

House Bill 4171

Sponsored by COMMITTEE ON RULES (at the request of Representative Tina Kotek)

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**.

Modifies statewide greenhouse gas emissions reduction goals.

Directs Environmental Quality Commission to adopt by rule standards and requirements to ensure compliance with modified statewide greenhouse gas emissions goals. Directs Department of Environmental Quality to implement and enforce rules.

Refers Act to people for their approval or rejection at next regular general election held throughout this state.

A BILL FOR AN ACT

1
2 Relating to greenhouse gas emissions; creating new provisions; amending ORS 184.617, 184.621,
3 283.398, 283.401, 468A.205, 468A.235, 468A.240, 468A.250, 468A.260 and 757.357; and providing
4 that this Act shall be referred to the people for their approval or rejection.

5 Whereas climate change and ocean acidification caused by greenhouse gas emissions are having
6 significant detrimental effects on public health and the economic vitality, natural resources and
7 environment of this state, and scientists predict that the impacts of climate change will worsen if
8 action is not taken to curb greenhouse gas emissions; and

9 Whereas Oregon's people and communities, as a result of climate change, are suffering from
10 worsening wildfire and smoke, which endanger health and destroy property; and

11 Whereas our state's salmon, crabs, shellfish and other seafood sources are diminishing, harming
12 fishing families and local economies; and

13 Whereas drinking water is threatened by toxic algae blooms; and

14 Whereas drought is impacting farmers' and ranchers' ability to provide our food; and

15 Whereas flooding from sea level rise imperils coastal businesses and homes; and

16 Whereas critical infrastructure, supply chains and communities are exposed to extreme weather
17 damage; and

18 Whereas worsening air quality exacerbates breathing problems like asthma, especially for chil-
19 dren and elders; and

20 Whereas workers suffer through heat waves, risking their health; and

21 Whereas the negative impacts of climate change on our forests and rivers will hobble Oregon's
22 tourism and natural resources industries; and

23 Whereas the world's leading scientists say we have only a decade to significantly reduce
24 greenhouse gas emissions before locking in irreversible harm; and

25 Whereas the climate crisis is a state and national emergency; and

26 Whereas voluntary action is no longer sufficient, and Oregon must do its share to reduce
27 greenhouse gas emissions; and

28 Whereas engagement by the United States federal government is emerging too slowly to address
29 the scope, magnitude and urgency of climate change and ocean acidification; and

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.

1 Whereas Oregon can join together with other jurisdictions similarly resolved to exercise a
 2 leadership role encouraging more states, the federal government and the international community
 3 to act to reduce greenhouse gas emissions on a trajectory in accordance with the best available
 4 science by a transition to clean, renewable energy and low-carbon practices; and

5 Whereas solutions to the climate crisis, both near-term and long-term, will create economic and
 6 job opportunities for our state in the fields of greenhouse gas mitigation, carbon sequestration and
 7 necessary adaptation; and

8 Whereas a transition to clean energy and climate adaptation will demand a wide variety of
 9 workers' skill sets throughout Oregon, inspire innovative technologies and strategies, position our
 10 economy to be more competitive in a low-carbon world and provide other public health and eco-
 11 nomic benefits, such as future energy cost savings; and

12 Whereas taking action on climate change can create economic opportunities for rural
 13 Oregonians, by utilizing this state's forests and other natural and working lands, which are among
 14 the most productive carbon sinks globally, by providing many other important ecological, social and
 15 economic benefits, adding to the state's renewable energy base and by enhancing the resiliency of
 16 critical infrastructure such as irrigation systems; and

17 Whereas climate policies, rules and programs must be designed to protect climate-impacted
 18 communities, such as Indian tribes, rural communities, workers, low-income households and people
 19 of color, and to provide climate-impacted communities with opportunities for job creation and
 20 training, with investments in infrastructure, economic development, air quality improvements, en-
 21 ergy savings and conservation, healthy forests and other natural and working lands, and with in-
 22 creased utilization of clean energy technologies; and

23 Whereas climate policies, rules and programs must facilitate a just economic transition to a
 24 clean energy future by protecting the existing workforce and creating new pathways to employment
 25 through workforce development in clean energy, energy efficiency, adaptation and carbon
 26 sequestration sectors; and

27 Whereas climate policies, rules and programs must respect the rights and ability of Indian tribes
 28 to exercise their stewardship and sovereign authority over their sovereign trust lands and resources,
 29 such that the state must make reasonable efforts to cooperate with Indian tribes in the development
 30 and implementation of programs that affect Indian tribes; now, therefore,

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

32
 33 **GREENHOUSE GAS EMISSIONS REDUCTION REQUIREMENTS**

34
 35 **SECTION 1.** ORS 468A.205 is amended to read:

36 468A.205. (1) The Legislative Assembly declares that it is the policy of this state to reduce
 37 greenhouse gas emissions in Oregon [*pursuant to the following greenhouse gas emissions reduction*
 38 *goals*] **to 90 percent below 1990 emissions levels by 2050, with an incremental greenhouse gas**
 39 **emissions limit of at least 50 percent below 1990 emissions levels by 2035.**

40 **(2) In furtherance of the policy set forth in subsection (1) of this section:**

41 **(a) Greenhouse gas emissions in Oregon from fossil fuel and industrial sources shall be**
 42 **reduced:**

43 **(A) To at least 50 percent below 1990 emissions levels by 2035; and**

44 **(B) To at least 90 percent below 1990 emissions levels by 2050; and**

45 **(b) This state shall achieve net zero greenhouse gas emissions by 2050.**

1 tems in Oregon, including but not limited to aviation, ports and rail.

2 (c) Develop and maintain a comprehensive, 20-year long-range plan for a safe, multimodal
3 transportation system for the state which encompasses economic efficiency, orderly economic de-
4 velopment and environmental quality. The comprehensive, long-range plan:

5 (A) Must include, but not be limited to, aviation, highways, mass transit, ports, rails and
6 waterways; and

7 (B) Must be used by all agencies and officers to guide and coordinate transportation activities
8 and to ensure transportation planning utilizes the potential of all existing and developing modes of
9 transportation.

10 (d) In coordination with the State Marine Board, the Oregon Business Development Department,
11 the State Aviation Board, cities, counties, mass transit districts organized under ORS 267.010 to
12 267.394 and transportation districts organized under ORS 267.510 to 267.650, develop plans for each
13 mode of transportation and multimodal plans for the movement of people and freight. Subject to
14 paragraph (c) of this subsection, the plans must include a list of projects needed to maintain and
15 develop the transportation infrastructure of this state for at least 20 years in the future.

16 (e) For the plans developed under paragraph (d) of this subsection, include a list of projects for
17 at least 20 years into the future that are capable of being accomplished using the resources rea-
18 sonably expected to be available. As the plans are developed by the commission, the Director of
19 Transportation shall prepare and submit implementation programs to the commission for approval.
20 Work approved by the commission to carry out the plans shall be assigned to the appropriate unit
21 of the Department of Transportation or other appropriate public body, as defined in ORS 174.109.

22 (f) Initiate studies, as it deems necessary, to guide the director concerning the transportation
23 needs of Oregon.

24 (g) Prescribe the administrative practices followed by the director in the performance of any
25 duty imposed on the director by law.

26 (h) Seek to enter into intergovernmental agreements with local governments and local service
27 districts, as those terms are defined in ORS 174.116, to encourage cooperation between the depart-
28 ment and local governments and local service districts to maximize the efficiency of transportation
29 systems in Oregon.

30 (i) Review and approve the department's:

31 (A) Proposed transportation projects, as described in the Statewide Transportation Improvement
32 Program, and any significant transportation project modifications, as determined by the commission;

33 (B) Proposed budget form prior to the department submitting the form to the Oregon Department
34 of Administrative Services under ORS 291.208;

35 (C) Anticipated capital construction requirements;

36 (D) Construction priorities; and

37 (E) Selection, vacation or abandonment of state highways.

38 (j) Adopt a statewide transportation strategy on greenhouse gas emissions to aid in achieving
39 the greenhouse gas emissions reduction [*goals*] **limits** set forth in ORS 468A.205. The commission
40 shall focus on reducing greenhouse gas emissions resulting from transportation. In developing the
41 strategy, the commission shall consider state and federal programs, policies and incentives related
42 to reducing greenhouse gas emissions. The commission shall consult and cooperate with metropol-
43 itan planning organizations, other state agencies, local governments and stakeholders and shall ac-
44 tively solicit public review and comment in the development of the strategy.

45 (k) Perform any other duty vested in it by law.

1 (2) The commission has general power to take any action necessary to coordinate and administer
 2 programs relating to highways, motor carriers, motor vehicles, public transit, rail, transportation
 3 safety and such other programs related to transportation.

4 (3) The commission may require the director to furnish whatever reports, statistics, information
 5 or assistance the commission may request in order to study the department or transportation-related
 6 issues.

7 **SECTION 4.** ORS 184.621 is amended to read:

8 184.621. The Oregon Transportation Commission shall work with stakeholders to review and
 9 update the criteria used to select projects within the Statewide Transportation Improvement Pro-
 10 gram. When revising the project selection criteria the commission shall consider whether the
 11 project:

12 (1) Improves the state highway system or major access routes to the state highway system on
 13 the local road system to relieve congestion by expanding capacity, enhancing operations or other-
 14 wise improving travel times within high-congestion corridors.

15 (2) Enhances the safety of the traveling public by decreasing traffic crash rates, promoting the
 16 efficient movement of people and goods and preserving the public investment in the transportation
 17 system.

18 (3) Supports improvements necessary for Oregon’s economic growth and competitiveness, acces-
 19 sibility to industries and economic development.

20 (4) Provides the greatest benefit in relation to project costs as analyzed under ORS 184.659.

21 (5) Fosters livable communities by demonstrating that the investment does not undermine
 22 sustainable urban development.

23 (6) Enhances the value of transportation projects through designs and development that reflect
 24 environmental stewardship and community sensitivity.

25 (7) Is consistent with the state’s greenhouse gas emissions reduction [*goals*] **limits** and reduces
 26 Oregon’s dependence on foreign oil.

27 (8) To the extent practicable, ensures that the state’s transportation infrastructure is resilient
 28 in the event of a natural disaster.

29 (9) Is located near operations conducted for mining aggregate or processing aggregate as de-
 30 scribed in ORS 215.213 (2)(d) or 215.283 (2)(b).

31 **SECTION 5.** ORS 283.398 is amended to read:

32 283.398. (1) As used in this section and ORS 283.401, “zero-emission vehicle” means a battery
 33 electric vehicle, a plug-in hybrid electric vehicle or a hydrogen fuel cell vehicle or any type of ve-
 34 hicle defined by the State Department of Energy or the Environmental Quality Commission by rule
 35 as a “zero-emission vehicle” if the vehicle’s type and fuel are consistent with the goals set forth in
 36 this section.

37 (2) The Legislative Assembly finds that:

38 (a) Motor vehicle emissions contribute significantly to air pollution in this state.

39 (b) In 2019, the Oregon transportation sector was responsible for approximately 40 percent of
 40 this state’s greenhouse gas emissions, and light-duty vehicles were responsible for more than half
 41 of the transportation sector’s emissions.

42 (c) Motor vehicle emissions, especially greenhouse gases, are difficult to reduce and will rise
 43 over time if not limited by additional laws and regulations.

44 (d) Absent significant changes in the types of motor vehicles used by people and businesses in
 45 Oregon, the state will not meet the greenhouse gas emissions reduction [*goals*] **limits** set forth in

1 ORS 468A.205.

2 (e) In ORS 757.357, the Legislative Assembly found that transportation electrification is neces-
3 sary to reduce petroleum use, achieve optimum levels of energy efficiency and carbon reduction,
4 meet federal and state air quality standards, meet this state's greenhouse gas emissions reduction
5 [goals] **limits** set forth in ORS 468A.205 and improve the public health and safety.

6 (f) Existing federal and state incentives and programs are insufficient to transform the motor
7 vehicle market on a timeline that will protect Oregonians from the worst impacts of global climate
8 change.

9 (g) The purchase and ownership of zero-emission vehicles can reduce the overall energy costs
10 paid by Oregon households and the specific costs associated with meeting transportation needs.

11 (h) A robust and well-operating market for zero-emission vehicles is essential to meeting this
12 state's greenhouse gas emissions reduction goals.

13 (i) Certain residents and communities face greater barriers to purchasing or leasing zero-
14 emission vehicles, and additional support and innovative solutions are necessary to ensure that all
15 Oregon households benefit from transportation electrification.

16 (3) The Legislative Assembly declares the following goals:

17 (a) Transformation of the motor vehicle market must occur no later than 2035.

18 (b) Programs and support must be provided to accelerate Oregonians' purchase and use of
19 zero-emission vehicles until greenhouse gas emissions from vehicles are declining at a rate consist-
20 ent with this state's greenhouse gas emissions reduction [goals] **limits** set forth in ORS 468A.205.

21 (c) The adoption and use of zero-emission vehicles must be evaluated regularly to determine
22 whether the rate of the adoption and use of zero-emission vehicles will put the state on course to
23 meet its greenhouse gas emissions reduction [goals] **limits**.

24 (4) To promote acquisition and use of zero-emission vehicles, all entities of the executive de-
25 partment, as defined in ORS 174.112, shall lead by example by:

26 (a) Purchasing or leasing light-duty or medium-duty zero-emission vehicles, consistent with ORS
27 283.327, when purchasing or leasing vehicles;

28 (b) Adopting policies and rules that promote the goals set forth in this section; and

29 (c) Considering recommendations submitted in the report required by ORS 283.401 that relate
30 to zero-emission vehicles and adopting the recommendations when feasible.

31 **SECTION 6.** ORS 283.401 is amended to read:

32 283.401. (1) On or before September 15 of each odd-numbered year, the State Department of
33 Energy shall submit to the Governor and an interim committee of the Legislative Assembly related
34 to the environment a report on adoption of zero-emission vehicles in this state and the progress the
35 state is making to achieve reductions in greenhouse gas emissions in the transportation sector. The
36 report shall provide:

37 (a) A review, using existing studies, market reports, polling data or other publicly available in-
38 formation, of the market in this state for zero-emission vehicles and any barriers to adopting zero-
39 emission vehicles in this state;

40 (b) An assessment of the state's progress in promoting the goals set forth in ORS 283.398; and

41 (c) The date on which the state is predicted to meet the goals set forth in ORS 283.398.

42 (2) The department may contract with third parties to assist in performing the duties described
43 in subsection (1) of this section.

44 (3) The department shall assess the state's progress under subsection (1)(b) of this section. The
45 assessment must focus on commercially available, or near-commercially available, zero-emission ve-

1 hicle technology, to the extent possible, and rely on existing studies, data and analysis. In the as-
2 sessment, the department shall evaluate:

3 (a) Whether the transportation sector is on course to reduce the share of greenhouse gas emis-
4 sions from motor vehicles, as defined in ORS 801.360, consistent with the greenhouse gas emissions
5 reduction [*goals*] **limits** set forth in ORS 468A.205.

6 (b) The sales figures and numbers of zero-emission vehicles that are owned in Oregon, including
7 forecasts as to whether:

8 (A) By 2020, 50,000 registered motor vehicles will be zero-emission vehicles;

9 (B) By 2025, at least 250,000 registered motor vehicles will be zero-emission vehicles;

10 (C) By 2030, at least 25 percent of registered motor vehicles, and at least 50 percent of new
11 motor vehicles sold annually, will be zero-emission vehicles; and

12 (D) By 2035, at least 90 percent of new motor vehicles sold annually will be zero-emission ve-
13 hicles.

14 (c) The sales figures and numbers of zero-emission vehicles that are owned in Oregon, differen-
15 tiated, to the extent feasible, by demographic factors, including whether persons that own zero-
16 emission vehicles reside in urban or rural areas.

17 (d) The availability and reliability of public and private electric vehicle charging infrastructure
18 that is needed to support the targets for zero-emission vehicle sales and registration identified in
19 paragraph (b) of this subsection. The department shall assess reliability under this paragraph only
20 if the department requests and obtains information on reliability from providers of electric vehicle
21 charging infrastructure.

22 (e) The incremental purchase cost difference, before and after federal and state incentives, be-
23 tween the purchase cost of a zero-emission vehicle and the purchase cost of a comparable vehicle
24 powered by an internal combustion engine.

25 (f) The zero-emission vehicles that are available for purchase in all market segments.

26 (g) Oregonians' awareness of motor vehicle options, the benefits of owning zero-emission vehicles
27 and the true costs of motor vehicle ownership.

28 (h) The carbon intensity of fuel consumed by the Oregon transportation sector as a whole.

29 (i) The general progress toward electrification of all fossil fuel-based transportation modes.

30 (j) Opportunities to minimize impacts to the electric grid from transportation electrification, in-
31 cluding rate design, managed charging, vehicle-to-grid services and electricity conservation tech-
32 niques.

33 (k) In consultation with the Department of Transportation, the impact of the sales and owner-
34 ship of zero-emission vehicles on revenues that would otherwise accrue to the State Highway Fund
35 under ORS 366.505.

36 (4) If the State Department of Energy determines that the state is not on course to meet the
37 goals set forth in ORS 283.398, the department shall make recommendations in the report required
38 by this section, including recommendations for legislation. Recommended legislation:

39 (a) May not mandate required levels of motor vehicle sales.

40 (b) Must promote the zero-emission vehicle market, address barriers to adoption of zero-emission
41 vehicles in the light-duty portion of the transportation sector, encourage transportation
42 electrification and further the goals set forth in ORS 283.398.

43 **SECTION 7.** ORS 468A.235 is amended to read:

44 468A.235. The Oregon Global Warming Commission shall recommend ways to coordinate state
45 and local efforts to reduce greenhouse gas emissions in Oregon consistent with the greenhouse gas

1 emissions reduction [*goals*] **limits** established by ORS 468A.205 and shall recommend efforts to help
 2 Oregon prepare for the effects of [*global warming*] **climate change**. The Office of the Governor and
 3 state agencies working on multistate and regional efforts to reduce greenhouse gas emissions shall
 4 inform the commission about these efforts and shall consider input from the commission for such
 5 efforts.

6 **SECTION 8.** ORS 468A.240 is amended to read:

7 468A.240. (1) In furtherance of the greenhouse gas emissions reduction [*goals*] **limits** established
 8 by ORS 468A.205, the Oregon Global Warming Commission may recommend statutory and adminis-
 9 trative changes, policy measures and other recommendations to be carried out by state and local
 10 governments, businesses, nonprofit organizations or residents. In developing its recommendations,
 11 the commission shall consider economic, environmental, health and social costs, and the risks and
 12 benefits of alternative strategies, including least-cost options. The commission shall solicit and con-
 13 sider public comment relating to statutory, administrative or policy recommendations.

14 (2) The commission shall examine greenhouse gas cap-and-trade systems, including a statewide
 15 and multistate carbon cap-and-trade system and market-based mechanisms, as a means of achieving
 16 the greenhouse gas emissions reduction [*goals*] **limits** established by ORS 468A.205.

17 (3) The commission shall examine possible funding mechanisms to obtain low-cost greenhouse
 18 gas emissions reductions and energy efficiency enhancements, including but not limited to those in
 19 the natural gas industry.

20 **SECTION 9.** ORS 468A.250 is amended to read:

21 468A.250. (1) The Oregon Global Warming Commission shall track and evaluate:

22 (a) Economic, environmental, health and social assessments of [*global warming*] **climate change**
 23 impacts on Oregon and the Pacific Northwest;

24 (b) Existing greenhouse gas emissions reduction policies and measures;

25 (c) Economic, environmental, health and social costs, and the risks and benefits of alternative
 26 strategies, including least-cost options;

27 (d) The physical science of global warming;

28 (e) Progress toward the greenhouse gas emissions reduction [*goals*] **limits** established by ORS
 29 468A.205;

30 (f) Greenhouse gases emitted by various sectors of the state economy, including but not limited
 31 to industrial, transportation and utility sectors;

32 (g) Technological progress on sources of energy the use of which generates no or low
 33 greenhouse gas emissions and methods for carbon sequestration;

34 (h) Efforts to identify the greenhouse gas emissions attributable to the residential and commer-
 35 cial building sectors;

36 (i) The carbon sequestration potential of Oregon's forests, alternative methods of forest man-
 37 agement that can increase carbon sequestration and reduce the loss of carbon sequestration to
 38 wildfire, changes in the mortality and distribution of tree and other plant species and the extent to
 39 which carbon is stored in tree-based building materials;

40 (j) The advancement of regional, national and international policies to reduce greenhouse gas
 41 emissions;

42 (k) Local and regional efforts to prepare for the effects of [*global warming*] **climate change**; and

43 (L) Any other information, policies or analyses that the commission determines will aid in the
 44 achievement of the greenhouse gas emissions reduction [*goals*] **limits** established by ORS 468A.205.

45 (2) The commission shall:

1 (a) Work with the State Department of Energy and the Department of Environmental Quality
 2 to evaluate all gases with the potential to be greenhouse gases and to determine a carbon dioxide
 3 equivalency for those gases; and

4 (b) Use regional and national baseline studies of building performance to identify incremental
 5 targets for the reduction of greenhouse gas emissions attributable to residential and commercial
 6 building construction and operations.

7 **SECTION 10.** ORS 468A.260 is amended to read:

8 468A.260. The Oregon Global Warming Commission shall submit a report to the Legislative As-
 9 sembly, in the manner provided by ORS 192.245, by March 31 of each odd-numbered year that de-
 10 scribes Oregon’s progress toward achievement of the greenhouse gas emissions reduction [*goals*]
 11 **limits** established by ORS 468A.205. The report may include relevant issues and trends of signif-
 12 icance, including trends of greenhouse gas emissions, emerging public policy and technological ad-
 13 vances. The report also may discuss measures the state may adopt to mitigate the impacts of [*global*
 14 *warming*] **climate change** on the environment, the economy and the residents of Oregon and to
 15 prepare for those impacts.

16 **SECTION 11.** ORS 757.357 is amended to read:

17 757.357. (1) As used in this section:

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

19 (b) “Transportation electrification” means:

20 (A) The use of electricity from external sources to provide power to all or part of a vehicle;

21 (B) Programs related to developing the use of electricity for the purpose described in subpara-
 22 graph (A) of this paragraph; and

23 (C) Infrastructure investments related to developing the use of electricity for the purpose de-
 24 scribed in subparagraph (A) of this paragraph.

25 (c) “Vehicle” means a vehicle, vessel, train, boat or any other equipment that is mobile.

26 (2) The Legislative Assembly finds and declares that:

27 (a) Transportation electrification is necessary to reduce petroleum use, achieve optimum levels
 28 of energy efficiency and carbon reduction, meet federal and state air quality standards, meet this
 29 state’s greenhouse gas emissions reduction [*goals*] **limits** described in ORS 468A.205 and improve the
 30 public health and safety;

31 (b) Widespread transportation electrification requires that electric companies increase access to
 32 the use of electricity as a transportation fuel;

33 (c) Widespread transportation electrification requires that electric companies increase access to
 34 the use of electricity as a transportation fuel in low and moderate income communities;

35 (d) Widespread transportation electrification should stimulate innovation and competition, pro-
 36 vide consumers with increased options in the use of charging equipment and in procuring services
 37 from suppliers of electricity, attract private capital investments and create high quality jobs in this
 38 state;

39 (e) Transportation electrification and the purchase and use of electric vehicles should assist in
 40 managing the electrical grid, integrating generation from renewable energy resources and improving
 41 electric system efficiency and operational flexibility, including the ability of an electric company to
 42 integrate variable generating resources;

43 (f) Deploying transportation electrification and electric vehicles creates the opportunity for an
 44 electric company to propose, to the Public Utility Commission, that a net benefit for the customers
 45 of the electric company is attainable; and

1 (g) Charging electric vehicles in a manner that provides benefits to electrical grid management
2 affords fuel cost savings for vehicle drivers.

3 (3) The Public Utility Commission shall direct each electric company to file applications, in a
4 form and manner prescribed by the commission, for programs to accelerate transportation
5 electrification. A program proposed by an electric company may include prudent investments in or
6 customer rebates for electric vehicle charging and related infrastructure.

7 (4) When considering a transportation electrification program and determining cost recovery for
8 investments and other expenditures related to a program proposed by an electric company under
9 subsection (3) of this section, the commission shall consider whether the investments and other
10 expenditures:

11 (a) Are within the service territory of the electric company;

12 (b) Are prudent as determined by the commission;

13 (c) Are reasonably expected to be used and useful as determined by the commission;

14 (d) Are reasonably expected to enable the electric company to support the electric company's
15 electrical system;

16 (e) Are reasonably expected to improve the electric company's electrical system efficiency and
17 operational flexibility, including the ability of the electric company to integrate variable generating
18 resources; and

19 (f) Are reasonably expected to stimulate innovation, competition and customer choice in electric
20 vehicle charging and related infrastructure and services.

21 (5)(a) Tariff schedules and rates allowed pursuant to subsection (3) of this section:

22 (A) May allow a return of and a return on an investment made by an electric company under
23 subsection (3) of this section; and

24 (B) Shall be recovered from all customers of an electric company in a manner that is similar to
25 the recovery of distribution system investments.

26 (b) A return on investment allowed under this subsection may be earned for a period of time
27 that does not exceed the depreciation schedule of the investment approved by the commission. When
28 an electric company's investment is fully depreciated, the commission may authorize the electric
29 company to donate the electric vehicle charging infrastructure to the owner of the property on
30 which the infrastructure is located.

31 (6) For purposes of ORS 757.355, electric vehicle charging infrastructure provides utility service
32 to the customers of an electric company.

33 (7) In authorizing programs described in subsection (3) of this section, the commission shall re-
34 view data concerning current and future adoption of electric vehicles and utilization of electric ve-
35 hicle charging infrastructure. If market barriers unrelated to the investment made by an electric
36 company prevent electric vehicles from adequately utilizing available electric vehicle charging
37 infrastructure, the commission may not permit additional investments in transportation
38 electrification without a reasonable showing that the investments would not result in long-term
39 stranded costs recoverable from the customers of electric companies.

40
41 **CAPTIONS**

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43 **SECTION 12. The unit captions used in this 2020 Act are provided only for the conven-**
44 **ience of the reader and do not become part of the statutory law of this state or express any**
45 **legislative intent in the enactment of this 2020 Act.**

REFERRAL

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**SECTION 13. This 2020 Act shall be submitted to the people for their approval or re-
jection at the next regular general election held throughout this state.**
