

Requested by Senator BEYER

**PROPOSED AMENDMENTS TO  
SENATE BILL 978**

1 On page 1 of the printed bill, line 2, after “utilities;” delete the rest of  
2 the line and insert “and”.

3 Delete lines 5 through 27 and delete pages 2 through 8 and insert:

4 **“SECTION 1. (1) The Public Utility Commission shall establish a**  
5 **public process for the purpose of investigating how developing industry**  
6 **trends, technologies and policy drivers in the electricity sector might**  
7 **impact the existing regulatory system and incentives currently em-**  
8 **ployed by the commission. If warranted, the commission may consider**  
9 **changes to the existing regulatory system and incentives.**

10 **“(2) As part of the public process established under subsection (1)**  
11 **of this section, the commission shall investigate the following:**

12 **“(a) The obligations of and benefits to electric companies under the**  
13 **existing regulatory system;**

14 **“(b) The obligations of and benefits to customers of electric com-**  
15 **panies under the existing regulatory system, including customers that**  
16 **participate in direct access;**

17 **“(c) The current use of regulatory incentives, including but limited**  
18 **to:**

19 **“(A) Incentives for electric companies to place capital investment**  
20 **in rate base, paying particular attention to the perception of bias in**  
21 **resource selection;**

1       **“(B) Incentives for electric companies to plan for serving all exist-**  
2 **ing and all new electricity loads in electric companies’ service terri-**  
3 **ories; and**

4       **“(C) Incentives for electric companies and for customers of electric**  
5 **companies to develop renewable energy resources and purchase**  
6 **renewable energy; and**

7       **“(d) The primary public policy objectives that are promoted by the**  
8 **commission’s current statutory authority and by the existing regula-**  
9 **tory system and incentives.**

10       **“(3) As part of the public process established under subsection (1)**  
11 **of this section, the commission shall identify industry trends, tech-**  
12 **nologies and policy drivers currently developing in the electricity in-**  
13 **dustry, including but not limited to:**

14       **“(a) Greater penetration by variable energy resources of electric**  
15 **utilities’ electrical systems;**

16       **“(b) Increasing presence and cost-effectiveness of distributed energy**  
17 **resources in electric utilities’ electrical systems;**

18       **“(c) Greater customer support sophistication and desire for energy**  
19 **service options and energy management tools;**

20       **“(d) Increasing customer desire for energy service needs to be met**  
21 **by a specific generating resource through either nonutility owned re-**  
22 **sources and delivery options or utility owned resources and delivery**  
23 **options;**

24       **“(e) Greater recognition of the carbon output of electricity gener-**  
25 **ation;**

26       **“(f) The electrification of the transportation sector;**

27       **“(g) The potential for regional transmission markets;**

28       **“(h) Advances in distribution system communication and control**  
29 **technologies;**

30       **“(i) The need to replace aging distribution system equipment for**

1 **grid modernization;**

2 **“(j) Use of performance-based incentives used by other states in**  
3 **addressing the industry trends, technologies and policy drivers de-**  
4 **scribed in this subsection; and**

5 **“(k) Changes in public policy objectives that are developing in re-**  
6 **lation to the electricity sector or that have directly or indirectly been**  
7 **identified by the Legislative Assembly.**

8 **“(4) The commission shall explore changes to the existing regula-**  
9 **tory system and incentives that could accommodate developing indus-**  
10 **try trends and support new policy objectives without compromising**  
11 **affordable rates, safety and reliable service. If the commission deter-**  
12 **mines that changes to the existing regulatory system and incentives**  
13 **would be in the interest of customers of electric companies and the**  
14 **public generally, the commission shall develop plans to administra-**  
15 **tively implement changes to the regulatory system and incentives or**  
16 **shall make recommendations to the Legislative Assembly for the pur-**  
17 **pose of legislatively implementing changes to the regulatory system**  
18 **and incentives.**

19 **“(5) As part of the public process established under subsection (1)**  
20 **of this section, the commission shall provide the public with an op-**  
21 **portunity to comment.**

22 **“(6) The commission shall submit a report on the findings of the**  
23 **public process established under subsection (1) of this section and the**  
24 **progress of investigations conducted under subsection (2) of this sec-**  
25 **tion in the manner provided by ORS 192.245 to the interim committees**  
26 **of the Legislative Assembly related to energy and business no later**  
27 **than September 15, 2018. The commission may include, as part of the**  
28 **commission’s report, recommendations for legislation.**

29 **“SECTION 2. Section 1 of this 2017 Act is repealed on January 2,**  
30 **2019.”.**

