



2026
Legislative
Session
Report



OREGON DEPARTMENT OF ENERGY

ODOE LEGISLATIVE REPORT – 2026



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

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INTRODUCTION

Oregon’s 2026 legislative session began on February 2, 2026 and adjourned on March 6, 2026. There were 304 bills, memorials, and resolutions introduced during the session. Of those, the legislature passed 153. At the time of initial publication of this document, the Governor is still in the process of signing bills. This report will be updated periodically to reflect bill signings, which in some cases determine the effective date of legislation.



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, nuclear energy, data centers, energy planning, and more. We also tracked 55 bills that could have made changes to regulatory roles and added new programs or activities at the agency, and we provided technical advice to legislators and staff along the way.

How the 2026 Legislative Session Affected ODOE

As the legislative session closed on March 6, the Oregon Department of Energy has determined that the following bills will affect our work:

- HB 4020 and 4021 each contain requirements around permitting and rulemaking that ODOE already meets; HB 4020 also requires ODOE to add a key performance indicator around timeliness for the issuance of energy facility site certificates.
- HB 4084 requires ODOE to participate in the Joint Permitting Council and also to report on permitting timelines, streamlining opportunities, stakeholder feedback, and potential fee relief for delayed permit processing related to energy facility siting; the report follows similar guidance from Executive Order 25-29.

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- HB 4029 introduces a suite of consumer protections for solar energy purchasers and ODOE can now undertake rulemaking for the Oregon Solar + Storage Rebate Program to ensure approved contractors comply with the consumer protections.
- HB 4031 may lead to fewer energy projects going through the Energy Facility Siting Council process over the next few years.
- HB 4076 will change land use exceptions for proposed projects making use of existing transmission capacity as they go through the the Energy Facility Siting Council process. .
- HB 5204 allows the agency to use previously reserved funds that did not result in projects to open up the Oregon Solar + Storage Rebate Program and the Oregon Rental Home Heat Pump program to new reservations during this biennium. It allows the agency to offer additional funds to regional administrators for the Community Heat Pump Deployment Program using unspent administrative funds. The bill also contained a reduction in funding related to the state match portion of the Grid Resilience Program.

About the 2026 Legislative Session Report

This document is designed with several purposes in mind:

- For energy professionals and policy organizations to use as a quick reference of energy bills during the 2026 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 2026 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 2026 Legislative Session

Just after the 2025 Legislative Session, Congress passed House Resolution 1, a sweeping bill with several provisions that had an impact on Oregon’s budget in both the short and long term. In the short term, because Oregon automatically connects its state tax code with the federal tax code, tax cuts were estimated to cost the state over \$800 million in revenue during the current budget cycle. While the Legislature had set aside reserves, those reserves were not adequate to cover that near-term loss. There were also aspects of H.R. 1 that required millions in additional spending and changes to state-run programs. Much of the interim period between legislative sessions was spent considering how to manage the revenue shortfall. Agencies shared packages of potential cuts in the fall and the budget was clearly the focus of all preparations for the short session.

In the end, successive revenue forecasts showed that the budget gap was not as dramatic as feared. In addition, the Legislature considered and passed SB 1507, which “disconnected” Oregon from some pieces of the H.R. 1 tax cuts. Cuts still had to be made, but for the most part, most state services were protected from major impacts. However, it is important to note that H.R. 1 also has longer term influence on the state budget, as it reduces federal funding for Medicaid, SNAP, and other programs; Governor Tina Kotek’s administration [estimates](#) the longer-term effects of H.R. 1 to total \$15 billion over the next two budget cycles. The budget will continue to be top of mind for state government.

H.R. 1 also had effects on the energy sector that led to legislation. For example, tax credits for renewable energy projects passed in the Inflation Reduction Act were revised and the timeline for projects to be eligible shortened by H.R. 1. This created a sense of urgency around the permitting of renewable energy projects, which led to the consideration and passage of HB 4031. That bill allows a developer of a renewable project of any size to go through county-level permitting rather than state-level permitting if they are eligible for the federal tax credit. Another energy facility siting bill, HB 4076, was not as directly responsive to the tax credit dynamic, but also benefitted from the sense of urgency to get projects going quickly; that bill makes it either automatic or easier to receive a land use exception for new energy projects located near existing ones that can make use of both grid-related infrastructure and interconnection agreements already in place.

In addition to state budget woes due to H.R. 1, the state was also falling behind the nation in its economic recovery post-pandemic, which affects the budget as well as on the prosperity of the state and its residents in general. Some high-profile businesses moved headquarters from Oregon to other states, while others were reducing their Oregon workforce or closing down facilities entirely. As a result, both the Governor and the Legislature were looking for ways to promote economic growth. Meanwhile, electricity load growth forecasts for the Pacific Northwest made it clear that clean energy and transmission projects would need to be part of any economic development package. The Oregon Department of Energy, therefore, was mentioned in the Governor’s economic development bill (HB 4084) and in two other bills (HB 4020, HB 4021), all three of which were designed to make permitting processes across multiple agencies more efficient.

Because of the greenhouse gas emissions and energy implications of the transportation sector, the Oregon Department of Energy paid close attention to continued dynamics regarding the transportation package passed in the 2025 September special session. This package was primarily intended to deal with a budget shortfall at the Oregon Department of Transportation. Signatures were collected to refer the tax and fee pieces of the package to the November ballot. However, legislative leaders wanted to move that vote up to May. This issue became a partisan one, and perhaps the most contentious of session. In the end, SB 1599 passed on party lines, moving the referendum to the May ballot. It remains to be seen what will come of other provisions in the transportation package. With uncertainty surrounding the

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transportation package, the session also included a package of cuts to Oregon Department of Transportation programs and staff to redirect funding to address the budget shortfall. This included cuts to programs that reduce greenhouse gas emissions, such as Safe Routes to Schools and transportation electrification programs.

While building new clean energy projects and transportation funding were the highest profile energy issues of session, a few other bills passed as well. HB 4029 will protect purchasers of residential solar projects from fraudulent sales and lending practices. HB 4086 calls for Business Oregon to create an industrial symbiosis road map. HB 4077 allows a pathway for utilities to pay for insurance via bonds and securitization. HB 4100 requires the owners of fuel terminals to prove their ability to pay for cleanup in the event of a spill. You can read more about these and other bills that either affect the energy sector or ODOE in the Bills that Passed section starting on page 6

Otherwise, it was a tale of what did *not* pass. This included bills that would have created a Climate Superfund to pay for the effects of climate change on Oregon (SB 1541), studied the potential for nuclear energy projects sited in Oregon (HB 4046), moved the state toward allowing plug-in or “balcony solar” (HB 4080), created new financing mechanisms for energy projects (SB 1526 and SB 1588), advanced more residential energy projects to benefit the grid (SB 1582), and determined where liquid fuel could be stored in the state (HB 4032). You can read more about the bills that did not pass starting on page 13.

Bill Information: Effective Dates, Operative 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:

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SECTION 30. This 2025 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect on its passage.

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 2025 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect July 1, 2025.

Bill Publication

Copies of the 2026 enrolled bills (the copy the Governor signs) may be found on the legislative website: <https://olis.oregonlegislature.gov/liz/2026R1/Measures/GovernorSignedBills>. Measures signed into law are known as “session laws” and are available on the legislative website under Oregon Laws. Permanent Laws passed during the 2026 Legislative Session will not be codified until the 2028 edition of Oregon Revised Statutes is released.

LEGISLATION PASSED

HBs 4020 and 4021: Permitting and Rulemaking Changes

[HB 4020](#) and [HB 4021](#)

ORS Chapter: Not Yet Assigned

Effective Date: June 5, 2026

HB 4020 and 4021 were part of a package of bills that addressed certain agencies that provide permits. HB 4020 requires that the Oregon Department of Energy, along with the Departments of Environmental Quality, State Lands, and Geology and Mineral Resources specify the authority for denying a permit as well as any recourse and timeline for contesting that decision. These agencies are also required to add a key performance indicator – part of the budget consideration for all state agencies – around the timeliness of their permitting processes. HB 4021 added the Department of Transportation to the list of agencies listed and requires those agencies to provide contact information for questions about administrative rules on their websites. Another provision of HB 4021 applies to all the agencies listed above — except the Oregon Department of Energy — and sets notification and timing parameters for new rule adoption.

HB 4029: Consumer Protection for Solar Customers

[HB 4029](#)

ORS Chapter: Chapter 11, 2026 Laws

Effective Date: June 5, 2026

HB 4029 establishes consumer protections associated with the sale and purchase of residential solar energy devices. Specific requirements associated with contractor licensing, system descriptions, financial disclosures, and performance estimates are described. These consumer protection provisions are required to be presented by solar sales agents/solar contractors before a sales agreement is reached and must also be part of customer contracts. Separate consumer protection requirements are established for systems that are purchased outright, leased to a customer, or conveyed to a customer through a power purchase agreement.

The provisions in HB 4029 are designed to provide customers with important information necessary to make informed decisions about purchasing solar equipment. Specifically, customers will be equipped with:

- A clear description of the proposed solar energy installation and all related costs including financing costs and dealer fees.
- Estimated annual electricity production.
- Financial disclosures regarding tax credits, bill credits, and annual cost savings given current utility rates.
- Normalized cost and system data that can be used to directly compare quotes from multiple contractors.
- The ability to cancel sales agreements within three days of signing.
- Information about system maintenance and warranties.
- Extension warranties to new owners if the property transfer occurs within the original warranty period.

HB 4031: Jurisdiction for Renewable Energy Projects Eligible for Tax Credit

[HB 4031](#)

ORS Chapter: Chapter 12, 2026 Laws

Effective Date: June 5, 2026

HB 4031 creates a new statutory exemption from the requirement to obtain a site certificate from the Energy Facility Siting Council for certain renewable energy facilities. To qualify for the exemption, a facility must produce power exclusively from specified renewable resources (solar, wind, geothermal, or marine energy), qualify for certain federal renewable energy tax credits, and begin construction on or before December 31, 2028.

Under the bill, qualifying facilities must obtain local land use approval from the applicable local government and provide notice of that approval to EFSC, but are not required to undergo EFSC's centralized siting review. The bill shifts primary siting authority for these facilities from EFSC to local governments, unless the developer or local government elects EFSC jurisdiction under existing law.

HB 4060: Changes to Compact Fluorescent Ban

[HB 4060](#)

ORS Chapter: Not Yet Assigned

Effective Date: Upon Signing

Bans on selling, offering to sell, or distributing screw- or bayonet-base types of compact fluorescent lamps went into effect on January 1, 2024, and on pin-based or linear fluorescent lamps on January 1, 2025. HB 4060, as enrolled, states that these fluorescent lighting bans will not apply to owners or operators of facilities with more than one million square feet total until January 1, 2030. The total square footage value would be based on all facilities owned or operated by the same parent company, their subsidiaries, or any entities related to them.

The bill also suspends Oregon Health Authority review for any lighting retrofit projects in long-term care facilities that remove or replace fluorescent fixtures until January 2, 2030. Projects over \$50,000 in costs are usually subject to such review. If fluorescent lighting projects are combined with other measures, the review requirement would still apply. This provision in HB 4060 was tied to another bill, HB 4066, which also passed in this short session. HB 4066 was an omnibus bill to expand a prior timeline extension for schools to phase out fluorescent lighting to include education service districts.

HB 4062: Business Oregon Program Evaluation

[HB 4062](#)

ORS Chapter: Not Yet Assigned

Effective Date: Upon Signing

Business Oregon plays a key role in the energy sector, offering a variety of economic and energy-related programs that benefit Oregon businesses of all sizes. HB 4062 directs Business Oregon to review its programs during preparation of its 2027–29 biennium budget. This includes:

- Evaluating effectiveness based on application volume, actual usage, and expected need.
- Identifying common application requirements across all divisions and standardizing them wherever possible.
- Recommending specific programmatic adjustments:
 - Consolidation: Merge similar or overlapping programs.
 - Elimination: Phase out programs with little to no participation.
 - Annexation: Transfer similar programs administered by other state agencies into Business Oregon.
 - Rehousing: Move certain functions or divisions out of Business Oregon into more suitable state agencies or establish them as independent entities.

Business Oregon is allocated \$350,000 lottery dollars to pay for expenses related to implementation of the program evaluation.

HB 4076: Land Use Exceptions for Energy Projects Using Existing Interconnection

[HB 4076](#)

ORS Chapter: 469.504

Effective Date: June 5, 2026

HB 4076 allows for surplus interconnection capacity to be the sole reason justifying an exception to Oregon’s statewide planning goals for certain energy facilities. Surplus interconnection is defined as capacity at the point of interconnection under an existing energy facility’s interconnection agreement that is not being utilized and does not exceed the original interconnection capacity of the existing energy facility. For example, a wind facility is defined by ORS 469.300(4) as having a third of the efficiency of its maximum generating capacity because wind does not blow all day, every day - so the wind facility would have surplus interconnection capacity of two thirds.

An exception to Goal 3 (Agricultural Lands) is required for projects that occupy 12 acres of high value farmland, 20 acres of arable farmland, or 320 acres of any other farmland. An exception to Goal 4 (Forest Lands) is required for projects other than solar that occupy 10 acres of commercial forest operation and solar projects that occupy 240 acres of commercial forest operation.

Under the bill, the exception will be automatic for projects that are under the jurisdiction of the Energy Facility Siting Council as long as the project uses just surplus interconnection and does not require transmission lines more than two miles from the site boundaries of the existing facility. However, counties, for projects within their jurisdiction, must also adopt findings addressing several additional considerations prior to granting the exception, including:

- Availability of nonresource lands
- Infrastructure and access
- Public health and safety
- Compatibility with surrounding agricultural uses
- Mitigation of impacts to surrounding land uses and farm practices
- Compliance with local, state, and federal requirements

HB 4077: Securitization of Utility Self-Insurance for Wildfire-related Expenses

[HB 4077](#)

ORS Chapter: Not Yet Assigned

Effective Date: June 5, 2026

Oregon statutes currently allow public utilities to securitize certain types of expenses and recover the funds from customers through rates, subject to the approval of the Oregon Public Utility Commission. Examples include expenses for responding to an event that has triggered a government-declared state of emergency or for the remediation of a contaminated site. This bill allows public utilities to use securitization as a way to finance self-insurance or captive insurance programs approved by the OPUC with the aim of increasing the ability for public utilities to insure against damages caused by wildfire. Specifically, the bill amends ORS 757.457 to allow public utilities to include self-insurance or captive insurance programs approved by the OPUC in the definition of “rate recovery expenditures” in relation

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to securitization under ORS 757.459, 757.461 and 757.463. Captive insurance companies are subsidiaries that provide tailored risk coverage to the parent company.

HB 4084: Economic Development Omnibus

[HB 4084](#)

ORS Chapter: Not Yet Assigned

Effective Date: June 5, 2026

HB 4084 establishes a Joint Permitting Council within the Office of the Governor to coordinate a fast-track permitting program for up to 15 large economic development projects that meet specified investment, readiness, and coordination criteria.

The bill also requires covered state agencies, including the Oregon Department of Energy, to publish a catalog of permits related to or affecting economic development projects and to report to the Governor on permitting timelines, streamlining opportunities, permit holder feedback, and potential fee relief for delayed permit processing.

In addition, HB 4084 makes substantial changes to Oregon’s enterprise zone program. Those provisions do not directly affect ODOE programs but may indirectly increase demand for large, capital-intensive projects requiring state energy-related review.

HB 4086: Industrial Symbiosis Road Map

[HB 4086](#)

ORS Chapter: Not Yet Assigned

Effective Date: June 5, 2026

Industrial symbiosis is defined in HB 4086 as “the voluntary collaboration among businesses or other organizations to exchange materials, energy, water and by-products in order to optimize resource use, reduce waste and enhance economic and environmental outcomes.”

This bill lists several economic development and environmental goals and directs Business Oregon to:

- 1) Create and present to Legislature by 5/1/27 an Industrial Symbiosis Roadmap to promote industrial symbiosis in Oregon (by identifying and describing industrial symbiosis opportunities, studying best practices and technologies, analyzing barriers to adoption, and recommending KPMs to measure progress on goals) and appropriates \$250,000 from General Fund for Business Oregon to develop the roadmap.
- 2) Select a provider via competitive bid, by 8/31/26, to provide technical assistance (planning, facilitating, convening, etc.) to four pilot communities (COR Healthy Communities, Clatsop County, Klamath County, and The Port of Morrow) using \$900,000 General Fund money.

Additionally, the bill makes a change to statutes relating to county service districts that is not directly related to industrial symbiosis.

HB 4100: Risk Bonding for Fuel Storage Facilities

[HB 4100](#)

ORS Chapter: Not Yet Assigned

Effective Date: Upon Signing

HB 4100 directs the Department of Environmental Quality to issue certificates of financial responsibility to bulk oil and liquid fuel terminals that confirm the entity has demonstrated financial ability to cover spill-related liabilities for oil, liquid fuel, and hazardous materials. Financial assurance mechanisms can include insurance, self-insurance, surety bonds, letter of credit, a trust, or another option as approved by the Environmental Quality Commission. The bill includes a preemption provision that a local government may not require an entity regulated under this legislation to obtain an additional financial assurance mechanism.

The Environmental Quality Commission is to adopt rules that establish, among other items, minimum amounts of financial assurance and how frequently to update minimum amounts, enforcement mechanisms, descriptions of acceptable financial assurance mechanisms, and assurance that the financial mechanisms will cover the liabilities. The rules must be consistent with requirements of federal law while accounting for state-specific needs, as well as promote consistency with requirements for financial responsibility established by the State of Washington.

The initial deadline to apply for a certificate of financial responsibility must be no later than March 31, 2027. The maximum amount of financial assurance that can be required is limited to \$300 million; after January 1, 2030, this amount may be evaluated and adjusted, but no more than once every three years. The Commission is to appoint an advisory committee to assist in drafting rules that comprise, in equal proportions, industry, local government, and community representatives. DEQ is to produce a report for the Legislature by September 15, 2027, about implementation of the program. Following this, DEQ is to submit a report on program implementation in even-numbered years. The act takes effect on its passage.

HB 4121: Emergency Management and Coordination

[HB 4121](#)

ORS Chapter: Not Yet Assigned

Effective Date: Upon Signing

HB 4121 restructures and provides new authority and funds for emergency management in the state by creating new offices, duties, and authorities as follows:

- Statewide Regional Training Office within the Department of Public Safety Standards and Training
- State Resilience Officer’s duties are expanded to include identifying state agencies with emergency support function responsibilities, facilitate policy standardization among state agencies, prioritize investments for improving resilience posture and provide regular reports on state agency resilience policy compliance, organizational preparedness, continuity of governance procedures, and measure of emergency readiness.
- State agencies with ESF responsibilities are required to designate an Emergency Management Responsible Officer to serve at the agency’s liaison to all state authorities related to emergency management.

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- Establishes the Oregon Disaster Recovery Authority, an advisory group within the office of the governor to direct emergency recovery that must include at least eight individuals from state agency leadership, locals, and others with emergency recovery expertise. The authority's duties include coordinating initial crisis services, recovery and mitigation efforts, provision of emergency funding and other aid to locals and private entities. The authority must be advised by the homeland security council for appointments. The Oregon Disaster Recovery Authority fund also is established for the governor's office.
- Establishes the Oregon Preparedness Grant Account for OEM.
- Adds collaboration, cooperation, and coordination among state and organizations involved in emergency stockpile plan, SPIRE, and other stockpile or emergency preparedness programs; staging supplies, equipment and other materials; and developing and maintaining an inventory management plan to OEM's duties.
- Expands the resilience hubs and networks program within ODHS, similar to HB 3170 from the 2025 session.
- Authorizes overnight training activities at facilities that receive state funding and are used for emergency preparedness, response, or recovery.
- Allows a county authority to waive civil penalties imposed by OHA or a local health authority issued for violations occurring during a state of emergency declared under 401.165.
- Directs OSFM to conduct a study of health coverage disparities between paid and volunteer firefighters.
- Directs OEM to require fingerprints for job applicants, contractors, subcontractors, vendors, or volunteers.
- Establishes the Oregon Public Assistance Grant Program within OEM, with an account in state treasury for future funding, and establishing the Oregon Individual Assistance Grant Program within ODHS, with an account in state treasury for future funding.

SB 1599: Referendum Date for Transportation Tax Referral

[SB 1599](#)

ORS Chapter: Chapter 1, 2026 Laws

Effective Date: March 2, 2026

In September 2025, legislators convened in Special Session and passed HB 3991 and 3992, together comprising a package of transportation policy and funding components. Within HB 3991, there were several increases to fees and taxes, specifically a 6 cents per gallon gas tax hike, increased vehicle registration fees, and an increase in the state's public transit payroll tax. These tax and fee components of HB 3991 are subject to a referendum, or vote of the people, which was initially slated for November 3, 2026. SB 1599 moves the vote on the referendum up to May 19, 2026 and sets up the election process needed to hold the statewide vote.

BUDGET BILLS

HB 5204: Budget Rebalance Bill

[HB 5204](#)

ORS Chapter: Not Yet Assigned

Effective Date: Upon Signing

As mentioned in the session summary, significant budget challenges face Oregon in both the short and long-term after the passage of H.R. 1. Additionally, certain agencies faced their own revenue challenges. HB 5204 reflects months of work to evaluate state agency budgets for reductions and also includes necessary shifts or even increases in some places.

Specifically related to the Department of Energy, HB 5204 made the following changes:

- Allows the agency to spend \$1,819,810 from the Oregon Solar + Storage Rebate fund this biennium
- Allows the agency to spend \$834,361 from the Community Heat Pump Deployment Program fund this biennium
- Allows the agency to spend \$3,060,871 from the Rental Home Heat Pump Program fund this biennium
- Allows the agency to use \$513,984 of grant funding to support the Governor’s Climate Advisor position
- Decreases \$1.2 million from the state matching funds available for the Grid Resilience Program

Given the important role of transportation in the energy sector, it’s worth noting that HB 5204 included \$78.2 million in reductions to the Oregon Department of Transportation.

LEGISLATION CONSIDERED

HB 4009 and HB 4126: Road User Charge

[HB 4009](#) and [HB 4126](#)

Did Not Pass

HB 3991, the transportation package passed during the September 2025 special session, included a road user charge for battery electric, plug-in hybrid electric, and hybrid electric vehicles that, due to its design, many felt amounted to a disincentive for purchasing electric and especially hybrid vehicles. Because the transportation sector contributes the most greenhouse gas emissions, the state has goals to encourage more efficient vehicle adoption – goals that the HB 3991 road user charge could make harder to meet. Two bills came from those concerns, HB 4009 and HB 4126.

HB 4009 would have refined and expanded the RUC program adopted by HB 3991, including by simplifying the phase-in schedule of covered vehicles, allowing a flat annual fee alternative to tracking miles, and including electric delivery vehicles used for e-commerce. It also directed ODOT to biennially recommend to the Legislature a rate for the per-mile charge that will sustainably raise revenue for

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maintaining public highways. Separately, this bill also would have prohibited the Oregon Department of Environmental Quality from issuing their standard EV rebate and directed all funding to the Charge Ahead program, which is income restricted. It also limited the Charge Ahead rebate to one per household. DEQ was directed to issue a progress report on the Charge Ahead program and make a recommendation as to whether the moratorium on its standard rebate should be lifted, as well as a recommendation on whether the limit on charge ahead rebates should be revised or repealed.

HB 4126-A would have directed the Oregon Department of Transportation to submit a biennial report by September 15 of each even-numbered year recommending a rate for the per-mile road usage charge that would raise the money needed to maintain the state's highways. The report was required to include the a) total estimated cost for maintenance and preservation of Oregon's transportation system, including for local systems; and b) an estimate of the total vehicle miles driven on the public highways of the state. For the report, ODOT would have established metrics by which maintenance and preservation needs are evaluated that consider the desired pavement condition index for each road type, striping and painting standards, bridge replacement timelines, and the department's associated administrative costs.

HB 4008: Transit Funding Task Force

[HB 4008](#)

Did Not Pass

This bill would have established a Transit Funding Task Force consisting of 21 appointed members representing a diverse range of interests. The Transit Funding Task Force would have determined the level of funding needed to maintain adequate transit service statewide and explore funding mechanisms to achieve the funding needs determined. It would have also recommended revenue mechanisms and, for each, the amount of revenue the mechanism is projected to raise; who would pay; and the likelihood of the revenue source being a reliable source of revenue in the future.

HB 4032-A: Fuel Storage Diversification

[HB 4032](#)

Did Not Pass

This bill would have required ODOE to evaluate and prioritize sites to diversify fuel storage locations and availability throughout Oregon. The evaluation was directed to include, but was not limited to, sites:

- In locations that can support population islands created by road or bridge damage from a seismic event;
- Controlled by the State of Oregon;
- Previously identified by state agencies related to energy, fire, or emergency management as near areas with highest risk and highest needs during wildfire, tsunami, or Cascadia Subduction Zone earthquake;
- Accessible by or near priority transportation routes in eastern or coastal Oregon and that are essential to communities; and
- Match criteria described in the 2024 Oregon Energy Security Plan for fuel storage sites.

ODOE LEGISLATIVE REPORT – 2025

A preliminary report would have been submitted to the interim committees of the Legislative Assembly related to energy and emergency management no later than June 15, 2027. A final report was due to the interim committees no later than Sept. 15, 2028. The act would have been repealed on Jan. 2, 2029, and included a \$250,000 appropriation to ODOE to carry out the act.

HB 4046A: Nuclear Energy Study

[HB 4046](#)

Did Not Pass

HB 4046 would have directed the Oregon Department of Energy to conduct a comprehensive feasibility study on the deployment of advanced nuclear reactor power plants along several lines of inquiry, including:

- Technological review, feasibility, and Grid Integration
- Economic viability, workforce development, and exploration of fuel recycling technologies
- Regulatory, legal, and siting structural needs, including a broad identification and review of all rules or statutes requiring modification from several agencies

Extensive Tribal consultation was explicitly directed as well as cooperation and coordination of several agencies or organizations (OPUC, OSU, OHA-RPS, Pacific Northwest Electric Power and Conservation Planning Council, Department of Land Conservation and Development). The agency was directed to evaluate feasibility risks and benefits to environmental justice communities and to seek public input and provide opportunities for public comment during the development of the report.

ODOE was requested to source funds required to complete the study and would only complete the work if funding was secured.

HB 4080: Plug-In Solar

[HB 4080](#)

Did Not Pass

HB 4080 would have established a framework for allowing portable solar energy devices, also referred to as plug-in or balcony solar, to be allowed in Oregon. Allowed systems would need to be 1,200 watts or less and meet state building code and other safety requirements. Key provisions included that:

- Systems must be Underwriters Laboratory listed and comply with state building codes.
- Landlords may not prohibit renters from installing systems so long as they meet requirements, including causing no harm to the building.
- Utilities may not prohibit systems so long as they meet safety requirements.
- Systems may be installed in any utility service territory without the need for an interconnection agreement.
- Condo and neighborhood associations may not prohibit installations.
- Customers installing systems must file a declaration with their electric utility.
- Landlords and utilities are held immune from damages or injury caused by customer devices.

HB 4103-A: Sen. Aaron Woods Commission on Artificial Intelligence

[HB 4103](#)

Did Not Pass

HB 4103 would have established the Senator Aaron Woods Commission on Artificial Intelligence within the office of Enterprise Information Services. The purpose of the commission was to serve as a resource for legislators to help make strategic, well-informed decisions that foster innovation while safeguarding the well-being of Oregonians. The commission would have reported annually on recommendations for legislation, regulations, or policies to the Legislative Assembly, with input from the public and state agencies. The bill also directed the Department of Administrative Services to employ a Chief Artificial Intelligence Officer to assist and advise the commission, and provide policy and support staff to the commission to assist it in carrying out its duties.

SB 1526-A: Fund for Oregon Resilience, Growth, and Energy (FORGE)

[SB 1526](#)

Did Not Pass

This bill would have directed ODOE to apply for funding to carry out initial work toward creating a nonprofit entity to finance clean energy and resilience projects in the state. If ODOE were to secure sufficient funding (no less than \$2 million), ODOE would carry out pre-startup activities of the entity and recruit and convene a founding board, of which ODOE’s director would be a member. Once the nonprofit entity is established, ODOE would be required to work with the entity to support its work. The bill also included an 8-member board for the new nonprofit.

SB 1541-A: Climate Superfund

[SB 1541](#)

Did Not Pass

SB 1541A would have established a Climate Superfund Cost Recovery Program to adapt to and mitigate the effects of climate change and imposed strict liability for the costs of climate change caused by greenhouse gas emissions. The strict liability standard applies to “responsible parties,” which are entities that engaged in the extraction or refinement of fossil fuels, did business in Oregon, and were responsible for emitting more than 1 billion metrics tons of greenhouse gas emissions between January 1, 1995, and December 31, 2024.

The bill directed the Departments of Land Conservation and Development and Environmental Quality, as well as the Oregon Health Authority, to conduct an assessment to determine the costs to Oregon of covered greenhouse gas emissions. The bill directed the Environmental Quality Commission to establish procedures for identifying responsible parties and determining their applicable share of covered greenhouse gas emissions. DEQ was also tasked with determining the amount of covered greenhouse gas emissions attributable to any entity.

ODOE LEGISLATIVE REPORT – 2025

SB 1541 also directed the establishment of an interagency team led by DLCD to support implementation of the law. The Land Conservation and Development Commission, in consultation with the interagency team, was directed to establish by rule a resilience implementation strategy that included:

- (1) practices for utilizing nature-based solutions intended to stabilize floodplains, riparian zones, shorelands, wetlands and similar lands;
- (2) practices to adapt infrastructure to the impacts of climate change;
- (3) practices to build out early warning mechanisms;
- (4) practices that support economic and environmental sustainability;
- (5) criteria and procedures for identifying and prioritizing climate change resilience projects consistent with the practices identified in (1)-(4); and
- (6) procedures for dispersing money from the Climate Superfund Cost Recovery Program Account.

Funds received from responsible parties based on their historical greenhouse gas emissions would have been deposited in the Climate Superfund Cost Recovery Program Account for the purpose of distribution as grants or loans for climate change resilience projects or other climate change resilience activities. Thirty percent of the money deposited in the account each biennium must be transferred to the Department of the State Fire Marshal for wildfire resilience and 40 percent must be expended on projects that benefit environmental justice communities. An unspecified percentage must also have been expended in the form of grants to Oregon’s nine federally recognized Tribes.

The bill also directed the Secretary of State to audit the operation and effectiveness of the program at least once every five years and make recommendations to increase efficiency and cost effectiveness.

SB 1553-A: Wildfire Liability and Rates

[SB 1553](#)

Did Not Pass

This bill would have restricted certain costs from being recovered from retail electricity consumers if a court or jury found that a wildfire resulted from “negligence or a higher degree of fault on the part of the electric company.” Broadly, these costs included: costs from a civil judgment, civil fine or penalty, or criminal fine or penalty, and litigation costs. It would have allowed for some costs and expenses related to a settlement to be recovered but capped them at not more than one-half of the amount. This bill also directed the OPUC to require electric companies that have been found liable for causing or substantially contributing to a wildfire to establish an escrow account for the benefit of the people to whom the electric company is found to be liable. It directed the OPUC to determine a minimum amount for an electric company to keep in escrow. Finally, the bill established a Wildfire Recovery Fund.

SB 1582: Distributed Power Plant Programs

[SB 1582](#)

Did Not Pass

SB 1582 would have required Oregon’s investor-owned utilities to develop distributed power plant programs, otherwise known as virtual power plants. Participating customers with batteries, load control devices such as smart thermostats, and electric vehicles would be offered payment, for five years or longer, to provide grid services to the utility, including peak load reduction, renewable energy for peak demands, deferral of transmission and distribution system costs, voltage support, emergency services, and any other services approved by the Oregon Public Utility Commission.

Outside entities, called aggregators, would be eligible to receive all program payments and would be responsible for managing customer participation. Low- and moderate-income customers, and other EJ considerations, could have been considered for increased upfront payments. Utilities would have been responsible for the costs of metering devices and allowed to communicate with and control customer devices. Costs incurred by utilities in the program could have been recoverable through rates.

Oregon PUC was directed to review and approve, deny, or modify distributed power plant programs submitted by utilities, as well as to develop utility procurement targets and incentives for each five-year period of program operations. Utilities would have been required to report on progress toward procurement targets on an annual basis

SB 1586: Economic Development Package

[SB 1586](#)

Did Not Pass

SB 1586 included a suite of changes related to semiconductor research, advanced manufacturing, enterprise zones, and regionally significant industrial sites. The bill would have increased caps and extended sunset dates for certain research and development tax credits, expanded eligibility beyond semiconductor firms to additional qualified companies, and lengthened potential enterprise zone property tax exemptions. In addition, SB 1586 would have made land use changes in Washington County, including reclassification of certain rural reserve lands for high-technology and advanced manufacturing uses and automatic annexation of newly added urban growth boundary lands into Metro.

SB 1586 also included many of the components in HB 4084 related to streamlining permitting processes, including the process for siting the state’s largest energy facilities. HB 4084 and those components did pass into law.

SB 1588: Inclusive Utility Investment Programs

[SB 1588](#)

Did Not Pass

SB 1588 would have established a program, known as an inclusive utility investment program, for electric utilities to provide on-bill financing for their customers. This program would finance energy efficiency or renewable energy projects, specifically to encourage adoption for low- and middle-income Oregonians who traditionally cannot afford the upfront cost of these technologies. This program, modeled off of the Pay as You Save system developed by the Energy Efficiency Institute, would be voluntary and strive to ensure that projects are financed by the energy savings resulting from the project, without a cost to the customer. The bill would have allowed the Public Utility Commission to adopt performance incentives based on project outcomes using metrics such as type of customers served or number of projects completed.

Amendment 2 to SB 1588 adjusted the program to a pilot program that would operate for no less than 18 months; the utility would be allowed to request an extension to operate the program indefinitely. The bill also urged the Public Utility Commission to consider benefits to nonparticipating ratepayers, such as reductions in peak demand, avoided costs, and other savings to realize the full impact of this program.

SB 1597-A: Nuclear Energy Facility Waste

[SB 1597](#)

Did Not Pass

SB 1597-A would have mandated the disclosure of costs recovered in rates for an investor-owned or consumer-owned utility to store nuclear waste produced by a nuclear energy facility. SB 1597-A would also have required that nuclear energy facility developers disclose the costs for nuclear waste storage to the public and the utility prior to development.



FOR MORE INFORMATION

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