

Senate Bill 1082

Sponsored by COMMITTEE ON RULES

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes electric companies to enter into contracts to purchase electricity from certain forest biomass electricity generation plants located on tribal lands at prices that make plants economically feasible. Requires Public Utility Commission to allow electric companies to recover costs associated with contracts from all ratepayers.

A BILL FOR AN ACT

1
2 Relating to forest biomass electricity generation projects.

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

4 **SECTION 1. Section 2 of this 2005 Act is added to and made a part of ORS chapter 757.**

5 **SECTION 2. (1) For the purposes of this section:**

6 (a) "Electric company" has the meaning given in ORS 757.600; and

7 (b) "Qualifying forest biomass project" means an electricity generating plant with a ca-
8 pacity between 5 and 20 megawatts that is located on tribal lands and that primarily uses
9 forest fuels.

10 (2) Notwithstanding ORS 758.525, if an electric company enters into a contract to pur-
11 chase electricity from a qualifying forest biomass project, the electric company may agree
12 to pay for the electricity at the price necessary to make the project economically feasible.
13 The electric company may determine the price necessary to make the project economically
14 feasible by considering the projected useful life of the project, capital costs, operating ex-
15 penses, taxes, the value of renewable energy credits, and other economic considerations the
16 electric company finds to be relevant.

17 (3) Notwithstanding ORS 757.612 (3)(g), an electric company that purchases electricity
18 from a qualifying forest biomass project shall include the costs of the electricity in the costs
19 used to set the rates of the electric company.

20 (4) In setting the rates of an electric company, the Public Utility Commission shall allow
21 recovery of any costs associated with the purchase of electricity under a contract subject
22 to this section. The commission shall allow the recovery of those costs from all classes of
23 ratepayers.
24

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.