manner provided by ORS 192.245, by  
15 [*March 31 of each odd-numbered year*] **September 15 of each even-**  
16 **numbered year** that describes Oregon’s progress toward [*achievement of the*  
17 *greenhouse gas emissions reduction goals established by ORS 468A.205*] **pre-**  
18 **venting exceedance of the statewide greenhouse gas emissions limits**  
19 **established under section 4 of this 2018 Act.** The report may include rel-  
20 evant issues and trends of significance, including trends of greenhouse gas  
21 emissions, emerging public policy and technological advances. The report  
22 also may discuss measures the state may adopt to mitigate the impacts of  
23 global warming on the environment, the economy and the residents of  
24 Oregon and to prepare for those impacts.

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

26 “468A.265. As used in ORS 468A.265 to 468A.277:

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

30 “(2) ‘Clean fuels program’ means the program adopted by rule by the En-

1 vironmental Quality Commission under ORS 468A.266 (1)(b).

2 “(3) ‘Compliance period’ means the calendar year during which a regu-  
3 lated party must demonstrate compliance with the low carbon fuel standards  
4 through participation in the clean fuels program.

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

9 “(5) ‘Credit aggregator’ means a person who voluntarily registers to par-  
10 ticipate in the clean fuels program to facilitate credit generation on behalf  
11 of a credit generator and to trade credits with regulated parties, credit gen-  
12 erators and other credit aggregators.

13 “(6) ‘Credit generator’ means a person eligible to generate credits by  
14 providing fuels for use in Oregon with carbon intensities less than the ap-  
15 plicable low carbon fuel standard.

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

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

23 “[9] ‘Greenhouse gas’ has the meaning given that term in ORS 468A.210.]

24 “[10] (9) ‘Low carbon fuel standard’ means a standard adopted by the  
25 commission by rule under ORS 468A.266 for the reduction of greenhouse gas  
26 emissions, on average, per unit of fuel energy.

27 “[11] (10) ‘Motor vehicle’ has the meaning given that term in ORS  
28 801.360.

29 “[12] (11) ‘Regulated party’ means a person responsible for complying  
30 with the low carbon fuel standards.

1       “[(13)] (12) ‘Small deficit’ means a net deficit balance at the end of a  
2 compliance period, after retirement of all credits held by a regulated party,  
3 that does not exceed a percentage set by the commission by rule of the total  
4 number of deficits that the regulated party generated for a compliance period  
5 and that may not be greater than 10 percent of the total number of deficits  
6 that the regulated party generated for a compliance period.

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

8       “468A.279. (1) As used in this section[:],

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

10       “[(b)] ‘motor vehicle’ has the meaning given that term in ORS 801.360.

11       “(2) The Environmental Quality Commission may adopt by rule standards  
12 and requirements described in this section to reduce greenhouse gas emis-  
13 sions.

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

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

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

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

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

28       “(5) The commission may adopt restrictions on engine use by commercial  
29 ships while at port, and requirements that ports provide alternatives to en-  
30 gine use such as electric power, provided that:

1 “(a) Engine use shall be allowed when necessary to power mechanical or  
2 electrical operations if alternatives are not reasonably available;

3 “(b) Engine use shall be allowed when necessary for reasonable periods  
4 due to emergencies and other considerations as determined by the commis-  
5 sion; and

6 “(c) The requirements must be developed in consultation with represen-  
7 tatives of Oregon ports and take into account operational considerations,  
8 operational agreements, international protocols and limitations, the ability  
9 to fund the purchase and use of electric power equipment and the potential  
10 effect of the requirements on competition with other ports.

11 “(6) In adopting rules under this section, the commission shall evaluate:

12 “(a) Safety, feasibility, net reduction of greenhouse gas emissions and  
13 cost-effectiveness;

14 “(b) Potential adverse impacts to public health and the environment, in-  
15 cluding but not limited to air quality, water quality and the generation and  
16 disposal of waste in this state;

17 “(c) Flexible implementation approaches to minimize compliance costs;  
18 and

19 “(d) Technical and economic studies of comparable greenhouse gas emis-  
20 sions reduction measures implemented in other states and any other studies  
21 as determined by the commission.

22 “(7) The provisions of this section do not apply to:

23 “(a) Motor vehicles registered as farm vehicles under the provisions of  
24 ORS 805.300.

25 “(b) Farm tractors, as defined in ORS 801.265.

26 “(c) Implements of husbandry, as defined in ORS 801.310.

27 “(d) Motor trucks, as defined in ORS 801.355, used primarily to transport  
28 logs.

29 **“SECTION 18.** ORS 468A.280 is amended to read:

30 “468A.280. (1) In addition to any registration and reporting that may be

1 required under ORS 468A.050, the Environmental Quality Commission by  
2 rule may require registration and reporting by:

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

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

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

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

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

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

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

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

1 limited to the reporting of:

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

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

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

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

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

10 “(D) An estimate of the amount of greenhouse gas emissions, using default  
11 greenhouse gas emissions factors established by the commission by rule, at-  
12 tributable to:

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

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

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

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

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

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

26 “(5) Rules adopted by the commission under this section for fossil fuel  
27 that is imported, sold or distributed for use in this state may require re-  
28 porting of the type and quantity of the fuel and any additional information  
29 necessary to determine the carbon content of the fuel. For the purpose of  
30 determining greenhouse gas emissions related to liquefied petroleum gas, the

1 commission shall allow reporting using publications or submission of data  
2 by the American Petroleum Institute but may require reporting of such other  
3 information necessary to achieve the purposes of the rules adopted by the  
4 commission under this section.

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

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

10 “(b) Allowing electronic reporting;

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

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

16 “(e) Requiring reporting by the fewest number of persons in a fuel dis-  
17 tribution system that will allow the commission to acquire the information  
18 needed by the commission; or

19 “(f) Other appropriate means and procedures determined by the commis-  
20 sion.

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

23 **“SECTION 19.** ORS 757.357 is amended to read:

24 “757.357. (1) As used in this section:

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

26 “(b) ‘Transportation electrification’ means:

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

29 “(B) Programs related to developing the use of electricity for the purpose  
30 described in subparagraph (A) of this paragraph; and



1 “(C) Infrastructure investments related to developing the use of electricity  
2 for the purpose described in subparagraph (A) of this paragraph.

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

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

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

12 “(b) Widespread transportation electrification requires that electric com-  
13 panies increase access to the use of electricity as a transportation fuel;

14 “(c) Widespread transportation electrification requires that electric com-  
15 panies increase access to the use of electricity as a transportation fuel in low  
16 and moderate income communities;

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

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

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

30 “(g) Charging electric vehicles in a manner that provides benefits to

1 electrical grid management affords fuel cost savings for vehicle drivers.

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

7 “(4) When considering a transportation electrification program and de-  
8 termining cost recovery for investments and other expenditures related to a  
9 program proposed by an electric company under subsection (3) of this sec-  
10 tion, the commission shall consider whether the investments and other ex-  
11 penditures:

12 “(a) Are within the service territory of the electric company;

13 “(b) Are prudent as determined by the commission;

14 “(c) Are reasonably expected to be used and useful as determined by the  
15 commission;

16 “(d) Are reasonably expected to enable the electric company to support  
17 the electric company’s electrical system;

18 “(e) Are reasonably expected to improve the electric company’s electrical  
19 system efficiency and operational flexibility, including the ability of the  
20 electric company to integrate variable generating resources; and

21 “(f) Are reasonably expected to stimulate innovation, competition and  
22 customer choice in electric vehicle charging and related infrastructure and  
23 services.

24 “(5)(a) Tariff schedules and rates allowed pursuant to subsection (3) of  
25 this section:

26 “(A) May allow a return of and a return on an investment made by an  
27 electric company under subsection (3) of this section; and

28 “(B) Shall be recovered from all customers of an electric company in a  
29 manner that is similar to the recovery of distribution system investments.

30 “(b) A return on investment allowed under this subsection may be earned

1 for a period of time that does not exceed the depreciation schedule of the  
2 investment approved by the commission. When an electric company's invest-  
3 ment is fully depreciated, the commission may authorize the electric company  
4 to donate the electric vehicle charging infrastructure to the owner of the  
5 property on which the infrastructure is located.

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

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

17 **“SECTION 20.** ORS 757.528 is amended to read:

18 “757.528. (1) Unless modified by rule by the State Department of Energy  
19 as provided in this section, the greenhouse gas emissions standard that ap-  
20 plies to consumer-owned utilities is 1,100 pounds of greenhouse gases per  
21 megawatt-hour for a generating facility.

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

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

30 “(4) The department shall review the greenhouse gas emissions standard

1 established under this section no more than once every three years. After  
2 public notice and hearing, and consultation with the Public Utility Com-  
3 mission, the department may:

4 “(a) Modify the emissions standard to include other greenhouse gases as  
5 defined in ORS [468A.210] **468A.005**, with the other greenhouse gases ex-  
6 pressed as their carbon dioxide equivalent; and

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

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

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

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

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

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

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

26 “(6) If upon a review conducted pursuant to subsection (4) of this section,  
27 the department determines that a mandatory greenhouse gas emissions limit  
28 has been established pursuant to state or federal law, the department shall  
29 issue a report to the appropriate legislative committees of the Legislative  
30 Assembly stating which portions, if any, of the greenhouse gas emissions

1 standard are no longer necessary as a matter of state law.

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

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

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

8 “(b) Fifteen percent below 2005 levels.

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

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

15

16 **“CAPTIONS**

17

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

22

23 **“EMERGENCY CLAUSE**

24

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

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