

SB 928 -1, -2, -4, -5, -6, -8 STAFF MEASURE SUMMARY

Senate Committee On Environment and Natural Resources

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Meeting Dates: 4/8, 4/9

WHAT THE MEASURE DOES:

Makes legislative findings and declarations. **Establishes the Oregon Climate Authority (OCA)** and lists responsibilities. Stipulates that OCA is under the supervision of a director appointed by the Governor and subject to confirmation by the Senate. Lists director's duties. **Creates the Oregon Climate Board (Board)** with six ex-officio, non-voting members plus nine voting members appointed by the Governor and subject to Senate confirmation. Requires appointed members to be Oregon residents who are well informed in energy and climate issues and who represent specified interests and two at-large members. Requires that Governor appoint Board chairperson and that Board meet once every calendar quarter at various locations throughout the state. Lists duties of Board advising the OCA Director. Specifies that by arrangement with the Board chairperson, the OCA Director will review OCA activities with the Board and, subject to Board policy direction, outline the OCA methods, policies, and program of work. Requires Board to receive regular updates from the Energy Facility Siting Council and the Oregon Hanford Cleanup Board.

Transfers greenhouse gas registration and reporting program from Department of Environmental Quality to OCA, including unexpended revenues made available for program and program administrative rules. Authorizes Director to adopt rule requiring audit by independent and disinterested party to verify that emission information reported by person is true and accurate. Requires reporting of generating facility fuel type and megawatt-hours of electricity generated by electric company for use in Oregon. Authorizes OCA to develop an assigned emissions level for purposes of greenhouse gas emissions regulatory program. Authorizes OCA to establish fees for registration and reporting; fees limited to anticipated cost of developing, implementing, and analyzing data collected under program.

Abolishes State Department of Energy (ODOE). Transfers ODOE records, property, employees, and unexpended revenues. Stipulates that ODOE administrative rules remain in effect until superseded or repealed by OCA or Oregon Business and Development Department (OBDD).

Modifies permissible uses of **energy supplier assessment** to fund: programs and activities of the Energy Facility Siting Council, the OCA energy services programs, and the administrative overhead and shared service costs attributable to the foregoing programs and activities. Defines "energy services program." Directs Secretary of State to conduct an audit no later than September 15 of each even numbered year to determine if the assessment and its uses during previous biennium comply with statute.

Revises tasks assigned to **stakeholder advisory work group**.

Creates Energy Program Review Task Force comprised of seven appointed members and five, ex-officio voting members. Directs task force to review all duties, functions, and powers of OCA to assess if programs and activities properly align with policy and OCA duties in Act and make recommendations to the Governor and legislature. Requires task force report to interim legislative committees no later than September 15, 2021.

Makes **housekeeping** amendments to ODOE statutes to reflect assumption by OCA.

Transfers Small Scale Energy Loan Program (SELP) to OBDD. Establishes minimum and maximum application fees. Directs OBDD to conduct a study to determine the commercial needs in Oregon for small scale energy project

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loans and initially complete and report findings to the Governor and interim legislative committees no later than September 15, 2020. Based on this study, requires OBDD director to adopt by rule standards and criteria for program. Requires OBDD to refer application and findings and recommendations to the Oregon Infrastructure Finance Authority Board or designee for approval or rejection. Modifies basis for Board findings on application and makes other modifications to loan terms. Abolishes specified funds and transfers any moneys remaining into SELP Administration and Bond Sinking Fund.

Abolishes Sustainability Board and Oregon Global Warming Commission. Repeals Energy Efficiency and Sustainable Technology Loan Program.

Prohibits rules adopted by OCA director from becoming operative until January 1, 2020. Establishes operative date of January 1, 2020 for most provisions in Act except for Energy Program Review Task Force, SELP study, and certain fund transfers. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

- 1 Changes amount energy supplier assessment may not exceed from 0.375 to 0.15 percent of suppliers gross operating revenue derived in Oregon in preceding calendar year.
- 2 Transfers rulemaking authority from Oregon Climate Authority (OCA) director to OCA Board.
- 4 Revises language in policy statement regarding system of diverse energy resources and related infrastructure.
- 5 Establishes state policy that all carbon programs under the OCA meet specified standards.
- 6 Requires Oregon Climate Authority director to report annually to committees or interim committees of the Legislative Assembly related to energy and the environment, including an analysis of how the OCA programs meet the policy stated in Section 2 of the Act.
- 8 Revises goal statement regarding promotion of efficient use of energy resources. Adds non-voting, ex-officio members to Oregon Climate Board (OCB). Revises term limits for first members appointed to OCB. Requires OCB to submit annual report to Legislative Assembly on activities related to establishment of Oregon Climate Authority (OCA). Repeals reporting requirement January 2, 2023. Amends greenhouse gas (GHG) registration and reporting statute (ORS 468A.280). Requires person required to register and report to make reports containing information that Environmental Quality Commission (EQC) may require by rule to determine and verify GHG emissions. Authorizes EQC to by rule require person to provide an audit by an independent and disinterested party to verify GHG information reported is true and accurate. Authorizes rule adopted by EQC to require reporting of type and quantity of fuel and any additional information necessary to determine GHG emissions associate with use or combustion of fuel. Specifies that for persons failing to report, EQC may develop an assigned emissions level for person if necessary for purpose of regulating person under any GHG regulation program adopted by Legislative Assembly. Authorizes EQC to adopt schedule of fees for registration and reporting limited to anticipated cost of developing, implementing, and analyzing data collected. Transfers GHG registration and reporting program to the OCA effective January 1, 2022 and makes corresponding amendments. Transfers energy supplier assessment (ESA) to OCA with operative date of July 1, 2020. Changes ESA from not to exceed 0.375 percent to not to exceed 0.25 percent of the supplier's gross operating revenue derived within the state in the preceding calendar year, effective July 1, 2021. Revises purposes for which ESA moneys may be spent effective July 1, 2021. Defines energy service programs. Requires Secretary of State to conduct an audit no later than September 15 of each even-numbered year to determine whether the ESA and its uses during the previous biennium complied with requirements. Modifies role of ESA advisory work group effective July 1, 2021. Revises definition of "energy

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services program" effective January 1, 2022 to exclude GHG reporting program. Establishes Energy Program Review Task Force and assigns task force with providing Governor and Legislative Assembly recommendations on OCA programs. Require Task Force submit initial report no later than November 30, 2019. Directs OCA to provide staff support to the Task Force. Adds references to section 2 of Act (policy). Establishes what may be included in content of public purpose program biennial report to Legislative Assembly. Abolishes specified funds effective July 1, 2020. Requires Oregon Business Development Department to report study findings no later than September 1, 2021. Removes repeal of Sustainability Board statutes.

BACKGROUND:

Senate Bill 928 would create the Oregon Climate Authority.