

SB 1581 A STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

Prepared By: Erin Pischke, LPRO Analyst

Meeting Dates: 2/26, 2/28

WHAT THE MEASURE DOES:

The measure requires an investor-owned utility to report to the Legislative Assembly annually on steps taken or being taken to participate in a regional energy market.

- *FISCAL: No fiscal impact*
- *REVENUE: No revenue impact*

Senate vote: Ayes, 24; Nays, 6

Detailed Summary:

Requires an investor-owned utility that sells more than two million megawatt hours of electricity in a calendar year to submit a report to the Legislative Assembly, no later than January 15th annually, on plans or preparations the utility has taken or is taking toward participating in a regional energy market. Applies to calendar years beginning on or after January 1, 2024. Repeals reporting requirement on January 2, 2031.

ISSUES DISCUSSED:

- Provisions of measure
- Regional energy markets' potential importance for meeting State's clean energy goals
- On-going discussions about regional energy markets outside of the Capitol that legislators should know about

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the [Regional Transmission Organization Study: Oregon Perspectives](#), a regional transmission organization (RTO) is an "independent, nonprofit organization that operates and ensures reliability of the bulk power system and optimizes supply and demand for wholesale electricity." In Oregon, utilities individually perform these functions for their territories and base their rates off of a regulated rate of return on investments. There are seven RTOs and Independent System Operators (ISO) operating in the United States, all of which also operate competitive wholesale electricity markets. Oregon is not part of an RTO or ISO, however some utilities in Oregon are part of the regional Energy Imbalance Market. Utilities that participate in organized wholesale markets have the option to purchase electricity at market-determined wholesale prices and, if they are vertically integrated as in Oregon, can also sell electricity they produce into the market. In 2021, the Oregon Legislative Assembly adopted Senate Bill 589, which required the Oregon Department of Energy to report to the Legislature on the benefits, opportunities, and challenges posed by the development or expansion of an RTO.