

## Purpose

HB 2063 would clarify requirements for developers of standby generators regarding Energy Facility Siting Council (EFSC) jurisdiction, including when a site certificate is required. It would remove the requirement that standby generators with capacity over 25 megawatts (MW), and which meet specific criteria, receive a site certificate or seek a site certificate exemption from EFSC. Exempt standby generators are defined in statute; to meet the exemption definition, they must be electrically incapable of connecting to the power grid and have received all applicable land use permits from the county or city and all applicable permits related to air and water from the Oregon Department of Environmental Quality (DEQ).

## Background and Need for Legislation

Under current statutes, standby generators that are over 25 MW (the EFSC-jurisdictional threshold for thermal power energy facilities) must seek a determination from EFSC that the standby generator qualifies for an exemption under ORS 469.320(2)(g). The process for EFSC determination is further described in rule.

There are a number of standby generators in Oregon that have been built, are in construction, or are proposed that have not applied for or secured a site certificate or exemption from EFSC. Some of these standby generators are above 25 MW, and are typically associated with data centers and the semiconductor industry. None of the standby generators in Oregon are capable of connecting to the grid. Standby generators are typically diesel-fueled and are installed as back-up power in case there is a loss of electricity from the grid. They are permitted by DEQ air contaminant discharge permits, which incorporates a local land use permitting process. It is anticipated that most, if not all, standby generators associated with data centers and semiconductor industry are located in industrial-zoned areas.

Because the environmental or resource issues of concern associated with standby generators are already addressed by DEQ and local land use permitting, there is little to no value in requiring a standby generator with capacity over 25 MW, and which meet the specific criteria, to also receive a site certificate or an exemption from EFSC. The exemption process would include a cost to the developer or owner of the project, require ODOE Siting staff time, and require EFSC to review the site certificate or exemption during a Council meeting.

Revising statute to clarify that specific types of standby generators do not need to seek a site certificate or an exemption would save resources and reduce redundancy in state government permitting. These generators must already receive permits from DEQ that include limits on operational hours to minimize air pollution emissions, which is the primary environmental impact.

## Expected Fiscal Impact

HB 2063 would have no increased costs to the agency and would potentially avoid future costs of reviews, site certificates, or exemption processes. When a site certificate is required, all costs are borne by the developer on a cost-recovery contract basis. Overall, this bill would likely save money by clarifying that site certificates or exemptions are not necessary for standby generators which are rated 25 MW or greater and are incapable of interconnecting to the grid. This would also relieve developers, Siting division staff, and EFSC from the time and costs associated with addressing the facilities that are already in existence.

## Contact

Christy Splitt

Government Relations Coordinator

[christy.splitt@oregon.gov](mailto:christy.splitt@oregon.gov)

503-510-4473