



# Oregon

Theodore R. Kulongoski, Governor



OREGON  
DEPARTMENT OF  
ENERGY

625 Marion St. NE  
Salem, OR 97301-3737  
Phone: (503) 378-4040  
Toll Free: 1-800-221-8035  
FAX: (503) 373-7806  
[www.energy.state.or.us](http://www.energy.state.or.us)

## Summary of 2009 Energy Legislative Package

### Governor's Office Bills

#### 1. Energy Efficiency Standards (Senate Bill 79)

- Directs ODOE to adopt energy efficiency rating system for homes and buildings;
- Directs ODOE to create a system of energy performance scores for homes and buildings;
- Directs Building Code Division of the Department of Consumer & Business Services to increase energy efficiency of the residential code by 15% and the commercial code by 30% by 2012.
- Directs Building Code Division to adopt energy codes which achieve net zero emissions in energy and carbon emissions for residential and commercial buildings by 2030.

#### 2. Solar Feed-in Tariff (House Bill 2121)

- Authorizes PUC to establish a pilot project production incentive payment by investor-owned utilities for solar energy.

#### 3. Greenhouse Gas Cap and Trade System (Senate Bill 80)

- Authorizes Environmental Quality Commission (EQC) to establish cap and trade system for greenhouse gasses;
  - System is based on Western Governors' Climate Initiative (WCI);
  - Applies to all power plants and certain other emitters of greenhouses gasses.

### Oregon Department of Energy (ODOE) Bills

#### 1. Renewable Energy Incentives (House Bill 2180)

- Establishes renewable energy grant fund, funded by contributions; donors receive tax credits;
  - \$1 million a year limit on expenditures from the renewable energy grant fund;
- Amends Residential Energy Tax Credit to include small hydroelectric facilities;
- Clarifies eligibility for biomass producer tax credit for collectors and producers of biofuels;
- Increases the Business Energy Tax Credit to 50% for energy-efficient industrial projects;
- Amends the Residential Energy Tax Credit to increase credit for plug-in hybrids and gradually reduce credit for standard hybrids.

#### 2. Energy Efficiency Incentives (House Bill 2181)

- Authorizes local improvement districts to finance energy efficiency and renewable energy improvements for homes and businesses;
- Authorizes ODOE to provide loan funds to local improvement districts for these energy projects.

### **3. Small Scale Energy Loan Program (SELP) Changes (House Bill 2182)**

- Makes definition of alternative fuel vehicles in SELP statutes consistent with tax credit statute.
- Extends SELP advisory committee member terms to four years.

### **4. Power Plant Greenhouse Gas Emission Performance Standards (Senate Bill 101)**

- Directs ODOE to set greenhouse gas emissions standard for new power plants serving Oregon electric loads;
  - ODOE will consult with PUC before adopting rules to establish the standard;
  - The standard must limit emissions to no more than emissions from a natural gas plant.
- Provides a carbon sequestration facility is subject to review by the Energy Facility Siting Council;
- Updates standard for exemption of efficient cogeneration plants by Energy Facility Siting Council.

## **Energy Bills of Other State Agencies**

### **Department of Revenue (House Bill 2159)**

- Clarifies provisions for transferring the Business Energy Tax Credit (BETC).
  - Provides that the owner of a qualifying energy efficiency or renewable energy project may transfer all or a portion of the tax credit in exchange for the net present value cash payment.
  - Provides that the sale, exchange or other disposition of interest in a partnership or of shares in an S corporation is not a basis for revocation of the BETC.

### **Housing and Community Services Department (Senate Bill 201)**

- Establishes energy efficiency program for low income households;
  - Funds can be used for energy audits, weatherization, energy-efficient design in new low-income housing and other measures;
  - Provides \$4 million of General Fund for these purposes;
  - Funds must be matched with public or private grants, loans, tax incentives or in-kind measures.

### **Water Resources Department (Senate Bill 195)**

- Exempts certain wave energy projects from certain hydroelectric licensing requirements;
  - Projects must be less than 5 megawatts in size;
  - Projects can be connected to the grid to produce electricity;
  - Projects must be constructed and operated per an agreement of specified state agencies;
  - Agreement must mitigate impacts on fishing, environment and recreation.

### **Department of Administrative Services (Senate Bill 168)**

- Allows state agencies to develop renewable energy on state property:
  - Does not allow retail wheeling or competition with local utilities;
  - Requires budget approval before any expenditures can be made;
  - Requires state agency to obtain all state and local permits for siting the project.

### **Department of Environmental Quality (House Bill 2186)**

- Authorizes EQC to develop a comprehensive program to help achieve statutory greenhouse gas reduction goals;
  - EQC will consider safety, feasibility and cost-effectiveness;
  - EQC may differentiate between different areas of state, types of greenhouse gases and categories of substances, fuels and equipment.