



2023
Legislative
Session
Report



OREGON DEPARTMENT OF ENERGY

ODOE LEGISLATIVE REPORT – 2023



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Contact us: <https://www.oregon.gov/energy/About-Us/Pages/Contact-Us.aspx>

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INTRODUCTION

Oregon’s 2023 legislative session adjourned on June 25. There were 2970 bills, memorials, and resolutions introduced during the session. Of those, the legislature passed 653. At the time of initial publication of this document, the Governor is still in the process of signing bills. This report will be updated accordingly.



ODOE at the Capitol

The Oregon Department of Energy helps Oregonians make informed decisions and maintain a resilient and affordable energy system. We advance solutions to shape an equitable clean energy transition, protect the environment and public health, and responsibly balance energy needs and impacts for current and future generations.

On behalf of Oregonians across the state, the Oregon Department of Energy achieves its mission by providing:

- A Central Repository of Energy Data, Information, and Analysis
- A Venue for Problem-Solving Oregon's Energy Challenges
- Energy Education and Technical Assistance
- Regulation and Oversight
- Energy Programs and Activities

With all these roles in mind, we track each legislative session carefully. This session, the [Oregon Department of Energy shared](#) energy data, information, and analysis and provided energy education about federal funding opportunities for energy and climate change, energy facility siting, energy planning, and more. We also tracked bills that make changes to regulatory roles and add new programs and activities at the agency, and we provided technical advice to legislators and staff along the way.

As the legislative session closed on June 25, the legislature had passed several bills giving the Oregon Department of Energy new work to do toward achieving our mission. Most of this work is in a three-bill “Climate Package,” which is fully summarized starting on page 7. For example, one of those bills, HB 3630, includes several new tasks: a community navigator program to help environmental justice communities connect to technical resources and funding opportunities for energy projects, a grant program to support county energy resilience planning, direction to work with interested parties and sister agencies to craft a state energy strategy, and a kick-start to agency work establishing two federal home energy efficiency programs. The agency was also directed to establish a Building Performance Standard to reduce emissions from existing large buildings, update the work of the Oregon Global Warming Commission, and much more. In addition, the Oregon Solar + Storage Program and the Rental Home Heat Pump Program were extended, and the Community Renewable Energy Grant Program budget was increased by 80 percent for the next two years.

About the 2023 Legislative Session Report

This document is designed with several purposes in mind:

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- For energy stakeholders to use as a quick reference of energy bills during the 2023 session
- For the general public to use as a place for quick, easy-to-read summaries of bills that relate to energy and other issues that relate to the mission or work of the Oregon Department of Energy
- To serve as a record of the bills ODOE tracked most closely during the Legislative session

Following this introduction, there are three sections:

- *Bills Passed* that relate to energy or the work of the Oregon Department of Energy
- *Budget Bills* that relate to energy or the work of the Oregon Department of Energy
- *Bills Considered* that relate to energy in Oregon, but did not pass

For each bill listed, there is a summary, the effective date, and related Oregon Revised Statute chapter. For more information, click the hyperlinks on the right above each bill summary to go to the Oregon Legislative Information System overview page for each bill. From there, you can find the text of each measure, testimony, and votes on the bills as they moved (or did not move) through the process.

One of ODOE's roles is to provide analysis of energy issues to inform state energy planning, regulation, program administration, and policy development. In that vein, we have also provided a narrative summary of the energy landscape as the 2023 legislative session came to a close.

This is an online report, which means that ODOE can update it – if you see that there's a bill we ought to have included or something else of concern, please email christy.splitt@energy.oregon.gov.

A Brief Overview of Energy Issues in the 2023 Legislative Session

The 2023 Legislative Session was in some ways a return to normalcy after the COVID-19 pandemic. Once again, committee meetings were in-person, and the building was bustling with lobbyists, staff, and members of the public after relative quiet for the last three sessions. But that bustle was happening in a smaller space and with even more noise than usual; a major, multi-year seismic retrofit of the Capitol left half of it closed and all of it a construction zone.

Like the 2022 session, there was a remarkable amount of change. There were 22 new legislators experiencing their first session, joining 11 who were new a year ago – so it was the first long legislative session for over one-third of the legislators. Last year, there was new leadership atop the House. This year, there was new leadership in the Senate, with a new Senate President, Rob Wagner, and a new Senate Majority Leader, Kate Lieber. Oregon also had a new Governor, Tina Kotek.

Despite new legislators and new leadership, partisan tensions remained high. Tactics to slow the legislative process as a form of protest continued. The minority party also objected to bill summaries that failed to meet a state statute requiring them to pass the Flesch Readability Test. When two especially controversial bills passed the House, rancor reached its apex. To avoid a final vote on both bills, 10 members of the State Senate denied quorum for nearly six weeks – the longest legislative walkout in American history.

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The walkout framed what happened as the clock started to run out on session. While business continued as usual in many ways, with committees working bills and budgets, tactics to allow for a speedier end to session should the 10 senators come back emerged. Many bills were packaged together in the budget process, creating omnibus bills on topics such as education and workforce, housing, and rural economic development. In the end a deal was reached, the Senate reconvened, and those packages – including one addressing climate change and energy – may have helped session end ahead of the constitutional deadline for adjournment.

The 2023 session followed energy-packed [2021](#) and [2022](#) sessions. Conventional wisdom at the Capitol says that if there was recent major legislation on an issue, it is quieter on that topic the next time around. But with the urgency of climate change clear, every session seems to be an energy session now. Legislators on both sides of the aisle are interested in the clean energy transition and dealing with the effects of climate change, such as wildfire and drought. The Climate Package developed in the last week of session combined 20 bills into two, HB 3409 and HB 3630, with some funding in the budget reconciliation bill.

One area of significant interest in the 2023 session can be viewed as a climate trifecta: energy efficiency. Weatherization can help keep smoky air out, while heat pumps can offer more efficient winter heating with life-saving summer cooling – mitigation, adaptation, and lower energy bills. Several concepts passed that will improve both home and commercial building efficiency (HB 3409 and HB 3630). These concepts were the result of the Resilient Efficient Buildings Task Force and designed to leverage major investments in energy efficiency in the federal Inflation Reduction Act, passed in August 2022. You can read more about them in the Climate Package summary starting on page 7.

There was also momentum around planning for climate change and a clean energy future. Legislation passed to create a state energy strategy that will evaluate trade-offs and consider pathways to meet Oregon's energy and climate objectives (HB 3630), consider ways to measure and encourage climate solutions on natural and working lands (HB 3409), and bolster the Oregon Global Warming Commission's scope of work — complete with a name change to the Oregon Climate Action Commission (HB 3409). The Climate Package also included provisions to help communities build their own energy projects and become more resilient in the face of natural disasters and power outages.

The question of how the state can balance its legacy of protecting farm and forestland with the demand for new clean energy development was also at the forefront in 2023. Multiple placeholder bills (bills with the intent to add policy later) were introduced at the start of session awaiting amendments as conversations unfolded. Some of these placeholders were meant to capture the results of stakeholder conversations that had started in late summer 2022. Those conversations became negotiations and continued right up to deadline week – when bills have to move out of committee in their first chamber. In the end, a rulemaking at the Department of Land Conservation and Development will take on low-conflict solar development (HB 3409), counties will take on review and regulation for more solar projects (HB 3179), and facility and transmission siting will certainly be central to a state energy strategy (HB 3630).

Other topics were subject of multiple bills that did not pass but may resurface in future legislative sessions. The state will have to decide how to adapt to lower gas tax revenues, the state's primary source of funding for transportation maintenance and construction, as the transportation sector transitions away from gasoline. Legislative attempts to address this issue fell short this year. Conversations about disposal and recycling of clean energy technology, like wind turbines, solar panels,

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and lithium batteries have come up for several sessions now. We have included a section on bills that didn't pass starting on page 26 to provide a sense of what policy issues or concepts may be considered in the future.

The 2023 Legislative Session was not without surprises. The biggest surprise was likely the May Revenue Forecast, which sets the amount of money legislators have for the two-year state budget. Throughout session, budget cuts were expected. But instead, the May forecast found that the state had more resources than anticipated. While most of that overage will come back to taxpayers with a kicker next year, some of it was able to go into the 2023-2025 budget. This led to an unexpected \$90 million investment in climate programs over the next two years – the Climate Package – which funded most of the bills mentioned above. The Climate Package also included additional investments in existing programs like the Oregon Solar + Storage Rebate Program (\$10 million, SB 5506) and the Community Renewable Energy Grant Program (\$20 million, SB 5506).

Bill Information: Effective Dates, Operational Dates, Publication

Normal Effective Dates

ORS 171.022 provides that unless otherwise stated, all bills take effect on January 1 of the year after the bill is signed into law. This means that unless a bill specifically names a different effective date or has an emergency clause, the bill will take effect on January 1 of the next year.

Emergency Clause

The Oregon Constitution prohibits a bill from taking effect “until ninety days from the end of the session” unless an emergency is declared. An emergency clause will appear in the bill if it is to take effect before the 91st day after adjournment sine die. Bills with emergency clauses are not subject to a referendum of the voters; all other bills are subject to possible referral under the Oregon Constitution. Because of this provision, the Constitution gives the Governor the power to veto an emergency clause without affecting the rest of the bill. The Constitution also prohibits the use of an emergency clause in bills that regulate taxation or exemption. An emergency clause must apply to an entire bill.

Operative Date

If a bill requires administrative preparation before the bill is fully operative, an operative date is used to delay operation of all or part of the bill. If an operative date is used, the entire bill takes effect on its effective date. However, a specified part of an Act does not become operational until a later specified date. It is important to distinguish between items that are authorized on and after the effective date, and items that are not authorized until the operative date.

Example of an emergency clause for a bill that will take effect on its passage:

SECTION 30. This 2023 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect on its passage.

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Note: A bill with an emergency clause takes effect when the Governor signs it, not when passed by both houses of the Legislative Assembly.

Example of an emergency clause for a bill that takes effect on a specific date after passage but before the 91st day after the end of session:

SECTION 30. This 2023 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2023 Act takes effect July 1, 2023.

Note: If the July 1 date is used and the Governor signs the bill before July 1, the bill takes effect on July 1. If the Governor signs the bill after July 1, the bill takes effect on the date the Governor signs it.

Bill Publication

Copies of the 2023 enrolled bills (the copy the Governor signs) may be found on the legislative website: <https://olis.leg.state.or.us/liz/2023R1/Measures/list/>. Measures signed into law are known as “session laws” and are available on the legislative website under Oregon Laws. Permanent Laws passed during the 2023 Legislative Session will not be codified until the 2023 edition of Oregon Revised Statutes is released.

LEGISLATION PASSED

The Climate Package

With the session in doubt due to lack of quorum in the Senate, a decision was made to combine bills related to climate change into one package to reduce the number of bills that would need to pass should the session have to end in short order. The resulting two bills, HB 3409 and HB 3630, along with some expenditures in SB 5506, the end of session bill, resulted in a \$90 million investment in addressing climate change. These investments, along with underlying programs and policies, became known as the “Climate Package.”

This report includes references to the “Climate Package” omnibus bills and to the underlying bills that make up the Climate Package. This is because it will be necessary to look back at the underlying bills to view more in-depth public hearings and work sessions, testimony, committee deliberations, and other pieces of legislative history.

HB 3630/SB 852: Community Navigator

[HB 3630/SB 852](#)

ORS Chapter: To Be Assigned
Effective Date: Upon Signing

Since 2021, the state legislature created new energy incentive programs and Congress passed both the Infrastructure Investment and Jobs Act and the Inflation Reduction Act — investments that will bring state and federal dollars for energy projects to Oregon communities. In many cases these communities, especially rural and Tribal communities, do not have the resources, time, or capacity to learn about and apply for these funds. Language in those new federal and state laws makes clear that energy dollars should flow to the communities that need them most.

SB 852 was absorbed into HB 3630, Section 1. The bill establishes a program to provide information about potential funding resources and other technical assistance to Tribal governments, local governments, rural communities, and other environmental justice communities as they work to develop energy projects or build energy-related capacity. To serve this need, ODOE has already hired for a full-time position to help communities navigate funding opportunities for projects and capacity-building.

HB 3630/HB 2534: State Energy Strategy

[HB 3630/HB 2534](#)

ORS Chapter: To Be Assigned

Effective Date: September 24, 2023

HB 2534 was amended into HB 3630, Sections 2-4, without any changes. The bill directs ODOE to develop a comprehensive state energy strategy for Oregon that identifies options and implementation gaps to achieve the state’s policy objectives. The state energy strategy must be informed by stakeholder perspectives, existing climate and energy laws, resource plans, studies, and policy goals. The bill lists several factors that ODOE must consider when identifying optimized pathways, such as energy demands, resource choices, environmental justice, resilience, and land use considerations. ODOE is required to engage with other state agencies, Tribes, and stakeholders representing a diverse range of perspectives, backgrounds, and interests, and the department may convene an advisory work group to inform its work. The strategy must reflect the best available information and forecasts, and other state agencies are directed to share information with ODOE as needed.

HB 3630 requires ODOE to produce a report describing the state energy strategy and submit it to the legislature by Nov. 1, 2025. ODOE is required to periodically update the state energy strategy to reflect new information and policy objectives. The bill authorizes ODOE to contract with third parties for technical assistance and facilitation services.

While this is not mentioned in the legislation, the State of Oregon has included developing a state energy strategy as part of its application for a Climate Pollution Reduction Grant from US EPA as part of the Inflation Reduction Act.

HB 3630/HB 3378: County Resilience Planning Grants

[HB 3630/HB 3378](#)

ORS Chapter: To Be Assigned

Effective Date: September 24, 2023

HB 3630, Sections 5-7 and 10, provide support to Oregon counties to develop and adopt energy resilience plans to be incorporated into county natural hazard mitigation plans. This concept was initially included in HB 3378. The bill specifically directs ODOE to establish a program to award \$50,000 in technical assistance grants to support development of county energy resilience plans.

To qualify for grants, energy resilience plans must:

- Be based on a plan for short, medium and long term power outages.
- Identify and map energy infrastructure, natural hazard risks and – in consultation with representatives from local environmental justice communities – areas that experience social vulnerability.
- Identify potential locations for community resilience centers, prioritizing areas that experience social vulnerability.

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- Inventory the energy consumption needs of critical public services facilities.
- Identify critical public services that could enhance community resilience if served with a backup power system.
- Identify opportunities to align energy infrastructure development with critical public services.
- Identify schedules, priorities, and potential funding sources for developing energy resilience.
- Identify other actions and resources needed to implement the energy resilience plan.

The program sunsets on January 2, 2026 and ODOE is required to report on program results by September 15, 2025.

HB 3630/HB 3166: Home Energy Programs and a One-Stop Shop

[HB 3630/HB 3166](#)

ORS Chapter: To Be Assigned

Effective Date: Upon Signing

Sections 8-9 of HB 3630, also found in HB 3166, are intended to prepare Oregon to receive funding under two rebate programs for energy efficiency retrofits in existing homes that were part of the Inflation Reduction Act. The first program is the High Efficiency Electric Home Rebate program (HEEHR). This is a point-of-sale rebate program that allocates \$56,714,440 to Oregon for qualifying electrification projects in low- (defined as up to 80 percent Area Median Income) and moderate-income (80 - 150 percent AMI) households. Qualifying projects include heat pumps, heat pump water heaters, electric stoves, heat pump clothes dryers, associated electrical upgrades, and weatherization. The second program is the Home Energy Performance-Based, Whole-House Rebates program (HOMES). Oregon will receive \$57,046,250 for this program, which will support performance-based rebates for residential energy efficiency retrofits that save a minimum of 20 percent of household energy use.

The bill directs ODOE, in consultation with Oregon Housing and Community Services Development (OHCS), to establish these two programs after consultation with stakeholders and while ensuring that the measure maximizes benefits by leveraging federal and state resources.

The new federally funded programs, combined with Oregon’s new heat pump program and a variety of existing incentives and rebates, has created a need for a more streamlined approach to connecting Oregonians with available funds for energy-related projects. This bill aims to address this by tasking ODOE with creating a single resource that Oregonians can use to navigate the variety of incentives and rebates available to them. This “one-stop shop” is directed to provide information, technical assistance, and assistance in identifying contractors and financing options related to energy efficiency incentives and programs.

ODOE is responsible for coordinating the exchange of data and information necessary to administer the resource. This includes coordination with federal agencies, utilities, and energy efficiency program providers. All entities involved in exchanging, coordinating, and maintaining these data are subject to best practices and regulations per federal and state laws, including the Oregon Consumer Information

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Protection Act and ORS 192.355. ODOE may contract with a nonprofit or other entity to conduct this work.

HB 3409/SB 868: Energy Efficiency – Heat Pumps, Education, and Training

[HB 3409/SB 868](#)

ORS Chapter: To Be Assigned

Effective Date: September 24, 2023

HB 3409 includes the full text from SB 868. Sections 1-5 set guidelines to align existing and new programs related to the resilience, energy efficiency, and GHG emissions of homes and commercial buildings with overall state climate goals. The provisions also aim to maximize Oregon’s allocation from federal funding and guide the use of state and federal funds.

The bill sets a heat pump deployment target of 500,000 new heat pumps by 2030, with a priority on installations in low-income and environmental justice communities throughout the state. It requires that ODOE report to the legislature on the progress toward this goal every two years beginning September 15, 2025. The bill appropriated \$525,467 to ODOE to carry out the provisions of this section of the bill.

Sections 4 and 5 establish the Energy Efficient Technologies Information and Training program and fund to prioritize workforce and contractor training, education and awareness of programs, rebates, and the need for heat pumps and other energy efficiency upgrades. There is \$2,000,000 appropriated to start this fund.

For more information on energy efficient building technologies, please refer to the 2022 Biennial Energy Report’s [Energy Resource & Technology Review: Energy Efficient Building Technologies](#).

HB 3409/SB 869: Energy Efficiency in New Buildings

[HB 3409/SB 869](#)

ORS Chapter: To Be Assigned

Effective Date: January 1, 2024 and September 24, 2023

Sections 6 and 7 of HB 3409 give general directives to the Department of Consumer and Business Services (DCBS) to use existing authority to facilitate greenhouse gas (GHG) emissions reductions in buildings consistent with state GHG reduction goals, and to prioritize, consider, and integrate these goals in agency operations.

- The measure directs DCBS to set goals for improved energy efficiency in new residential and commercial buildings by consulting with its boards, committees, and ODOE. These goals should achieve a 60 percent reduction in annual energy consumption by 2030 compared to 2006-era codes. Beginning December 31, 2023, and every three years after, DCBS is to report to a legislative committee their progress and options toward achieving the specified goals.

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DCBS is also directed to update the reach code described in ORS 455.500 each time the statewide and specialty codes are updated, and to investigate the potential benefits and feasibility of updating ventilation standards and specifying standards for air cleaners in building mechanical systems.

In Section 7, DCBS is directed to provide a report to the Legislature by December 31, 2024 that includes DCBS's findings, recommendations, and options for reducing GHG emissions from materials used in building construction, after consultation with DEQ.

Section 6 becomes operative on January 1, 2024, although DCBS may act before this operative date. Section 7 becomes operative on the 91st day after sine die.

Sections 6 and 7 of HB 3409 were originally found in SB 869.

HB 3409/SB 870: Building Performance Standard

[HB 3409/SB 870](#)

ORS Chapter: To Be Assigned

Effective Date: At Signing

Sections 8-17 of HB 3409 create a Building Performance Standard (BPS) program to regulate the energy consumption of many existing commercial buildings in Oregon. These sections were taken from SB 870. Under this new program, buildings would be grouped into two tiers.

Tier 1 includes hotel, motel, and nonresidential buildings equal to or larger than 35,000 square feet (excluding parking garages). Tier 1 building owners are required to comply with a building performance standard by the following dates:

- 200,000+ square feet: June 1, 2028
- 90,000 ≤ square feet < 200,000: June 1, 2029
- 35,000 ≤ square feet < 90,000: June 1, 2030

Tier 2 includes hotel, motel, and nonresidential buildings larger than 20,000 square feet and less than 35,000 square feet, in addition to multifamily residential, schools, dormitories, universities, and hospitals that are equal to or greater than 35,000 square feet (excluding parking garages). By July 1, 2028, Tier 2 covered commercial building owners must submit energy benchmarking reports to ODOE.

Building Performance Standards generally require energy tracking, management, energy auditing, and identification and implementation of energy measures to achieve target energy performance levels for a building. ODOE will be tasked with rulemaking to establish a program and to set appropriate building energy targets for Tier 1 buildings. ODOE will also establish a program for energy benchmarking (energy use reporting) for Tier 2 buildings, as well as convene an advisory group to help the agency create a recommended building performance standard for Tier 2 buildings. It is expected that Tier 1 and Tier 2 buildings will include tens of thousands of buildings across the state. This will require creating a comprehensive database to support building reporting and program administration, as well as

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multimodal outreach, training, and education to stakeholders and building owners on project requirements.

BPS program administration will also include a regulatory and compliance component and this bill would provide ODOE with the authority to impose civil penalties on building owners for non-compliance.

This bill also directs ODOE to establish and administer a \$2 million incentive program for early and voluntary adopters of Tier 1 and Tier 2 building requirements.

For more information on building performance standards, please refer to the Oregon 2022 Biennial Energy Report policy brief entitled [Energy Efficiency Policy Opportunities in Existing Buildings](#).

HB 3409/SB 871: State Building Efficiency

[HB 3409/SB 871](#)

ORS Chapter: To Be Assigned

Effective Date: September 24, 2023

Sections 18-21 of HB 3409, which includes some contents of SB 871, direct Oregon’s Department of Administrative Services to take several actions related to efficiency in state-owned buildings.

The bill directs DAS, in cooperation with ODOE, to develop a methodology and work plan for state agencies to implement a comprehensive assessment of energy use and greenhouse gas emissions in state buildings. These assessments must do the following:

- Examine and quantify GHG emissions using existing data where feasible.
- Identify equipment and usage contributing to emissions from each building.
- Determine and quantify useful life of equipment.

DAS may use a contractor to conduct these assessments. Agencies must cooperate with DAS or the contractor for the assessments. DAS, with support from ODOE, shall create a searchable and modifiable database that maintains the information from the assessment.

DAS, in collaboration with DEQ and ODOE, will oversee all capital projects involving major building renovations or new construction, more than \$1 million, and implement guidelines for sustainable design that apply to these projects. The bill also directs DAS and ODOE to participate on behalf of the state in the National Building Performance Standards Coalition.

The bill also updates ORS 469.754, which sets rules for states to engage in energy projects. The key change is that 100 percent of net savings from energy efficiency projects are now deposited in a revolving fund, instead of 50 percent.

HB 3409/HB 3016: Community Green Infrastructure

[HB 3409/HB 3016](#)

ORS Chapter: To Be Assigned

Effective Date: Upon Signing

HB 3409, Sections 22-27 (originally HB 3016), make a series of findings about the benefits of green infrastructure to communities and creates the Community Green Infrastructure Grant Program to be administered by the Department of Land Conservation and Development. Eligible entities to receive grants include public bodies, local workforce development boards, manufactured dwelling park nonprofit cooperatives, Tribes, watershed councils, and nonprofit or faith-based organizations. Eligible applicants may partner with state agencies or private businesses owning business sites or rental property in Oregon and must consult with local government bodies and electric and water utilities where the project will be located. Projects must be located in Oregon and must benefit an environmental justice community. The bill provides a list of factors for prioritizing applications, including projects that involve low-maintenance and drought-resistant tree plantings and native or pollinator-friendly species and projects that include partnerships with “green communities nurseries” as defined by the bill.

HB 3409/HB 3590: Woody Biomass for Low-Carbon Fuels

[HB 3409/HB 3590](#)

ORS Chapter: To Be Assigned

Effective Date: September 24, 2023

HB 3409 Section 30 directs the College of Forestry at Oregon State University to develop methods and data to establish clean fuels pathways for low carbon fuels derived from woody biomass, with a particular focus on wood slash piles that would otherwise be burned. The College must coordinate with the Oregon Department of Environmental Quality (ODEQ) to ensure its methods and data are consistent with those used to determine lifecycle greenhouse gas emissions and carbon intensities under Oregon’s clean fuels program. The college must also collaborate with the Oregon Department of Forestry (ODF). The College must submit a report to the legislature by July 31, 2025. HB 3409 Section 105 appropriated \$3 million from the General Fund to the College to carry out the directives in section 30.

HB 3409 Section 31 revised ORS 530.050 to authorize the State Forester to establish a woody biomass conversion program to market woody biomass conversion offtakes; offtakes refer to the energy available after biomass has been converted feedstock to energy. To establish such a program, the bill allows the State Forester to enter into contracts or agreements to create opportunities for woody biomass conversion offtakes, and to sell or purchase offtakes for at least fair market value.

HB 3409 Sections 30-31 were originally found in HB 3590.

HB 3409/HB 2714: Medium- and Heavy-Duty Zero-Emission Vehicle Rebates

[HB 3409/HB 2714](#)

ORS Chapter: To Be Assigned
Effective Date: January 1, 2024

HB 3409, in Sections 32-34 (previously HB 2714), directs DEQ to establish a rebate program for purchasers of qualifying medium- or heavy-duty ZEVs. It also establishes a Zero-Emission Medium and Heavy-Duty Vehicle Incentive Fund.

The bill defines a “qualifying vehicle” but allows DEQ to specify design features for the program, establish procedures to prioritize available moneys for specific qualifying vehicles, and limit the number of rebates available for each type of qualifying vehicle. It allows DEQ to hire or contract with a third-party nonprofit organization to implement and serve as the administrator of the program.

The bill requires DEQ to prescribe the rebate application procedure and the Environmental Quality Commission to set rebate amounts annually. The Commission may establish separate rebate amounts for different classes of vehicles and an additional rebate for fleet owners that purchase qualifying vehicles that will be registered, or frequently operated, in areas disproportionately burdened by air pollution. More than 50 percent of the vehicle operation must occur in Oregon and in each of the three years following receipt of a rebate, the recipient shall maintain records of the miles driven or hours of use for the qualifying vehicle and whether the miles used occurred in Oregon and report this annually to DEQ.

Other features of the program align with existing light duty programs, such as: the applicant must apply for a rebate within six months after the date of purchase and either retain registration of the qualifying vehicle for a minimum of 36 consecutive months or reimburse the administrator for the rebate in a prorated amount.

Administrative costs of the program are limited to 15 percent, and 40 percent of funds must be spent in communities disproportionately burdened by diesel pollution, and the bill appropriates \$3,000,000 for the biennium beginning July 1, 2023.

HB 3409/HB 3181: Low-Conflict Solar Siting

[HB 3409/HB 3181](#)

ORS Chapter: To Be Assigned
Effective Date: September 24, 2023

Sections 35-37 of HB 3409, which were inspired by HB 3181 and a several-month conversation around energy facility siting, require the Department of Land Conservation and Development (DLCD) to conduct a rulemaking on solar energy facilities. Section 35 directs DLCD to create rules that allow local governments to permit solar facilities and prioritize solar facility siting that does not conflict with natural resource lands and areas of valuable habitat. It also directs DLCD to consider solar facilities as a “rural industrial use” for purposes of a goal exception under Chapter 660 of Oregon’s administrative rules.

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Sections 36 directs DLCD to create a Rules Advisory Committee (RAC) to make recommendations for these solar siting rules from Section 35. The RAC will include members from tribes, state agencies, local governments, solar development interests, energy and conservation advocates, environmental justice advocates, and various other industry groups. This group is also to make recommendations as to additional data that could be included in the [Oregon Renewable Energy Siting Assessment](#) tool. DLCD is required to adopt rules by July 1, 2025 and submit a final report to the Legislature no later than December 31, 2025.

HB 3409/SB 522: Oregon Global Warming Commission Modernization

[HB 3409/SB 522](#)

ORS Chapter: To Be Assigned
Effective Date: January 1, 2024

Sections 39-52 of HB 3409 rename the Oregon Global Warming Commission (OGWC) as the Oregon Climate Action Commission (OCAC). These sections, which were initially found in SB 522, also mark an update to the Commission's governing statute for the first time since 2007. These changes were inspired by the Commission's recent [Oregon Climate Action Roadmap to 2030](#).

The bill amends ORS 468A.215 to increase the size of the OGWC/OCAC from 25 members to 35 members. It adds three new voting members, one of whom must have significant experience in environmental justice; one of whom must be appointed as a youth representative who must be 16 to 24 years old when appointed and will have a two-year term; and one of whom must have significant experience in the fishing industry (replacing one formerly at-large seat). The bill also adds eight new non-voting members, including the directors of the Oregon Departments of Land Conservation and Development, Business Development, Administrative Services, Consumer and Business Services, Fish and Wildlife, and Housing and Community Services, as well as the Oregon Health Authority and the Oregon Watershed Enhancement Board.

Sections 39-52 of HB 3409 direct state agencies to provide regular reports to the OCAC on their efforts and progress in reducing greenhouse gas (GHG) emissions and preparing for the effects of climate change. The bill also adds a directive in ORS 468A.250 for the OCAC to prepare detailed forecasts of expected GHG emissions reductions. The bill changes the date by which the OCAC must submit a report to the legislature from March 31 of odd-numbered years to December 1 of even-numbered years. Finally, it requires DEQ, in consultation with the OCAC, to evaluate opportunities to address [consumption-based emissions](#) (i.e., GHG emissions due to the state's consumption of goods and services).

While the bill was ultimately amended to remove updated GHG emission reduction goals that reflected the Commission's Roadmap to 2030 recommendations, the Commission is now specifically directed to periodically make recommendations to the Legislature on updating the goals in the future based on best available science.

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HB 3409/SB 530: Climate Solutions on Natural and Working Lands

[HB 3409/SB 530](#)

ORS Chapter: To Be Assigned

Effective Date: September 24, 2023

HB 3409 Sections 53-67, originally found in SB 530, were inspired by the Oregon Global Warming Commission's [Natural and Working Lands Proposal](#). The bill declares a state policy to implement strategies to advance natural climate solutions and improve understanding of natural climate solutions. The bill also declares a state policy to direct state agencies to incentivize and implement natural climate solutions by taking a variety of actions and achieving a variety of policy objectives.

HB 3409 establishes the Natural and Working Lands Fund, appropriated to the Oregon Watershed Enhancement Board (OWEB), for allocation to certain state agencies to provide incentives and conduct research related to natural climate solutions. The bill directs the newly renamed Oregon Climate Action Commission (OCAC) to annually determine allocation amounts and provide factors that must be evaluated when determining allocation amounts. OWEB is directed to transfer money at OCAC's instruction. ODOE is directed to provide staff support to the OCAC in carrying out its responsibilities under these provisions.

The bill directs every agency receiving an allocation from the Natural and Working Lands Fund to provide an accounting of funding uses to the OCAC, and the OCAC must provide an annual report to the legislature summarizing the uses of the Fund and identifying additional funding needs. This report is due by September 15th of each year, starting in 2024. The OCAC must submit a separate report to the legislature by December 1st of each even-numbered year that provides information on funded and planned projects, projects in environmental justice communities, and funding sources (state, federal, and private) for projects funded by the Natural and Working Lands Fund. ODOE is directed to provide staff support to the OCAC for these two reports.

Sections 53-67 of HB 3409 direct ODOE and the OCAC, in coordination with the Departments of Forestry, Agriculture, and Fish and Wildlife, as well as OWEB (and other state agencies and relevant federal agencies as directed), to take the following actions:

- Establish a net carbon sequestration and storage baseline for natural and working lands;
- Develop activity-based metrics for evaluating progress and community impact metrics for evaluating implementation impacts on landowners, land managers, and communities;
- Establish carbon sequestration and storage goals no later than Jan. 1, 2025, and update those goals as new information becomes available; and
- Develop a natural and working lands net carbon sequestration and storage inventory, which ODOE must update and describe in biennial reports to the OGWC.

The bill also directs ODOE, in coordination with the OCAC, to study workforce and training programs needed to support natural climate solutions on natural and working lands. ODOE must submit a report on its findings to the legislature by Sept. 15, 2024. This report may include recommendations for legislation.

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The bill gives the OCAC discretion to appoint a natural and working lands advisory committee. This committee must have at least 15 members representing tribes, local governments, and specified stakeholder interests. ODOE must provide staff support for this committee.

The OCAC is directed to establish a process for consultation with the nine federally recognized Tribes, including identifying relevant indigenous practices and knowledge.

The bill allows the OCAC and ODOE to contract out work laid out in these sections.

HB 3409/SB 5506/HB 3418: Renewable Energy Incentive Program Updates

[HB 3409/SB 5506/HB 3418](#)

ORS Chapter: To Be Assigned

Effective Date: January 1, 2024

HB 3409, Section 68, extends the sunset of the [Oregon Solar + Storage Rebate Program](#) to January 2, 2029. SB 5506, generally known as the End of Session Bill, also included an additional investment of \$10 million in the program.

Existing language in Section 1 of Oregon Laws 2019 Chapter 655 requires that a contractor purchase, construct, and install a paired solar and storage system together. HB 3409 amends the language and requires that only the purchase need occur at the same time. The solar electric system and energy storage system must still be paired once fully installed.

Section 70 relates to the Renewable Energy Development Grant Program. HB 3409 requires the agency to waive the requirement that a renewable energy production system awarded a Renewable Energy Development Grant begin construction within 12 months of the grant award if the delay was due to supply chain or workforce disruption or shortages related to the COVID-19 pandemic, and construction began between March 1, 2020, and March 31, 2022.

Sections 68-70 on HB 3409 were initially found in HB 3418.

HB 3409/HB 3056: Cooling Relief Updates

[HB 3409/HB 3056](#)

ORS Chapter: To Be Assigned

Effective Date: Upon Signing

HB 3049, Sections 71-78, makes changes to the Heat Relief Bill, SB 1536, passed in 2022. It extends the Oregon Rental Home Heat Pump Program by one year until January 2, 2026. The bill also corrects a drafting error by removing a reference to loans and it amends existing budget reservation language to require that 25 percent of the available funds for rebates and grants in a calendar year benefit the owners of units occupied by low- or moderate-income households.

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The bill adjusts the existing reporting requirement for eligible entities in the Community Heat Pump Deployment Program to report the status and use of grant funds to the Oregon Department of Energy. Annual reports will be required for the period July 1 to June 30 and will be due on a schedule determined by the Oregon Department of Energy. It also amends the timing of the Oregon Department of Energy’s first biennial report to the Legislative Assembly, adjusting it from December 31, 2023 to October 15, 2023.

Section 24, chapter 86, of the Oregon Laws 2022 is amended to incorporate changes to the definition of an ‘extreme heat event’ and the use of ‘forecast zone’ rather than ‘county’ where the premises is located. This change affects the Community Cooling Spaces grant. The bill also modifies website requirements for Oregon Housing and Community Services related to extreme heat events.

The reporting deadline on the Oregon Rental Home Heat Pump Program, community cooling spaces, and cooling needs study detailed in Section 29, chapter 86, Oregon Laws 2022 is extended to December 31, 2023, from September 15.

Sections 71-78 on HB 3409 were initially found in HB 3056.

HB 3409/HB 3196: Climate Protection Program Fees

[HB 3409/HB 3196](#)

ORS Chapter: To Be Assigned
Effective Date: January 1, 2024

The Climate Protection Program is a regulatory program administered by the Oregon Department of Environmental Quality that sets a declining limit on greenhouse gas emissions from fossil fuels used in Oregon, including gasoline, diesel, propane, and natural gas used in transportation, buildings, and industrial processes. Regulated fuel suppliers and natural gas distributors have the option to meet a portion of their compliance obligations through community climate investments that reduce emissions and provide meaningful co-benefits in environmental justice communities across the state. HB 3409 Sections 79-80, originally HB 3196, authorizes the Environmental Quality Commission to establish a fee to be paid by community climate investment entities that will be used by DEQ for administration and oversight related to community climate investments.

HB 3409/HB 2647: Reducing Harmful Algal Blooms

[HB 3409/HB 2647](#)

ORS Chapter: To Be Assigned
Effective Date: January 1, 2024

HB 3409, sections 82-85 (originally HB 2647), directs the Oregon Health Authority in coordination with Oregon DEQ to identify drinking water sources that are either susceptible to harmful algal blooms or

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downstream of water bodies that are susceptible to harmful algal blooms, and to develop a system for regular monitoring and testing and protocols for issuing public advisory alerts. The bill also directs Oregon DEQ to work with OHA to develop and maintain a coordinated state agency monitoring and response strategy, to produce timely and high-quality data to help determine the level of public health risk, to identify sources of pollutants causing blooms, and to develop and implement pollution reduction strategies.

HB 3409/HB 2990: Resilience Hubs

[HB 3409/HB 2990](#)

ORS Chapter: To Be Assigned

Effective Date: January 1, 2024

HB 3409, sections 86 and 107, establish a new grant program for planning and developing resilience hubs and networks. The grant program would be administered by the Oregon Department of Human Services with support from ODOE and the Oregon Health Authority.

Resilience hubs and networks are intended to:

- Facilitate communication and coordination of community services.
- Serve as a gathering place in the event of a disruption in the community.
- Enhance the ability of a community to respond to a disruption.
- Operate on a day-to-day basis to distribute food, water, information, charging stations, and medical supplies.
- Support community cache sites and community members who shelter in place.
- Provide childcare, training, food distribution and other services for unmet social needs in the event of an emergency.
- Provide heating, cooling, air filtration and weather protection.
- Accommodate individuals with accessibility needs.

The program will allow eligible applicants to apply for grants for expenses related to planning and organizing Resilience Hubs, to support and expand development and operation of Resilience Hubs and Networks, and to provide resources and services needed by the community to prepare for and respond to disasters.

Individuals and organizations can apply for these grants. Applications must include a description of the purpose of the funds, a plan for enhancing resilience, any additional resources being invested, and a description of the project's ability to serve vulnerable populations and disadvantaged communities.

The Department of Human Services is directed to adopt rules and is appropriated \$10,187,615 to provide grants in the new program.

HB 2530: Defining Renewable Hydrogen

[HB 2530](#)

ORS Chapter: 98

Effective Date: January 1, 2024

HB 2530 provides definitions for the terms “green electrolytic hydrogen” and “renewable hydrogen.” To support the state’s transition to clean energy, the bill directs ODOE to seek and apply for federal funds that may be used to support green electrolytic hydrogen and renewable hydrogen. Additionally, ODOE must provide education and increase awareness regarding these types of hydrogen among groups that include Tribes, local governments, state agencies, federal agencies, private entities, academia, labor unions, and environmental justice communities.

Green electrolytic hydrogen is defined as hydrogen produced through electrolysis using one of three sources of electricity:

- Electricity generated using a resource eligible for the Renewable Portfolio Standard;
- Non-emitting electricity that is not derived from fossil fuels; or
- Electricity that has a carbon intensity equal to or less than the average Oregon grid carbon intensity in the commercial operation date of the electrolysis facility.

The definition in statute for “non-emitting electricity” includes hydropower.

The renewable hydrogen definition in the bill is nearly identical to the one for green electrolytic hydrogen except that it does not specify a production pathway. This leaves the door open for inclusion of other hydrogen production pathways.

Subsequent to this bill passing, SB 5506 – the end of session bill – included \$200,000 for Oregon's share of upfront monies for a proposal to establish a regional hub intended to move towards producing green hydrogen fuels.

To learn more about renewable hydrogen, please refer to the 2022 Oregon Department of Energy report entitled [Renewable Hydrogen in Oregon: Opportunities and Challenges](#).

HB 3031: Air Ventilation in Schools

[HB 3031](#)

ORS Chapter: To Be Assigned

Effective Date: January 1, 2024

During the pandemic, it became evident that public schools throughout Oregon had air quality issues. HB 3031 requires school districts, whenever they make heating, ventilation, and air conditioning – often called HVAC – improvements, to ensure that air quality is considered in those changes. For example, carbon dioxide monitors will be required to assess classroom airflow. Because of the Oregon

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Department of Energy’s [Energy Efficient Schools Program](#), the agency will track this work and continue to support school districts as they adapt to a warming climate, which often includes HVAC updates.

HB 3097: Water Rights and In-Conduit Hydropower

[HB 3097](#)

ORS Chapter: 49

Effective Date: January 1, 2024

HB 3097 allows a municipality or people’s utility district to apply directly to the Oregon Water Resources Department for a certificate to use a water right for in-conduit hydroelectric purposes. To do so, the application would have to include written authorization from the holder of the underlying water right. This shift will make it easier for municipalities to install “microhydro” projects, taking advantage of water moving through piped municipal water delivery systems to generate electricity.

HB 3143: Debt Securitization for Utilities in Emergencies

[HB 3143](#)

ORS Chapter: To Be Assigned

Effective Date: Upon Signing

HB 3143 allows public energy utilities (electric and natural gas) to issue bonds and securitize debt to fund business investments, costs, and expenses associated with events that are the subject of a federal or state declaration of emergency – except any costs and expenses associated with criminal or civil judgments related to the event. Current law on this topic allows utilities to issue bonds and securitize debt tied to energy conservation costs. This new law creates a new class of “rate recovery expenditures,” which include the costs incurred or to be incurred by a public utility associated with a conservation program and those associated with an emergency event (i.e., severe weather, catastrophic wildfire, pandemic, or other event that causes or could cause widespread loss of life, injury to person or property, human suffering, or financial loss).

HB 3161: Aligning Clean Energy Planning Requirements

[HB 3161](#)

ORS Chapter: 54

Effective Date: January 1, 2024

ORS 469A.075 currently requires an electric company subject to Oregon’s RPS to develop an RPS implementation plan (often called an “RPIP”) and file updated plans with the Oregon Public Utility Commission every two years. HB 3161 amends ORS 469A.075 to eliminate the requirement to develop and file an RPIP with the OPUC, and instead directs an electric company to describe its plan for complying with the RPS in the company’s Integrated Resource Plan that must be filed with and reviewed

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by the OPUC. HB 3161 does not eliminate the requirement for electric companies to submit RPS compliance reports to the OPUC pursuant to ORS 469A.170.

There is a lot of overlap between a utility’s IRP and its RPS implementation plan, and HB 2021 established a third planning requirement by requiring utilities to file clean energy plans with the OPUC. HB 2021 gave the OPUC discretion to incorporate clean energy plans into utility IRPs, which the OPUC has chosen to do. By also integrating the RPIP process into the IRP process, HB 3161 would combine three planning processes into one planning process, creating additional efficiencies.

HB 3179: County Jurisdiction for Solar Projects

[HB 3179](#)

**ORS Chapter: To Be Assigned
Effective Date: January 1, 2024**

HB 3179 marks a major change in the regulatory jurisdiction of most large solar projects, away from the process and standards of the Energy Facility Siting Council (EFSC) and instead to a county-by-county approach.

During the 2019 legislative session, HB 2329 marginally decreased EFSC jurisdiction and increased county jurisdiction over wind and geothermal projects and substantially decreased EFSC jurisdiction and increased county jurisdiction over solar facilities. HB 3179 decreases the EFSC jurisdiction further. These thresholds for projects that are now subject to county instead of EFSC jurisdiction are outlined in the following table:

	Pre-HB 2329 County Thresholds and Current Conditional Use Permit (CUP) Process Only	Current County Thresholds and Current CUP/HB 2329 Process	HB 3179 County Thresholds (CUP and HB 2329 Process)
Solar on High Value Farmland	<=100 Acres	>100 acres to <=160 Acres	>100 acres to <=240 Acres
Solar on predominantly cultivated land	<=100 Acres	>100 Acres to <=1,280 Acres (2 square miles)	>100 Acres to <=2,560 Acres (4 square miles)
Solar on other land	<=320 Acres	>320 Acres to <=1,920 Acres (3 square miles)	>320 Acres to <=3,840 Acres (6 square miles)

HB 2329 included some protections of natural resources and habitat that counties are required to follow. HB 3179 made changes to those protections related to site clean-up for energy facilities that are no longer producing energy.

HB 3550: State Agencies and Emissions Reductions

[HB 3550](#)

ORS Chapter: To Be Assigned
Effective Date: January 1, 2024

HB 3550 directs state agencies to purchase zero-emission vehicles when feasible and provides guidance on alternative vehicle options. If a zero-emission vehicle is not feasible, then agencies will either purchase a vehicle that can use alternative fuels or a vehicle that is considered low-emission by DAS and DEQ. Light duty vehicles are defined as those with a gross vehicle weight rating of 8,500 pounds or less, such as a passenger car, sedan, station wagon, pickup truck, minivan equipped for passengers or cargo, sport utility vehicle, crossover vehicle, or a similar specialty vehicle.

The bill will also require DAS to use biofuel to power facilities that use diesel fuel in a stationary or backup generator to maintain their systems. This would apply to all existing and new facilities in their portfolio. Many facilities in DAS' portfolio have backup generators to maintain basic services in the event of a power outage. DAS maintains the generators and their storage tanks as needed.

SB 54/HB 2080: Property Tax Exemption for Community Solar

[SB 54](#) passed as part of [HB 2080](#)

ORS Chapter: To Be Assigned
Effective Date: September 24, 2023

This measure – which was introduced as SB 54 and passed as part of HB 2080, an omnibus bill of property tax-related provisions – would remove the residential-only restriction associated with property tax exemptions on community solar projects, allowing the exemption for all parts of community solar projects. The expanded exemption would apply to property tax years beginning on or after July 1, 2024.

Prior to the passage of HB 2080, state law provided a property tax exemption for portions of community solar projects associated with residential owners or subscribers. All other portions of a project, including unsubscribed or those with commercial or industrial owners or subscribers, were *not* exempt from property taxes.

SB 582: Electric Vehicle Infrastructure Training Program

[SB 582](#)

ORS Chapter: To Be Assigned
Effective Date: January 1, 2024

This bill directs any state agency that funds installation of EV charging systems on the customer side of the meter to require all legally required licenses and to ensure that at least one electrician that holds Electric Vehicle Infrastructure Training Program (EVITP) certification supervises or completes the

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installation. After 500 individuals in Oregon have completed the EVITP training, the bill requires at least 25 percent of electricians who are present and working on installation to hold EVTP certifications when installation will supply 25 or more kilowatts.

HCR 38: 2024 Legislative Assembly Rules

[HCR 38](#)

Filed with Secretary of State

Every legislative session, energy policy is discussed and addressed — and ODOE expects that there will be energy policy-related measures in the 2024 session as well. HCR 38 sets out the following limitations for the 2024 Legislative Session, when legislators next plan to come together for a regular session:

- Each Senator and each Representative may request or submit no more than two drafts of measures.
- Each interim committee of the Senate and of the House of Representatives may request no more than three drafts of measures.
- On behalf of the executive branch, the Governor may request or submit no more than three drafts of measures.
- The Chief Justice of the Supreme Court may request or submit no more than three drafts of measures.
- Members, committees, the Governor, and the Chief Justice must submit requests for draft measures to the Office of the Legislative Counsel by 5:00 p.m. on November 9, 2023.
- The Office of the Legislative Counsel must deliver drafts of measures to requesters by 5:00 p.m. on January 8, 2024.
- Requestors of measure must submit drafts for introduction to the Senate Desk and the House Desk by 5:00 p.m. on January 12, 2024.

The limitations on the introduction of measures and deadlines do not apply to the Joint Committee on Ways and Means, the President of the Senate, the House Committee on Rules, and, in some cases, the Joint, House, and Senate Committees on Conduct.

Bills Affecting Public Records and Public Meetings

Each session, bills pass that affect every state agency. This is a summary of bills that will affect how the Oregon Department of Energy handles public records and public meetings.

[HB 2112](#) – HB 2112 updates definitions and terminology used in public records law regarding records retention and adds retention language to ensure the preservation of public records of value for legal, administrative, fiscal, tribal, cultural, historical, or research purposes. The State Court Administrator is required to make sure that minimum record retention schedules and standards conform with policies and standards established by the State Archivist under ORS 192.105, 357.825 and 357.835 (1). This bill also updates technological language and allows for public records to be captured digitally or recorded by audio or video technology. It requires that records are filed for ease of access and retrieval.

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[HB 2490](#) – This is a public records exemption, which will exempt from required disclosure records concerning cybersecurity plans, devices, and systems. It includes contractual and insurance records, and sets forth specifications, applications, and coverages.

[HB 2805](#) – This specifies that the use of serial electronic written communication or use of intermediaries to communicate may constitute a meeting of a governing body subject to public meetings law if other specified conditions are satisfied. It defines convening as gathering in person, using electronic, video or phone technology to communicate among participants simultaneously, using serial electronic communication between participants, or using an intermediary to communicate among participants.

It does not apply to deliberations of state agencies conducting hearings on contested cases (under ORS chapter 183); communications of a governing body that are purely factual or educational in nature; communications not related to a matter that could come before the governing body for deliberation with a decision that is non-substantive in nature.

The Oregon Government Ethics Commission is required to annually prepare trainings on the requirements of ORS 192.610 to 192.690, along with best practices to enhance compliance with the requirements. The bill details the grievance process, and that the OGEC may move to a contested case proceeding if they determine that there is sufficient evidence to make a preliminary finding of a violation. It lays out civil penalties and liabilities imposed on the members of the governing body.

[HB 2806](#) – This authorizes a governing body of a public body to meet in executive session to consider matters relating to the safety of the governing body, public body staff and public body volunteers, and to consider security of public body facilities and meeting spaces. It also has a focus on cyber security infrastructure and responses to cyber security threats and takes effect upon passage.

[SB 11](#) – This requires state boards or commissions who conduct public meetings through electronic or telephonic means¹ to record and promptly publish the recording on a website or hosting service available to the public, so that they may observe or listen to meetings free of charge. This does not apply to a state board or commission meeting that was lawfully held in executive session under ORS 192.660. The requirement to record and publish applies to any state board or commission under ORS 174.112, whose members are subject to Senate confirmation under ORS 171.562 and 171.565.

[SB 510](#) – This directs the Public Records Advocate to estimate biennial costs to carry out the Advocate's duties and to allocate and assess costs amongst public bodies of the state government to carry out the provisions of ORS 192.461 to 192.475.

The Public Records Advocate will report the estimate to DAS and the LFO. Each public body will pay to the credit of the advocate the amount assessed as administrative expense from funds or appropriations available to the public body in the manner that claims against the public body are paid. The advocate will adopt rules to determine the method of allocating the expenses among the public bodies and for collecting the assessments, which go to the Public Records Advocate's fund.

[HB 3167](#) – This modifies definitions to allow established newspapers to publish public notices in digital form, and in print if the newspaper meets certain standards and definitions. A digital newspaper is defined as online and delivered in electronic form; circulated in both print and digital format and is

¹ in accordance with ORS 192.610 to 192.690

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archivable. It must be formatted identically to the printed newspaper. The newspaper must conduct regular coverage of local news with 25 percent being originally composed by the paper. The subscribership must be more than half of the total distribution of printed and paid for digital copies, and it must have published at least weekly for the last 12 months.

BUDGET BILLS

HB 5016: Oregon Department of Energy Budget

[HB 5016](#)

ORS Chapter: To Be Assigned

Effective Date: Upon Signing

HB 5016 is the budget bill for the Oregon Department of Energy. The bill provides resources to allow the agency to meet our mission and serve the needs of energy stakeholders and all Oregonians. The bill established \$121.2 million in expenditure authority for the department in the 2023-2025 biennium. HB 5016 mostly ensured that existing work could continue at the agency, and also provided authority and funding for new positions to deepen work on diversity, equity, and inclusion, enhance the agency's use of data and mapping tools, and allow for the Siting Division to add staff if demand for energy facility permitting increases.

SB 5506: Budget Reconciliation Bill

[SB 5506](#)

ORS Chapter: To Be Assigned

Effective Date: Upon Signing

SB 5506, the budget reconciliation bill, makes changes to the state budget for the 2023-2025 biennium. It includes several components relevant to energy and climate change:

- \$10 million general fund for the Oregon Solar + Storage Rebate Program at the Oregon Department of Energy
- \$20 million general fund added to the Community Renewable Energy Grant Program at the Oregon Department of Energy
- \$4.9 million toward drought-related projects and programs (part of a larger Water and Drought Package mostly found in HB 2010 and HB 2929)
- \$3 million to the Department of Land Conservation and Development to hire a position and otherwise support local governments in implementing climate friendly and equitable communities measures
- \$1 million to the Oregon Worker Relief Climate Change Fund
- \$250,000 to support the State Climatologist position at Oregon State University

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- Extends staffing and resources for the Oregon Rental Home Heat Pump Program at the Oregon Department of Energy
- \$200,000 for Oregon's share of upfront monies for a proposal to establish a regional hub intended to move towards producing green hydrogen fuels
- Provides funding for additional positions at the Oregon Department of Energy for oversight and support for implementation of new state and federal energy programs.

LEGISLATION NOT PASSED

Multiple Bills: Hydrogen Fuel

[HB 2170](#), [HB 2718](#), [SB 124](#), [SB 125](#), [SB 961](#)

Did Not Pass

The 2023 Legislature considered but did not adopt several bills relating to hydrogen as a fuel. Please note that HB 2530 passed into law, which defined “renewable hydrogen” and “green electrolytic hydrogen” and directed ODOE to support the acceleration of the adoption of these fuels as part of Oregon’s clean energy transition. HB 2530 is summarized on page 19.

HB 2170 A would have directed ODOE to study the feasibility of establishing a renewable hydrogen hub at the Oregon International Port of Coos Bay, and to consult with U.S. Department of Energy, Pacific Northwest National Laboratory, the International Port of Coos Bay, the Oregon Business Development Department, and the U.S. Department of Defense in conducting the study.

HB 2718 and SB 124 A would have directed ODOE to establish a \$5 million grant program for the replacement of backup electric systems or generators fueled with fossil fuels with generators fueled by renewable hydrogen with priority given for replacements powering critical public services. The bill would have also required ODOE to develop “planning goals” for the development of hydrogen infrastructure related to wide-scale adoption and use of hydrogen as a fuel in the state.

SB 125 A would have established a \$25 million grant program at ODOT for public and private entities to develop projects demonstrating the potential for wide-scale adoption and use of fuel cell electric vehicles and hydrogen fueling in the state’s transportation sector. Projects could have included production, storage, and/or use of renewable or green electrolytic hydrogen by a fleet of medium-duty or heavy-duty vehicles. The bill would also have directed ODOT to conduct a study of regulatory barriers to the wide-scale adoption and use of fuel cell vehicles and hydrogen fueling in Oregon and report findings and recommendations to the Legislature.

SB 961 would have directed ODOE to study policies for supporting the development of a renewable hydrogen industry in Oregon and to submit findings to the Legislature.

Multiple Bills: Transportation Efficiency, Taxes, and Fees

[HB 2301](#), [HB 2658](#), [HB 3131](#), [HB 3297](#), [HB 3495](#), [SB 945](#)

Did Not Pass

Several bills were introduced that would have altered road usage taxes or registration fees for motor vehicles, seeking to address concerns about shortfalls in highway funding as consumers switch to more efficient internal combustion, hybrid, and electric vehicles.

HB 2301 would have created an electric vehicle charging tax, administered by the Oregon Department of Transportation and applying to commercially and publicly owned charging stations and to charging stations in commercial and private residential structures. Commercial charging station owners could collect the tax from vehicle owners using the charger, and ODOT could place a lien on the electric vehicle owned by a delinquent taxpayer and ultimately seize EVs under lien after giving required notices.

HB 2658 would have directed the Oregon Department of Environmental Quality to determine the average carbon emissions per motor vehicle and to use that determination as the basis for a “carbon emissions fee” that would be charged to vehicle owners in addition to existing registration fees. DEQ would use the proceeds of the carbon emissions fees to fund a competitive grant program to assist cities and counties in constructing, operating, and maintaining infrastructure projects within highway right-of-way or roadside rest areas to reduce greenhouse gas emissions from motor vehicles.

HB 3131 would have directed ODOE to study means of imposing a tax on electricity used to charge electric vehicles at a rate equivalent to the tax rate imposed per gallon on motor vehicle fuel and to report findings to the Legislature.

HB 3297 would have imposed a mandatory per-mile road usage charge for registered owners and lessees of passenger vehicles model year 2028 or later with a rating of 30 miles per gallon or greater, beginning July 1, 2027. Beginning July 1, 2035, the threshold for the per-mile fee would be reduced to 20 MPG for passenger vehicles model year 2036 or later. On July 1, 2030 the bill would have repealed the voluntary per-mile road usage charge (OReGO). The bill would have allowed for an annual fee based upon the average number of miles traveled by passenger vehicles during the most recent 12-month period for which data is available, in lieu of the per-mile fee through 2031.

The bill would have required ODOT to complete a series of reports on its findings relating to a per-mile usage charge, including: an analysis of administrative and operating costs for implementation; technological readiness; other pricing mechanisms for road fees; the best method to make a transition from current funding mechanisms to a per-mile road usage fees, considering impacts according to income, race, socioeconomic status, and location (urban, rural and suburban); and development and implementation of a weight-mile or per-mile road usage charge for heavy duty, non-passenger vehicles. The bill would have required approval by a three-fifths majority.

HB 3495 would have made electric vehicles exempt from motor vehicle privilege and use taxes, applicable to sales of taxable motor vehicles that occur on or after the effective date.

SB 945 would have required the owner of an electric vehicle to pay a mileage tax for use on Oregon highways and would have directed the Oregon Department of Transportation to calculate the tax rate

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and to determine methods for owners to show the number of miles travelled out-of-state or on non-public highways.

Multiple Bills: Clean Energy Materials - Disposal and Recycling

[HB 2406](#), [HB 2769](#), [HB 2770](#), [SB 64](#), [SB 444](#)

Did Not Pass

Several bills introduced during the 2023 Legislative session would have addressed concerns with the disposition of waste materials from renewable energy facilities and/or batteries electric vehicles, either by disposal or recycling.

HB 2406 would have added requirements to the state and county permitting processes relating to waste recycling and disposal. The bill would have directed the Energy Facility Siting Council to adopt a new standard requiring large renewable energy facilities to account for waste recycling and waste disposal needs over the lifetime of the facility. Energy facilities subject to county land use permitting would have been required to develop a mitigation plan addressing waste recycling and disposal needs.

HB 2769 would have required DEQ to study the disposal of EV batteries in Oregon and report to the legislature on a series of findings, including existing and additional regulatory authority, estimated volume of EV batteries disposed annually, potential locations for disposal sites, potential for recycling EV batteries, costs associated with disposal, and environmental costs and benefits of EV adoption relative to EV battery disposal.

HB 2770 would have directed DEQ to study impacts from disposal of waste materials generated by solar or wind energy facilities and report its findings to the legislature. The bill would have required DEQ to determine the average useful life of solar and wind facilities, identify the expected type and quantity of waste, estimate disposal site capacity needed and disposal costs, recommend disposal sites, and evaluate associated environmental hazards.

SB 64 would have required the Oregon Department of Environmental Quality to study and develop recommendations for disposal methods for batteries used in electric vehicles and renewable energy facilities and submit a report to the legislature.

SB 444 would have directed DEQ to establish a “Recycling Innovators Grant Program” offering grants up to \$2 million to support projects developing innovative and demonstrable solutions to complex recycling issues. Eligible uses for grants under the program would have included research and development, as well as capital investments in new or expanded facilities using innovative technologies to reuse or recycle materials. Under the proposed program, DEQ would have established priorities for materials to recycle, including plastics, electronics not already covered under Oregon E-Cycles, electric vehicle components and batteries, and wood products not useable as a biofuel.

HB 2613: Oregon Clean Vehicle Rebate Program

[HB 2613](#)

Did Not Pass

HB 2613 would have appropriated \$30,000,000 to the DEQ for deposit into the Zero-Emission Incentive Fund. The Oregon Clean Vehicle Rebate Program ran short of funds during 2023. The funds proposed by this bill would have been in addition to and not in lieu of any other appropriation, including a privilege tax on vehicle sales that funds the program. The program has been suspended as of May 1, 2023. Once funding is available again via the privilege tax, the program will announce its reopening.

HB 2614: Transportation Networks and Electric Vehicles

[HB 2614](#)

Did Not Pass

HB 2614 would have required transportation network companies to report to DEQ annual miles and what percent of those miles were driven using zero emission vehicles. It also specifies targets for percent ZEV service miles and authorizes a civil penalty of 50 cents for each service mile that did not meet the ZEV service mile target required for that calendar year. The bill also directed DEQ to establish financial incentives for: the purchase or lease of ZEV transportation network company vehicles and for vehicle charging stations at or near multifamily dwellings in which transportation network company drivers reside; or for installation and purchase of electric vehicle charging stations, including upgrades necessary to install a charger at a single-family dwelling in which transportation network company drivers reside. It also placed a limit on how many Clean Vehicle Rebates could be granted to a single organization.

HB 2685: Tax Credit for Biomass

[HB 2685](#)

Did Not Pass

HB 2685A would have created a tax credit, administered by the Oregon Department of Forestry, for biomass producers or collectors between 2024 and 2030 for biomass produced or collected in Oregon that is used for biofuel or used to produce biofuel or biochar in Oregon. The tax credit would be available at a rate of \$10 per bone dry ton for biomass produced or collected in Oregon as a feedstock for biochar, bioenergy, or biofuel production in Oregon. Eligible biomass would include forest or rangeland woody debris, wood material from hardwood timber, agricultural residues, wood debris, and crops grown solely for energy. The bill would remove eligibility of offal, food waste, and wastewater solids from the original Biomass Producer or Collector Tax Credit. Canola grown, collected, or produced in the Willamette Valley and grain corn would also be excluded from eligible biomass products.

Multiple Bills: Local and State Action on Fossil Fuel Restrictions

[HB 2713](#), [HB 3152](#), [SB 647](#), [SB 834](#)

Did Not Pass

State and local governments in Oregon have created climate action plans with decarbonization targets, leading to an evaluation of the role of natural gas and fossil fuel consumption within their communities. For example, on February 6, 2023, the City of Eugene passed an ordinance banning natural gas infrastructure in new low-rise residential construction.

Two introduced bills in the 2023 legislative session would have limited the ability of local jurisdictions to ban natural gas. **SB 647** would have restricted municipalities in Oregon from adopting local ordinances or land use regulations that prohibit the installation or use of natural gas or its infrastructure in residential or commercial buildings. **SB 834** would have prohibited a unit of local government from adopting or enforcing regulations that restrict residential use of any energy source.

HB 2713 was introduced to *support* the authority of local governments to implement local bans of fossil fuels. The bill would have granted local jurisdictions the ability to ban or limit the use of natural gas, petroleum, coal, or similar fossil fuels. The authority would have applied to all Oregon cities and counties whether they are home rule cities and counties or not. HB 2713 specifically would have allowed them to limit or ban:

- The use of fossil fuels in new building construction projects
- Appliances that use fossil fuels in new building construction projects
- Installation of fossil fuel infrastructure

HB 2713 also declared fossil fuel use and its regulation to be a public peace, health, and safety emergency.

HB 3152 addressed GHG emission targets from EO 20-04 and Oregon Public Utility Commission (OPUC) oversight of utilities by setting a state policy objective to protect residential ratepayers from stranded fossil fuel asset risks and energy burdens while reducing GHG emissions. The bill would have prohibited the OPUC from allowing ratepayer funds to support residential gas appliance incentives or line extension allowances.

HB 2816: High Energy Use Facilities and Clean Electricity

[HB 2816](#)

Did Not Pass

HB 2816, as it would have been amended by the -3 amendments, would have required any new data center or cryptocurrency operation in Oregon that is deemed a “high energy use facility” to comply with declining greenhouse gas (GHG) emissions limits for electricity consumed on-site. A facility was defined as a “high energy use facility” if it is a data center or cryptocurrency operation, its base electricity load equals or exceeds 10 average megawatts of electricity per year, and it uses electricity that is not supplied by an investor-owned electric utility or electricity service supplier subject to the clean energy

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targets established by HB 2021 (2021) and codified in ORS 469A.410. The bill would have allowed a temporary exemption from any of the requirements due to certain significant constraints or disruptions and would have allowed certain renewable energy certificates (RECs) to be used for compliance. Because HB 2816 would have imposed GHG limits on high energy use facilities served by consumer-owned utilities (COUs) (which are not subject to the clean energy targets established by HB 2021), the bill included a compliance exemption for a facility if the COU serving the facility would have had to comply by reducing its purchases of lowest-priced electricity from Bonneville Power Administration (BPA).

HB 2989 and HB 3180: Energy Facility Siting

[HB 2989](#) and [HB 3180](#)
Did Not Pass

HB 2989 was a study bill directing the Department of Land Conservation and Development and ODOE to convene a broad stakeholder group to assess the following and generate a report to the legislature by September 15, 2024 with findings and recommendations about:

- Current state and local regulatory framework for siting renewable energy and transmission projects
- Barriers in the current state and local regulatory framework to renewable energy and transmission projects to meeting Oregon’s energy goals
- Issues and opportunities in the current regulatory framework for numerous identified elements
- The amount of generation that is needed to meet Oregon’s energy goals
- Incentives for renewable energy and transmission projects

This bill was one of two placeholders stemming from a months-long conversation among parties interested in energy siting. The other, HB 3181, was amended into HB 3409. You can find a summary for that concept on page 13.

HB 3180 was not part of the months-long process among parties interested in energy siting, but was also a study bill directing the Department of Land Conservation and Development to explore solar generation facilities. Amendments proposed to HB 3180 would have changed parameters for the jurisdiction of solar facility siting and made significant changes to how land use decisions are made regarding the siting of solar facilities on farmland. After much negotiation, some of the contents of this bill were then placed in HB 3179, which passed into law and is summarized on page 21.

HB 3003: Tax Credit for Western Juniper Biomass

[HB 3003](#)

Did Not Pass

HB 3003 would have created a tax credit for investor-owned and consumer-owned electric utilities that purchase electricity produced by a fuel source that is at least 50 percent qualifying western juniper biomass. “Qualifying western juniper biomass” refers to western juniper that has been removed from a riparian area in which the removal of western juniper will benefit water resources and ecological health. HB 3003 would have directed the Oregon Watershed Enhancement Board to adopt rules identifying qualifying riparian areas; ODOE would have administered other aspects of the program.

HB 3004: Tax Credit for Transmission Services

[HB 3004](#)

Did Not Pass

HB 3004A would have established a tax credit for expenses related to transmission services incurred by owners of solar, wind or energy storage facilities that are placed into service in Oregon in 2025 through 2030. The owner of an eligible facility would have been entitled to receive a tax credit for up to 100 percent of the facility’s transmission expenses for a period of 20 years. For the first five years, the tax credit could have offset up to 100 percent of the owner’s tax liability. For years six through twenty, the tax credit could have offset up to 75 percent of the owner’s tax liability. Electric utilities would not have been eligible for the tax credit.

HB 3055: Solar Facilities and PURPA

[HB 3055](#)

Did Not Pass

HB 3055A would have amended the minimum criteria for qualifying facilities under Oregon’s PURPA (Public Utility Regulatory Policies Act of 1978) implementation statute. The bill would have established a qualifying facility eligibility cap of no less than 10 MW for standard avoided cost rates and standard offer contracts. This would make solar qualifying facilities with nameplate capacities up to 10 MW eligible for standard avoided cost rates. The bill would also allow an energy storage system to be paired with a qualifying facility to provide storage capacity for the energy produced by the facility.

The OPUC has opened two dockets in recent years to investigate issues related to PURPA implementation in Oregon. In [Docket UM 2000](#), the OPUC is conducting a general investigation into several PURPA implementation issues, including issues related to interconnection and avoided costs.

To learn more about PURPA, see the [PURPA 101](#) article in the 2022 Biennial Energy Report.

HB 3459: Low-Income Bill Payment and Crisis Assistance

[HB 3459](#)

Did Not Pass

This bill would have extended and amended key aspects of the COVID-era funding mechanism put in place to provide additional funding for low-income bill payment and crisis assistance. This mechanism also included a prohibition on shutoffs for non-payment. HB 3459 would have extended the program through 2026 and also removed the requirement that the fund could only be accessed by customers in need of assistance due to COVID. The provisions would have applied to all electric companies in the state.

HB 3579: Clean Technology Procurement and Manufacturing

[HB 3579](#)

Did Not Pass

HB 3579A would have required that DAS adopt rules to govern procurement of clean energy technology that DAS conducts on behalf of state agencies. Clean energy technology would have included renewable energy generation and storage systems and components, energy conservation equipment, and equipment that facilitates the manufacturing or expansion of EV infrastructure. The bill would have established a Task Force on Establishing, Attracting and Sustaining Manufacturing of Clean Energy Technology. The task force would have been responsible for the evaluation and recommendation of policies to foster, attract, and sustain clean energy technology manufacturing firms and operations. HB 3579A would have also established the Oregon Clean Technology Manufacturing Opportunity Fund with \$10,000,000 to attract and support clean energy technology manufacturing.

SB 678: Direction for Floating Offshore Wind Development

[SB 678](#)

Did Not Pass

SB 678A would have established state policies to: support engagement between offshore wind (OSW) energy developers, coastal communities, and local, state, and regional organizations; ensure benefits from OSW flow to local & regional communities (i.e., coastal, fishing, Tribal), ecosystems, and economies; and ensure the interconnection of OSW promotes the reliability and resilience of the state's electric grid and reduces dependency on importing out-of-state energy. To further these policies, the bill would also have directed the Department of Land Conservation and Development (DLCD) to conduct outreach on these matters with coastal communities and local, state, and regional agencies/organizations; and to summarize the Department's activities on this topic, review state policies related to OSW development, and provide recommendations for improving state policies or further agency action in a report to the legislature.

SB 803: Study on the Phase-Out of Conventional Diesel

[SB 803](#)

Did Not Pass

Transportation fuel use is Oregon’s largest source of greenhouse gas emissions, primarily from direct combustion of petroleum fuels, including emissions from on- and off-road vehicles. SB 803A directed DEQ, in consultation with other agencies, to study the feasibility of phasing out high carbon intensity fossil diesel fuels as transportation fuels in Oregon. The study would have evaluated impacts of requiring a lower carbon intensity value for diesel, prices and availability of renewable fuels and blends, incentives for increasing the production of renewable fuel and estimates of current and future demand by region.

Multiple Bills: Nuclear Power Production in Oregon

[HB 2215](#), [SB 676](#), [SB 831](#), [SB 832](#), [SB 833](#)

Did Not Pass

Four bills this session sought to change or explore the existing prerequisites that functionally prevent the siting of a new nuclear power generating facility within the state. Existing statute requires any development of new nuclear power capacity in Oregon to meet the following prerequisites:

1. Prior to issuance of a site certificate by the Energy Facility Siting Council, the Council must find that an “adequate” permanent national repository for high-level radioactive waste be licensed to operate (ORS 469.595); and
2. Prior to approval of a site certificate for a nuclear power facility, the Energy Facility Siting Council must submit the proposal for a site certificate to a vote by the people of Oregon (469.597).

HB 2215, SB 676, and SB 831 would have repealed the restrictions on nuclear facilities; HB 2215 and SB 676 would have referred the changes to the ballot.

SB 832 would have removed small modular nuclear reactors from the various restrictions on nuclear power plants in the state. For more information on SMRs, see the 2020 Biennial Energy Report’s [Technology Review: Small Modular Nuclear Reactors](#).

SB 833 would have directed Oregon State University to study the use of thorium as a nuclear fuel for power plants.

FOR MORE INFORMATION

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