



Oregon

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TO: Interested Persons
FROM: Paul Klarin
SUBJECT: Marine Renewable Energy Resources Research Fund
DATE: March 11, 2010

This memo provides some background information and outlines the process and timeline for implementing House Bill 3633 (see next page), an act to conduct research related to marine renewable energy resources.

HB 3633 established the Marine Renewable Energy Resources Research Fund to collect money for a study on how best to develop commercially viable small scale marine renewable energy resources in coastal communities. The act directs the Department of Land Conservation and Development (DLCD) to conduct the study and to utilize an existing advisory committee, the Territorial Sea Plan Advisory Committee, to consider the output of that study and make recommendations back to the 2011 Legislative Assembly based on that review. The act provides some guidance on a number of factors that may be considered in the study, but the exact scope is to be determined by the department in consultation with stakeholders and experts from the public and private sectors. Should sufficient funds be available, the department will contract for the study, which must then be conducted and completed by December 2010.

The scope and content of the study will depend on the level of funding that becomes available. Monies to be used for the study are to be raised independently from sources outside of the department, and no state General or Federal Funds appropriated to the department may be used for the study. The department is to determine if there is sufficient money in the fund to conduct the study, and it must do so by April 26 and report back to the Legislative Counsel. If the department deems that sufficient funds are not available, the act is repealed and no study is conducted. The target for sufficient funding for the study is established at approximately **\$100,000**. Note that the act provides that monies remaining in the fund on the date of repeal will be transferred to the General Fund, and will not be refunded to the donors.

Anyone wishing to contribute to the Marine Renewable Energy Resources Research Fund may do so by sending a check payable to the Department of Land Conservation and Development, in care of Linda Smith, Operations Services Division, with a cover letter specifying the purpose of the funds.

For more information, please contact Paul Klarin at (503) 373-0050 ext. 249, or paul.klarin@state.or.us

Enrolled House Bill 3633

Sponsored by Representative BOONE; Representatives BARTON, VANORMAN (Presession filed.)

CHAPTER

AN ACT

Relating to community-based renewable energy projects; creating new provisions; amending ORS 469A.210; appropriating money; limiting expenditures; and declaring an emergency.

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

SECTION 1. ORS 469A.210 is amended to read:

469A.210. The Legislative Assembly finds that community-based renewable energy projects, **including but not limited to marine renewable energy resources that are either developed in accordance with the Territorial Sea Plan adopted pursuant to ORS 196.471 or located on structures adjacent to the coastal shorelands**, are an essential element of Oregon's energy future, and declares that it is the goal of the State of Oregon that by 2025 at least eight percent of Oregon's retail electrical load comes from small-scale renewable energy projects with a generating capacity of 20 megawatts or less. All agencies of the executive department as defined in ORS 174.112 shall establish policies and procedures promoting the goal declared in this section.

SECTION 2. (1) The Department of Land Conservation and Development shall cause a study to be conducted on how to best develop commercially viable marine renewable energy resources in this state. The study may include, but is not limited to, the following subjects:

- (a) The overall needs, opportunities and constraints regarding development of marine renewable energy resources.**
- (b) The potential economic impacts on other ocean industries and coastal communities caused by development of marine renewable energy resources.**
- (c) Environmental conditions and limitations affecting the development of marine renewable energy resources.**
- (d) Relevant state and federal regulatory structures affecting the development of marine renewable energy resources.**
- (e) Public and private financial and investment needs of marine renewable energy resource production.**
- (f) Capacity of and constraints on local coastal utilities to use marine renewable energy in their service areas.**
- (g) Trends and opportunities in energy conversion technologies.**
- (h) Operational considerations and opportunities for marine renewable energy.**
- (i) Research needs and opportunities.**
- (j) Opportunities for funding, including state tax credits, feed-in tariffs, incentives and other available sources of research and development funds.**

(2) The department shall invite participation by and consultation with other state agencies, including Oregon State University, other federal agencies and appropriate stakeholders, in the development of the scope and content of the study.

(3) The department shall coordinate review of the study with a committee organized by the department that has experience with providing policy guidance and direction for marine renewable energy resources in the territorial sea. The committee shall review the recommendations and results of the study and forward appropriate recommendations, with any recommended modifications from the committee, to the Seventy-sixth Legislative Assembly.

SECTION 3. The Marine Renewable Energy Resources Study Fund is established in the State Treasury, separate and distinct from the General Fund. The Marine Renewable Energy Resources Study Fund shall consist of contributions of moneys from any source, public or private. Interest earned by the Marine Renewable Energy Resources Study Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Department of Land Conservation and Development for the purposes of section 2 of this 2010 Act. No moneys from the General Fund or from federal funds appropriated or otherwise obligated to support other department programs may be deposited into the Marine Renewable Energy Resources Study Fund. The department may accept assistance from any source, public or private, and may agree to conditions placed on the moneys not inconsistent with the provisions of section 2 of this 2010 Act.

SECTION 4. (1) Sections 2 and 3 of this 2010 Act are repealed on the 61st day after the adjournment sine die of the 2010 special session of the Seventy-fifth Legislative Assembly unless sufficient moneys are deposited in the Marine Renewable Energy Resources Study Fund for the Department of Land Conservation and Development to conduct the study pursuant to section 2 of this 2010 Act.

(2) Prior to the 61st day after the adjournment sine die of the 2010 special session of the Seventy-fifth Legislative Assembly, the department shall notify the Legislative Counsel if sufficient moneys have been deposited into the fund to conduct the study pursuant to section 2 of this 2010 Act.

(3) Section 2 of this 2010 Act becomes operative on the date on which sufficient moneys have been deposited into the fund to conduct a study pursuant to section 2 of this 2010 Act, if that day occurs prior to the 61st day after the adjournment sine die of the 2010 special session of the Seventy-fifth Legislative Assembly.

(4) If sections 2 and 3 of this 2010 Act are not repealed pursuant to subsection (1) of this section, sections 2 and 3 of this 2010 Act are repealed on January 2, 2012.

(5) Any moneys remaining in the Marine Renewable Energy Resources Study Fund on the date of the repeal of sections 2 and 3 of this 2010 Act shall be transferred to the General Fund.

SECTION 5. Notwithstanding any other law limiting expenditures, the amount of \$1 is established for the biennium beginning July 1, 2009, as the maximum limit for payment of expenses by the Department of Land Conservation and Development from the Marine Renewable Energy Resources Study Fund established by section 3 of this 2010 Act.

SECTION 6. This 2010 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2010 Act takes effect on its passage.

Passed by House February 23, 2010

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Chief Clerk of House

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Speaker of House

Passed by Senate February 23, 2010

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President of Senate

Received by Governor:

.....M,....., 2010

Approved:

.....M,....., 2010

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Governor

Filed in Office of Secretary of State:

.....M,....., 2010

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Secretary of State