

Be it enacted by the People of the State of Oregon:

ELIMINATING COAL BY 2030

Section 1. Sections 2 and 3 are added to and made a part of ORS Chapter 757.

Section 2. As used in this section:

(a) “Allocation of electricity” means the resources used to provide electricity supply, and the costs and benefits of providing electricity supply, that are assigned by an electric company to retail electricity consumers located in this State for the purpose of setting electricity rates.

(b) “Coal-fired resource” means a facility that uses coal-fired units, or that uses units fired in whole or in part by coal-fired feedstock, to generate electricity. “Coal fired resource” does not include coal-fired generation that may be included as part of a limited duration wholesale power purchase for immediate delivery made by an electric company for which the source of the power is not known.

(c) “Electric company” has the meaning given that term in ORS 757.600.

(d) “Electricity supply” means all energy, capacity and other services supplied to and included in the electricity rates of retail electricity consumers in this State.

Section 3.

(1) An electric company shall eliminate all coal-fired resources from its electricity supply on or before January 1, 2030 or by December 31 in the year in which a coal-fired resource is fully depreciated, whichever is earlier; for purposes of this section, a unit shall be considered fully depreciated based on the schedule established by the Public Utility Commission as of October 5, 2015 for purposes of establishing rates for Oregon retail electricity consumers of the electric company.

(2) This section applies only to the allocation of electricity to retail electricity consumers located in this State.

INCREASING RENEWABLE ELECTRICITY REQUIREMENTS

Section 4. ORS 469A.052 is amended as follows:

(1) The large utility renewable portfolio standard imposes the following requirements on an electric utility that makes sales of electricity to retail electricity consumers in an amount that equals three percent or more of all electricity sold to retail electricity consumers:

(a) At least five percent of the electricity sold by the utility to retail electricity consumers in each of the calendar years 2011, 2012, 2013 and 2014 must be qualifying electricity;

(b) At least 15 percent of the electricity sold by the utility to retail electricity consumers in each of the calendar years 2015, 2016, 2017, 2018 and 2019 must be qualifying electricity;

(c) At least ~~20~~22 percent of the electricity sold by the utility to retail electricity consumers in each of the calendar years 2020, 2021, 2022, 2023 and 2024 must be qualifying electricity; ~~and~~

(d) At least ~~25~~**30** percent of the electricity sold by the utility to retail electricity consumers in **each of the calendar year years 2025 and subsequent calendar years, 2026, 2027, 2028 and 2029** must be qualifying electricity-;

(e) At least 40 percent of the electricity sold by the utility to retail electricity consumers in each of the calendar years 2030, 2031, 2032, 2033 and 2034 must be qualifying electricity;

(f) At least 45 percent of the electricity sold by the utility to retail electricity consumers in each of the calendar years 2035, 2036, 2037, 2038 and 2039 must be qualifying electricity; and

(g) At least 50 percent of the electricity sold by the utility to retail electricity consumers in calendar year 2040 and subsequent calendar years must be qualifying electricity.

(2) If, on June 6, 2007, an electric utility makes sales of electricity to retail electricity consumers in an amount that equals less than three percent of all electricity sold to retail electricity consumers, but in any three consecutive calendar years thereafter makes sales of electricity to retail electricity consumers in amounts that average three percent or more of all electricity sold to retail electricity consumers, the utility is subject to the renewable portfolio standard described in subsection (3) of this section. The utility becomes subject to the standard described in subsection (3) of this section in the calendar year following the three-year period during which the utility makes sales of electricity to retail electricity consumers in amounts that average three percent or more of all electricity sold to retail electricity consumers.

(3) An electric utility described in subsection (2) of this section must comply with the following renewable portfolio standard:

(a) Beginning in the fourth calendar year after the calendar year in which the utility becomes subject to the standard described in this subsection, at least five percent of the electricity sold by the utility to retail electricity consumers in a calendar year must be qualifying electricity;

(b) Beginning in the 10th calendar year after the calendar year in which the utility becomes subject to the standard described in this subsection, at least 15 percent of the electricity sold by the utility to retail electricity consumers in a calendar year must be qualifying electricity;

(c) Beginning in the 15th calendar year after the calendar year in which the utility becomes subject to the standard described in this subsection, at least ~~20~~**22** percent of the electricity sold by the utility to retail electricity consumers in a calendar year must be qualifying electricity; ~~and~~

(d) Beginning in the 20th calendar year after the calendar year in which the utility becomes subject to the standard described in this subsection, at least ~~25~~**30** percent of the electricity sold by the utility to retail electricity consumers in a calendar year must be qualifying electricity-;

(e) Beginning in the 25th calendar year after the calendar year in which the utility becomes subject to the standard described in this subsection, at least 40 percent of the electricity sold by the utility to retail electricity consumers in a calendar year must be qualifying electricity;

(f) Beginning in the 30th calendar year after the calendar year in which the utility becomes subject to the standard described in this subsection, at least 45 percent of the electricity sold by the utility to retail electricity consumers in a calendar year must be qualifying electricity; and

(g) Beginning in the 35th calendar year after the calendar year in which the utility becomes subject to the standard described in this subsection, at least 50 percent of the electricity sold by the utility to retail electricity consumers in a calendar year must be qualifying electricity.

Section 5. ORS 469A.075 is amended as follows:

(1) An electric company that is subject to a renewable portfolio standard shall develop an implementation plan for meeting the requirements of the standard and file the plan with the Public Utility Commission. Implementation plans must be revised and updated at least once every two years.

(2) An implementation plan must at a minimum contain:

(a) Annual targets for acquisition and use of qualifying electricity; ~~and~~

(b) The estimated cost of meeting the annual targets, including the cost of transmission, the cost of firming, shaping and integrating qualifying electricity, the cost of alternative compliance payments and the cost of acquiring renewable energy certificates; ~~and~~

(c) Procurement options for meeting the requirements of the renewable portfolio standard and minimizing the risk of exceeding the cost limitation requirements set forth in ORS 469A.100.

(3) The commission shall acknowledge the implementation plan no later than six months after the plan is filed with the commission. The commission may acknowledge the plan subject to conditions specified by the commission.

(4) The commission shall adopt rules:

(a) Establishing requirements for the content of implementation plans;

(b) Establishing the procedure for acknowledgment of implementation plans under this section, including provisions for public comment; and

(c) Providing for the integration of the implementation plan with the integrated resource planning guidelines established by the commission and in effect on June 6, 2007.

(5) The implementation plan filed under this section may include procedures that will be used by the electric company to determine whether the costs of constructing a facility that generates electricity from a renewable energy source, or the costs of acquiring bundled or unbundled renewable energy certificates, are consistent with the standards of the commission relating to least-cost, least-risk planning for acquisition of resources.

Section 6. ORS 469A.005 is amended as follows:

As used in ORS 469A.005 to 469A.210:

(1) “Banked renewable energy certificate” means a bundled or unbundled renewable energy certificate that is not used by an electric utility or electricity service supplier to comply with a renewable portfolio standard in a calendar year and that is carried forward for the purpose of compliance with a renewable portfolio standard in a subsequent year.

(2) “BPA electricity” means electricity provided by the Bonneville Power Administration,

including all electricity from the Federal Columbia River Power System hydroelectric projects and other electricity acquired by the Bonneville Power Administration by contract.

(3) “Bundled renewable energy certificate” means a renewable energy certificate for qualifying electricity that is acquired:

(a) By an electric utility or electricity service supplier by a trade, purchase or other transfer of electricity that includes the certificate that was issued for the electricity; or

(b) By an electric utility by generation of the electricity for which the certificate was issued.

(4) “Compliance year” means the calendar year for which the electric utility or electricity service supplier seeks to establish compliance with the renewable portfolio standard applicable to the utility or supplier in the compliance report submitted under ORS 469A.170.

(5) “Consumer-owned utility” means a municipal electric utility, a people’s utility district organized under ORS chapter 261 that sells electricity or an electric cooperative organized under ORS chapter 62.

(6) “Electric company” has the meaning given that term in ORS 757.600.

(7) “Electric utility” has the meaning given that term in ORS 757.600.

(8) “Electricity service supplier” has the meaning given that term in ORS 757.600.

(9) “Qualifying electricity” means electricity described in ORS 469A.010.

(10) “Renewable energy certificate” means a unique representation of all environmental, economic, and social benefits associated with the generation of electricity from renewable energy sources that produce qualifying electricity. One renewable energy certificate is created in association with the generation of one megawatt-hour (MWh) of qualifying electricity. While a renewable energy certificate is always directly associated with the generation of one MWh of electricity, transactions for renewable energy certificates may be conducted independently of transactions for the associated electricity.

~~(10)~~ **(11) “Renewable energy source” means a source of electricity described in ORS 469A.025.**

~~(11)~~ **(12) “Retail electricity consumer” means a retail electricity consumer, as defined in ORS 757.600, that is located in Oregon.**

~~(12)~~ **(13) “Unbundled renewable energy certificate” means a renewable energy certificate for qualifying electricity that is acquired by an electric utility or electricity service supplier by trade, purchase or other transfer without acquiring the electricity for which the certificate was issued.**

Section 7. ORS 469A.140 is amended as follows:

(1) Renewable energy certificates may be traded, sold or otherwise transferred.

(2) Renewable energy certificates **with issuance dates prior to the effective date of this Act** that are not used by an electric utility or electricity service supplier to comply with a renewable portfolio standard in a calendar year may be banked and carried forward indefinitely for the purpose of complying with a renewable portfolio standard in a subsequent year. **Except as provided in ORS 469A.020(5) and (6), renewable energy certificates issued after the effective date of this Act that are not used by an electric utility or electricity service**

supplier to comply with a renewable portfolio standard in the calendar year in which the certificates were issued may be banked and carried forward up to the three compliance years immediately following the compliance year in which the renewable energy certificates were issued for the purpose of complying with a renewable portfolio standard in one of those three subsequent compliance years. For the purpose of complying with a renewable portfolio standard in any calendar year:

(a) Banked renewable energy certificates must be used, up to the limit imposed by ORS 469A.145, before other certificates are used; and

(b) Banked renewable energy certificates with the oldest issuance date must be used to comply with the standard before banked renewable energy certificates with more recent issuance dates are used.

(3) An electric utility or electricity service supplier is responsible for demonstrating that a renewable energy certificate used to comply with a renewable portfolio standard is derived from a renewable energy source and that the utility or supplier has not used, traded, sold or otherwise transferred the certificate.

(4) The same renewable energy certificate may be used by an electric utility or electricity service supplier to comply with a federal renewable portfolio standard and a renewable portfolio standard established under ORS 469A.005 to 469A.210. An electric utility or electricity service supplier that uses a renewable energy certificate to comply with a renewable portfolio standard imposed by any other state may not use the same certificate to comply with a renewable portfolio standard established under ORS 469A.005 to 469A.210.

INCREASING ENERGY EFFICIENCY FOR NEW CONSTRUCTION

Section 8. ORS 455.505 is amended as follows:

The Director of the Department of Consumer and Business Services, subject to the approval of the appropriate advisory boards, shall adopt rules establishing uniform energy conservation standards for inclusion under the state building code. The director shall design the energy conservation standards to increase energy efficiency in buildings that are newly constructed, reconstructed, altered or repaired. The director shall periodically review the energy conservation standards of the state building code and propose updates to the standards as the director considers necessary to reflect changing technology in energy efficiency and to encourage continual improvements in building energy efficiency in accordance with ORS 455.511(1), (2) and (3). **Not later than July 1, 2017, and at least every three years thereafter, the director shall review the energy conservation standards of the state building code and propose updates to the standards to ensure compliance with the energy efficiency requirements of ORS 455.511(4).** In reviewing the energy conservation standards, the director shall consider the target standards described in the Architecture 2030 organization's 2030 Challenge and may consider other available nationally recognized energy conservation standards.

Section 9. ORS 455.511 is amended as follows:

(1) As used in this section, "energy efficiency" means the use of construction and design standards, construction methods, products, equipment and devices to increase efficient use of, and reduce consumption of, electricity, natural gas and fossil fuels in buildings undergoing new construction, reconstruction, alteration or repair.

(2) The Director of the Department of Consumer and Business Services, after consultation with the State Department of Energy and subject to the approval of the appropriate advisory boards,

shall adopt amendments to the state building code under ORS 455.030 to increase energy efficiency in buildings that are newly constructed, reconstructed, altered or repaired. In adopting the amendments, the director shall consider generally accepted model codes, products and product standards, the Reach Code adopted under ORS 455.500 and other available data to evaluate codes and standards that promote energy efficiency in buildings.

(3) The director, in consultation with the appropriate advisory boards, shall develop a schedule for the periodic review of energy efficiency standards and shall establish goals for increasing the level of energy conservation achieved by the use of energy efficiency standards contained in the state building code and the Reach Code. In establishing goals and the schedule for periodic review of standards under this section, the director shall consider the publication schedule of generally accepted construction codes and standards. If the director determines that the adopted review schedule or energy efficiency goals are not practicable for economic or technical reasons, the director may amend the schedule or goals as the director considers appropriate.

(4) The director shall require updates to the energy efficiency standards of the state building code to ensure a 65% reduction in the annual net energy consumption of newly constructed buildings by 2032, as compared to the requirements of the 2014 state building code. In establishing the code changes required by this section, the director shall consider generally accepted construction codes and standards.

Section 10. If any provision of this 2016 Act is held invalid for any reason, all remaining provisions of this Act shall remain in place and be given full force and effect.