SUMMARY

Repeals greenhouse gas emissions reduction goals. Directs Environmental Quality Commission to adopt by rule statewide greenhouse gas emissions limits.

Authorizes commission to adopt by rule greenhouse gas regulatory programs.

Declares emergency, effective on passage.

A BILL FOR AN ACT


Be It Enacted by the People of the State of Oregon:

“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] that 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] that 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 quantities 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 Environmental 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 EMISSIONS LIMITS

SECTION 2. ORS 468A.205 is repealed.

SECTION 3. Section 4 of this 2020 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 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
(b) 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.

**AUTHORIZATION FOR ENVIRONMENTAL QUALITY COMMISSION TO ADOPT GREENHOUSE GAS REGULATORY PROGRAMS**

**SECTION 5.** (1) Section 7 of this 2020 Act becomes operative on August 1, 2021.

(2) Any rules adopted by the Environmental Quality Commission under section 7 of this 2020 Act may not become operative until January 1, 2022.

**SECTION 6.** Section 7 of this 2020 Act is added to and made a part of ORS chapter 468A.

**SECTION 7.** (1) The Environmental Quality Commission shall, by rule, adopt programs for regulating greenhouse gas emissions attributable to:
(a) Persons in control of air contamination sources of any class for which registration and reporting are required under ORS 468A.050;
(b) Persons who import, sell, allocate or distribute electricity for use in this state;
(c) Persons who import, sell, allocate or distribute natural gas for use in this state; and
(d) Persons who import, sell or distribute for use in this state liquid or gaseous fuel other than natural gas that emits greenhouse gases when combusted.

(2) The purpose of programs adopted under this section shall be to reduce the total anthropogenic greenhouse gas emissions by all persons subject to each program as a proportionate share of statewide greenhouse gas emissions, as defined in section 4 of this 2020 Act, that must be reduced to prevent exceedance of the statewide greenhouse gas emissions limits established under section 4 of this 2020 Act.

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

CONFORMING PROVISIONS

SECTION 8. 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 267.394 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 (2019 Edition). The commission shall focus on reducing greenhouse gas emissions resulting from transportation. In developing the strategy, the commission shall consider state and federal programs, policies and incentives related to reducing greenhouse gas emissions. The commission 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 2020 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 9. ORS 283.398 is amended to read:

283.398. (1) As used in this section and ORS 283.401, “zero-emission vehicle” means a battery electric vehicle, a plug-in hybrid electric vehicle or a hydrogen fuel cell vehicle or any type of vehicle defined by the State Department of Energy or the Environmental Quality Commission by rule as a
“zero-emission vehicle” if the vehicle’s type and fuel are consistent with the
goals set forth in this section.

(2) The Legislative Assembly finds that:
(a) Motor vehicle emissions contribute significantly to air pollution in
this state.

(b) In 2019, the Oregon transportation sector was responsible for approx-
imately 40 percent of this state’s greenhouse gas emissions, and light-duty
vehicles were responsible for more than half of the transportation sector’s
emissions.

(c) Motor vehicle emissions, especially greenhouse gases, are difficult to
reduce and will rise over time if not limited by additional laws and regu-
lations.

(d) Absent significant changes in the types of motor vehicles used by
people and businesses in Oregon, the state will not meet the greenhouse gas
emissions [reduction goals set forth in ORS 468A.205] limits established
under section 4 of this 2020 Act.

(e) In ORS 757.357, the Legislative Assembly found that 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 set
forth in ORS 468A.205] limits established under section 4 of this 2020
Act and improve the public health and safety.

(f) Existing federal and state incentives and programs are insufficient to
transform the motor vehicle market on a timeline that will protect
Oregonians from the worst impacts of global climate change.

(g) The purchase and ownership of zero-emission vehicles can reduce the
overall energy costs paid by Oregon households and the specific costs asso-
ciated with meeting transportation needs.

(h) A robust and well-operating market for zero-emission vehicles is es-
tential to meeting this state’s greenhouse gas emissions reduction goals.

(i) Certain residents and communities face greater barriers to purchasing
or leasing zero-emission vehicles, and additional support and innovative solutions are necessary to ensure that all Oregon households benefit from transportation electrification.

(3) The Legislative Assembly declares the following goals:

(a) Transformation of the motor vehicle market must occur no later than 2035.

(b) Programs and support must be provided to accelerate Oregonians’ purchase and use of zero-emission vehicles until greenhouse gas emissions from vehicles are declining at a rate consistent with [this state’s greenhouse gas emissions reduction goals set forth in ORS 468A.205] section 4 of this 2020 Act.

(c) The adoption and use of zero-emission vehicles must be evaluated regularly to determine whether the rate of the adoption and use of zero-emission vehicles will put the state on course to [meet its greenhouse gas emissions reduction goals] prevent exceedance of the statewide greenhouse gas emissions limits.

(4) To promote acquisition and use of zero-emission vehicles, all entities of the executive department, as defined in ORS 174.112, shall lead by example by:

(a) Purchasing or leasing light-duty or medium-duty zero-emission vehicles, consistent with ORS 283.327, when purchasing or leasing vehicles;

(b) Adopting policies and rules that promote the goals set forth in this section; and

(c) Considering recommendations submitted in the report required by ORS 283.401 that relate to zero-emission vehicles and adopting the recommendations when feasible.

SECTION 10. ORS 283.401 is amended to read:

283.401. (1) On or before September 15 of each odd-numbered year, the State Department of Energy shall submit to the Governor and an interim committee of the Legislative Assembly related to the environment a report on adoption of zero-emission vehicles in this state and the progress the state
is making to achieve reductions in greenhouse gas emissions in the trans-
portation sector. The report shall provide:

(a) A review, using existing studies, market reports, polling data or other
publicly available information, of the market in this state for zero-emission
vehicles and any barriers to adopting zero-emission vehicles in this state;
(b) An assessment of the state’s progress in promoting the goals set forth
in ORS 283.398; and
(c) The date on which the state is predicted to meet the goals set forth
in ORS 283.398.

(2) The department may contract with third parties to assist in performing
the duties described in subsection (1) of this section.

(3) The department shall assess the state’s progress under subsection
(1)(b) of this section. The assessment must focus on commercially available,
or near-commercially available, zero-emission vehicle technology, to the ex-
tent possible, and rely on existing studies, data and analysis. In the assess-
ment, the department shall evaluate:

(a) Whether the transportation sector is on course to reduce the share
of greenhouse gas emissions from motor vehicles, as defined in ORS 801.360,
consistent with [the greenhouse gas emissions reduction goals set forth in
ORS 468A.205] section 4 of this 2020 Act.

(b) The sales figures and numbers of zero-emission vehicles that are
owned in Oregon, including forecasts as to whether:

(A) By 2020, 50,000 registered motor vehicles will be zero-emission vehi-
cles;
(B) By 2025, at least 250,000 registered motor vehicles will be zero-
emission vehicles;
(C) By 2030, at least 25 percent of registered motor vehicles, and at least
50 percent of new motor vehicles sold annually, will be zero-emission vehi-
cles; and
(D) By 2035, at least 90 percent of new motor vehicles sold annually will
be zero-emission vehicles.
(c) The sales figures and numbers of zero-emission vehicles that are owned in Oregon, differentiated, to the extent feasible, by demographic factors, including whether persons that own zero-emission vehicles reside in urban or rural areas.

(d) The availability and reliability of public and private electric vehicle charging infrastructure that is needed to support the targets for zero-emission vehicle sales and registration identified in paragraph (b) of this subsection. The department shall assess reliability under this paragraph only if the department requests and obtains information on reliability from providers of electric vehicle charging infrastructure.

(e) The incremental purchase cost difference, before and after federal and state incentives, between the purchase cost of a zero-emission vehicle and the purchase cost of a comparable vehicle powered by an internal combustion engine.

(f) The zero-emission vehicles that are available for purchase in all market segments.

(g) Oregonians’ awareness of motor vehicle options, the benefits of owning zero-emission vehicles and the true costs of motor vehicle ownership.

(h) The carbon intensity of fuel consumed by the Oregon transportation sector as a whole.

(i) The general progress toward electrification of all fossil fuel-based transportation modes.

(j) Opportunities to minimize impacts to the electric grid from transportation electrification, including rate design, managed charging, vehicle-to-grid services and electricity conservation techniques.

(k) In consultation with the Department of Transportation, the impact of the sales and ownership of zero-emission vehicles on revenues that would otherwise accrue to the State Highway Fund under ORS 366.505.

(4) If the State Department of Energy determines that the state is not on course to meet the goals set forth in ORS 283.398, the department shall make recommendations in the report required by this section, including recom-
mandations for legislation. Recommended legislation:

(a) May not mandate required levels of motor vehicle sales.

(b) Must promote the zero-emission vehicle market, address barriers to adoption of zero-emission vehicles in the light-duty portion of the transportation sector, encourage transportation electrification and further the goals set forth in ORS 283.398.

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

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

(1) “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 established by ORS 468A.205] section 4 of this 2020 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 efforts 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 2020 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 alternative 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 emissions 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 2020 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 gener-
ates 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 de-
determines will aid in [the achievement of the greenhouse gas emissions re-
duction goals established by ORS 468A.205] preventing exceedance of the
statewide greenhouse gas emissions limits established under section 4
of this 2020 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 oper-
ations.
SECTION 15. ORS 468A.260 is amended to read:
468A.260. The Oregon Global Warming Commission shall submit a report
to the appropriate interim committee of the Legislative Assembly, in the
manner provided by ORS 192.245, by [March 31 of each odd-numbered] Sep-
tember 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 2020 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 Environmental Quality Commission under ORS 468A.266 (1)(b).

(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)] (9) “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)] (10) “Motor vehicle” has the meaning given that term in ORS 801.360.

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

[(13)] (12) “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:

468A.279. (1) 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 commission; and

(c) The requirements must be developed in consultation with representatives 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, including 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 require
reporting of information necessary to determine greenhouse gas emissions
from generating facilities used to produce the electricity and related elec-
tricity 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 sec-
tion by the submission of a report prepared by a third party. A report sub-
mitted 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 contracts entered into by the utility with the Bonneville Power Administration; and

(B) The percentage of each fuel or energy type used to produce electricity 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 Amer-
ican 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 dis-
tribution system that will allow the commission to acquire the information
needed by the commission; or

(f) Other appropriate means and procedures determined by the commis-

[(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 fed-
eral and state air quality standards, prevent exceedance of the
statewide greenhouse gas emissions limits established under section 4
of this 2020 Act and improve the public health and safety;

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

(c) Widespread transportation electrification requires that electric com-
panies 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 investment 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 investments 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 applies 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 facilities, 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 includes 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 Commission, the department may:

(a) Modify the emissions standard to include other greenhouse gases as defined in ORS 468A.210, with the other greenhouse gases expressed 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 energy; 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.** ORS 184.621 is amended to read:

184.621. The Oregon Transportation Commission shall work with stakeholders to review and update the criteria used to select projects within the Statewide Transportation Improvement Program. When revising the project selection criteria, the commission shall consider whether the project:

1. Improves the state highway system or major access routes to the state highway system on the local road system to relieve congestion by expanding capacity, enhancing operations or otherwise improving travel times within high-congestion corridors.

2. Enhances the safety of the traveling public by decreasing traffic crash rates, promoting the efficient movement of people and goods and preserving the public investment in the transportation system.

3. Supports improvements necessary for Oregon’s economic growth and competitiveness, accessibility to industries and economic development.

4. Provides the greatest benefit in relation to project costs as analyzed under ORS 184.659.

5. Fosters livable communities by demonstrating that the investment does not undermine sustainable urban development.

6. Enhances the value of transportation projects through designs and development that reflect environmental stewardship and community sensitivity.

7. Is consistent with [*the state’s greenhouse gas emissions reduction goals*] section 4 of this 2020 Act and reduces Oregon’s dependence on foreign oil.

8. To the extent practicable, ensures that the state’s transportation infrastructure is resilient in the event of a natural disaster.
(9) Is located near operations conducted for mining aggregate or processing aggregate as described in ORS 215.213 (2)(d) or 215.283 (2)(b).

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 2020 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 2020 Act.

EMERGENCY CLAUSE

SECTION 24. This 2020 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2020 Act takes effect on its passage.