

Oregon Clean Electricity & Coal Transition Plan (SB 1547B)



The Clean Electricity and Coal Transition Plan (SB 1547B) will usher in the next generation of energy policy for Oregon, transitioning Oregon away from coal towards more clean, renewable energy.

SB 1547B will move Oregon off coal-fired generation and, for PGE and Pacific Power, double Oregon's renewable energy generation under the Renewable Portfolio Standard (RPS) to 50%. It would also put Oregon's electricity sector on the path to meeting the state's greenhouse gas reduction goals, which call for reducing carbon emissions 75% below 1990 levels by 2050.

The proposal also reaffirms the state's commitment to energy efficiency programs, encourages transportation electrification, increases solar resources for more Oregon electricity customers – with a special designation to low-income communities – bolsters small, community-scale renewable projects, and gives utilities flexibility to achieve these goals while protecting reliability and affordability of electricity for their customers.

The proposal applies only to Pacific Power and Portland General Electric, who together serve 70% of Oregon's electricity needs. It does not change existing requirements on consumer-owned utilities.

The Citizens' Utility Board, Climate Solutions, Coalition of Communities of Color, NW Energy Coalition, Oregon Environmental Council, Oregon League of Conservation Voters, Natural Resources Defense Council, Pacific Power, Portland General Electric, Renewable Northwest and Sierra Club found common ground on this proposal. If the proposal becomes law, clean energy advocates have agreed to withdraw a proposed ballot measure that would include many of the same provisions.

Today supporters of SB 1547B include:

Citizens' Utility Board of Oregon, Climate Solutions, Coalition of Communities of Color, NW Energy Coalition, Oregon Environmental Council, Oregon Business Association, Oregon League of Conservation Voters, Oregon Solar Industries Association, Natural Resources Defense Council, Pacific Power, Portland General Electric, Renewable Northwest, Sierra Club, Union of Concerned Scientists, public health advocates, and more than 150 Oregon businesses.

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The legislative proposal includes the following components:

- Electricity provided to customers of Pacific Power and Portland General Electric will be coal-free by 2030, with the exception of a small amount from PGE's ownership of Colstrip, which would be out of the Oregon mix no later than 2035.
- Increases the Renewable Portfolio Standard (RPS) to 50% in 2040. This increase is staged at 27% at 2025, 35% at 2030, 45% at 2035, and 50% at 2040. Consumer protections in the existing RPS law are maintained. There is also a safety valve that allows the Oregon Public Utility Commission (PUC) to temporarily suspend the requirement for a utility if meeting the RPS would conflict with grid reliability. This provision includes additional language responding to concerns that the Public Utility Commission needed a stronger role in overseeing the reliability of the grid.
- Customers of PGE and Pacific Power will continue to be protected by the state's 4% incremental cost cap, which means that utilities are not required to add renewables to their portfolio if the incremental cost to customers is more than 4 percent higher than the cost of developing non-renewable resources. PUC-requested language protects ratepayers from post-2030 costs, ensuring costs associated with coal transition are fair for ratepayers, and using existing mechanisms to ensure ratepayers receive renewable energy tax credits.
- Changes Renewable Energy Certificate (REC) life to five years. From bill passage until the end of 2022, RECs generated from new, long-term renewable projects in those first five years would have unlimited life, creating an incentive for the two electric companies to take early action on meeting the RPS. Utilities' existing REC banks would maintain their unlimited REC life.
- Creates a community solar program for Oregon, allowing residential and small commercial customers of Pacific Power and PGE to participate in the ownership of off-site solar projects that would be credited against their electricity bill. It also directs the PUC to ensure that at least 10% of the overall community solar program capacity be provided to low-income customers.
- Encourages moving to greater reliance on electricity in all modes of transportation to reduce carbon emissions. Pacific Power and PGE could submit plans to the PUC that include deployment of charging stations and related electric vehicle infrastructure. The PUC would determine if the investments were prudent. Responds to concerns from charging station manufacturers and PUC regarding utility influence in competitive marketplace.
- Recognizes Oregon's leadership in cost-effective energy efficiency and demand response programs that reduce overall energy usage, and supports Pacific Power and PGE plans to take advantage of all cost-effective energy efficiency and cost-effective demand-response resources authorized by the PUC prior to developing new generating resources.
- Protects IOU, Rural Electric Cooperative, and People's Utility District customers from cost shifting that could occur due to hostile service territory acquisitions meant to bypass Oregon's renewable energy standards. Protects municipal electric utilities from a higher RPS obligation when their service territory grows through annexation.
- Adds a new requirement that the state's investor-owned utilities acquire more energy from small, community-scale renewable projects such as local wind, solar, small hydro, biomass, and geothermal resources, creating more Oregon green jobs.
- Creates new eligibility for pre-1995 biomass plants and associated thermal co-generation for meeting the RPS requirements immediately. Current law does not recognize eligibility for pre-1995 biomass until 2026.