OFFICE OF THE SECRETARY OF STATE

KATE BROWN
SECRETARY OF STATE

ROBERT TAYLOR
DEPUTY SECRETARY OF STATE

ARCHIVES DIVISION
MARY BETH HERKERT
DIRECTOR
800 Summer Street NE
Salem, Oregon 97310
(503) 373-0701
Facsimile (503) 378-4118

Oregon Department of Energy
Administrative Overview
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Introduction
The Oregon Department of Energy (ODOE) protects the state's environment by saving energy, developing clean energy resources and cleaning up nuclear waste. To encourage investments in energy efficiency and conservation, ODOE offers loans, tax credits, information, and technical expertise to households, businesses, schools and governments. ODOE was created in 1975 to fill a declared need for comprehensive state leadership in energy production, distribution and utilization. It was created in a period of heightened state and national awareness about energy consumption – its trends, consequences, and possible alternatives. Responding to changes in public opinion, and the findings of various task forces and studies, the 58th Legislative Assembly declared the demand for nonrenewable energy a serious problem. Seeking to avoid a legacy of vanished or depleted resources with massive environmental, social and financial impacts, the State of Oregon established ODOE to promote the efficient use of energy, and to oversee the development of permanently sustainable energy resources for its citizens (O.L. 1975, Ch. 606).

ODOE's Director's Office leads the five substantive divisions of the agency: Central Services, Energy Loan Program (SELP), Conservation, Renewable Energy and Communications, and Nuclear Safety and Energy Siting. ODOE's primary duties are enumerated in ORS 469.030.

History
Oregon's interest in the discovery and exploitation of its energy resources was evidenced from early statehood in a variety of attempts to exploit, regulate and publicize the state's waterways, forests, minerals and other natural resources. In 1872, the State Geologist's office was created by the Seventh Legislative Assembly, and the Reverend Thomas Condon was charged with conducting geological examinations of the state (O.L. 1872, p. 105). The Ninth Legislative Assembly, however, found the salary a useless expenditure, and disbanded the office for having no benefit (O.L. 1876, p. 5). The next 50 years saw several versions of mining bureaus before the current Department of Geology and Mineral Industries was created to survey and study the commercial utility of Oregon's geological resources (O.L. 1937, Ch. 179). Oregon's other diverse natural resource industries experienced similar fits and starts of legislative oversight.

In 1905, the position of State Engineer was created to supervise the measurement and records of water appropriation, surveys and engineering works. Appointed by the Governor and confirmed by the Senate, the office holder was to be a hydraulic engineer recommended by the U.S. Geological Survey (O.L. 1905, Ch. 228). The Legislative Assembly created Oregon's first unified water code in 1909, firmly establishing public ownership, state control and the doctrine of prior appropriation. A Board of Control, composed of the State Engineer and the two water division superintendents, supervised the appropriation, distribution and diversion of Oregon's

waters, with appeals being heard in the state's courts (O.L. 1909, Ch. 216). In the next session, the State Engineer was given responsibility for regulating the state's dams (O.L. 1911, Ch. 236).

In 1921, the Legislative Assembly named the Governor ex-officio Commissioner of Hydroelectric Power to secure federal aid for Oregon hydroelectric projects and to collect data on hydrological resources (O.L. 1921, Ch. 333). In 1931, a Hydroelectric Commission was created to conserve water resources and to license use and development; the commission was composed of the State Engineer and two governor-appointed individuals (1931 O.L., Ch. 67).

The Legislative Assembly initiated regulation of public utilities in 1911, broadly defining the subject to include persons and organizations involved with telegraphs, telephones, street railroads, and the production, transmission and delivery of heat, light, water and power. The broad regulatory responsibility was given to the Railroad Commission (O.L. 1911, Ch. 279), which had been created four years earlier (O.L. 1907, Ch. 53); the voters approved the regulatory scheme in the 1912 general election. This commission is distinct from the Board of Railroad Commissioners that existed at the end of the 19th century (O.L. 1887, p. 30; O.L. 1898 SS, p. 3).

The Railroad Commission had been renamed the Public Service Commission (O.L. 1915, Ch. 241). The Public Service Commission was replaced by the Office of the Public Utilities Commissioner in 1931; the Commission was charged with representing the interests of utility patrons, users and consumers through investigations and hearings; the Commissioner of Public Utilities headed the office (O.L. 1931, Ch. 103). In the next legislative session, the commissioner was granted broad regulatory authority over public utility budgets and expenditures, including the recapture and disposition of operating income in excess of fair return (O.L. 1933, Ch. 441).

In 1933, the Legislative Assembly passed a State Power Act, which sought the development, transmission, distribution and sale of power by the State of Oregon. The abortive act envisioned an elected, unaffiliated State Power Commission with powers of eminent domain and rate fixing, the ability to work separately or in conjunction with the federal government, and wide discretion to control, sell and dispose of all manner of electric energy (O.L. 1933, Ch. 357). Following a statewide referendum, however, the State Power Act was rejected in the 1934 general election.

In 1943, ground was broken for the construction of nuclear reactors at the Hanford Site in southeastern Washington State as part of the Manhattan Project to construct the first atomic bomb. The Hanford Site later housed nine nuclear reactors and associated processing facilities, and played a central role in American defense planning for over 40 years. (Hanford).

In 1955, the Legislative Assembly passed the State Water Resources Act, creating the State Water Resources Board, a seven-member governor-appointed group charged with studying, conserving and augmenting water resources, and developing control of the beneficial uses, such as irrigation, power development, industry, mining, recreation, wildlife and fish life. The State Engineer was designated as the board's engineer, upon its acceptance of the appointment. The Hydroelectric Commission referred license applications that potentially prejudiced the public interest to the Water Resources Board, which conducted public hearings (O.L. 1955, Ch. 707).

Twenty years later, the Legislative Assembly abolished the State Water Resources Board, replacing it with the Water Policy Review Board. This new board was also composed of seven governor-appointed members; together with the new Water Resources Director (who replaced the State Engineer), and supporting employees, they comprised the Water Resources Department

(O.L. 1975, Ch. 581). In 1985, the Legislative Assembly again altered this set up, creating a new seven-member appointed Water Resources Commission to establish policies for the Water Resources Department, and abolishing the Water Policy Review Board (O.L. 1985, Ch. 673).

In the early 1970s energy sources perceived as endless became seen as exhaustible, and calls for major policy revisions were heard in Oregon and the national stage. In April 1973, President Richard Nixon noted that the demand for energy was outstripping supply, and that this 'challenge' could become a national energy crisis (with shortages and increased prices) if trends continued unchecked (Fehner/Holl, p. 5). In May 1973, a task force organized by Governor Tom McCall submitted a report on "Oregon's Energy Perspective," which recommended the creation of a national energy policy, regional actions, and several state actions. State actions included the creation of a legislative energy committee, providing the Governor with energy emergency powers, assigning the Public Utilities Commissioner functions relating to energy shortage complaints, and establishing a stand-by rationing program.

In special session, Oregon's Legislative Assembly empowered its Governor to declare an energy emergency (O.L. 1974 SS, Ch. 5), and created an Energy Conservation and Allocation account to fund new state energy programs (O.L. 1974 SS, Ch. 59). An influential two-year study of the state's energy resources by the Public Utilities Commissioner – requested in the previous session (O.L. 1973, Ch. 780) – was submitted to the Governor and Legislative Assembly in early 1975.

ODOE was established in 1975 to provide comprehensive leadership on state energy planning and forecasting; to support research on alternative sources of energy; to be a central repository for energy data; to educate the public about energy problems and conservation; to prepare contingent energy programs; and to maintain an inventory of ongoing energy research projects. The new agency was statutorily tasked with ensuring a mix of resources to meet Oregon's energy demands while protecting its natural environment (O.L. 1975, Ch. 606).

The Legislative Assembly also created the Energy Policy Review Committee (EPRC) to identify emerging trends in the supply, demand and conservation of energy, to estimate state energy needs for the next five, ten and twenty years, and to analyze energy pricing (O.L. 1975, Ch. 606). This EPRC was composed of three citizens appointed by the Governor and six legislators appointed by the House and Senate leadership; it served in an advisory capacity to ODOE, the Legislative Assembly and the Governor until 1995, when it was abolished (O.L. 1995, Ch. 551).

The Legislative Assembly created an Energy Conservation Board within the Department of Commerce to promote energy conservation in the design, construction, reconstruction, alteration and repair of state buildings; the board was composed of seven members appointed by the Governor (O.L. 1975, Ch. 676). The newly created ODOE was also requested to act as the administrative unit for the Energy Facility Siting Council (EFSC), which was responsible for researching possible utility sites, designating suitable areas, establishing standards, issuing site certificates and conducting public hearings (O.L. 1975, Ch. 606). The EFSC replaced the Nuclear and Thermal Energy Council, which had been created four years earlier to ensure that the peaceful uses of nuclear and thermal energy were consistent with the protection of the public health and safety, and in compliance with the air, water and other environmental protection policies of the state (O.L. 1971, Ch. 609). In 1977, the EFSC was prohibited from issuing site certificates for any radioactive waste disposal facility (O.L. 1977, Ch. 796). An initiative petition to regulate nuclear power plant construction in Oregon was defeated in the 1976 general election.

In 1977, the Legislative Assembly passed two significant energy bills. The Oregon Energy Conservation Act declared an urgent and continuing need for energy conservation, and required all energy suppliers to offer energy conservation education and services to their customers and the general public; to perform home energy inspections and identify weatherization needs; and to provide technical advice and assistance regarding the availability of low-interest loans from commercial lenders for weatherization projects (O.L. 1977, Ch. 887). The Oregon Energy Conservation and Production Act called for the Governor, with the advice of the Public Utility Commissioner, State Geologist, Water Resources Director and the Director of ODOE, to designate cost-effective energy sources for development, to maximize state conservation efforts, to ensure a sufficient number of energy generating facilities, to utilize cogeneration and small-scale technology generation when possible, and to carry out energy development with the least-possible environmental impact. This legislation enabled the issuance and sale of bonds to fund conservation and alternative energy production; the proceeds were deposited in the Energy Conservation and Production Fund; payments and interest on the bonds were made from the Energy Conservation and Production Sinking Fund, maintained separately from the General Fund. The Energy Conservation and Production Act also sought the promotion of alternative energy sources such as geothermal power and the use of agricultural waste (O.L. 1977, Ch. 732).

Other 1977 state energy legislation included ODOE's authorization to obtain information from political subdivisions, and producers, suppliers and consumers of energy resources, as needed to compile the state energy forecast; the Director was authorized to subpoena witnesses and papers with the consent of the Governor (O.L. 1977, Ch. 794). The Legislative Assembly established voluntary energy efficiency ratings for single family dwellings (O.L. 1977, Ch. 413); lighting energy standards for public buildings (O.L. 1977, Ch. 354); weatherization loans for veterans (O.L. 1977, Ch. 383); and energy conservation standards for buildings built prior to 1978 (O.L. 1977, Ch. 853). A resolution for the state's development, management and conservation of non-nuclear natural energy resources was also passed (SJR 32); its bond raising provision required a constitutional amendment, which was rejected by the Oregon voters in a 1977 special election.

The federal Uranium Mill Tailings Radiation Control Act of 1978 (UMTRCA) directed DOE to clean up 24 inactive uranium mill tailing sites across the country, subject to state oversight (P.L. 95-604). In Oregon, DOE's UMTRCA remediation and legacy management responsibilities included the Lakeview processing facility (closed in 1961) and the nearby Lakeview disposal site. In 1979, Oregon required proposed radioactive waste disposal facilities to complete an application process through the EFSC, which was authorized to enter agreements with DOE and the Nuclear Regulatory Commission to dispose of radioactive waste (O.L. 1979, Ch. 283).

In 1979, the Legislative Assembly created an Alternative Energy Development Commission of nine governor-appointed members – one from each of seven alternative energy task forces (representing solar, wind, geothermal, forest/agricultural residue, water and gasohol power), and three citizens broadly representing alternative energy. The task forces were requested to compile resource-specific development plans, and the commission was tasked with drafting a comprehensive alternative energy development plan for consideration by the Governor and Legislative Assembly (O.L. 1979, Ch. 329).

The 60th Legislative Assembly created ODOE's Small Scale Energy Loan Program (SELP) as a self-supporting provider of long-term, low-interest loans for the creation of energy projects that utilize solar, wind, geothermal, biomass, waste heat, water or other renewables. Project financing was made contingent upon Director approval, with advice from the Small Scale Local Energy

Project Advisory Committee. Oregon's legislators created a Small Scale Local Energy Project Administration and Bond Sinking Fund separate from the General Fund for loan payments (O.L. 1979, Ch. 672). A Small Scale Local Energy Project Loan Fund was created to facilitate bond issuance and the levying of ad valorem taxes to finance the projects (SJR 24); voters approved the constitutional amendment in a 1980 special election. SELP made its first loan in 1981.

'Cost-effectiveness' was formally added to Oregon's energy policy in 1979, mandating state agency consideration of cost escalations, future availability of fuels, waste disposal and decommission costs, transmission and distribution costs, geographic and climatic differences in the state, and environmental impacts, whenever choosing new energy resources, facilities or conservation measures (O.L. 1979, Ch. 723). Oregon state agencies were also required to have a life cycle cost analysis prepared in the construction or renovation of any major facility (O.L. 1979, Ch. 734). Legislative tax relief was created for ODOE-certified facilities that conserved energy resources or met their energy requirements through the use of renewable resources (O.L. 1979, Ch. 512). City and county land use authorities were barred from instituting construction restrictions that would render solar energy collection unfeasible; real property conveyances that prohibited the use of solar energy systems were similarly voided (O.L. 1979, Ch. 671).

In the 1980 general election, Oregonians mandated voter approval and the existence of a waste facility prior to any future licensing of nuclear power plants in the state. The Legislative Assembly tightened this requirement in its next session, requiring the EFSC to find an adequate, terminal and federally-licensed repository for the disposal of high level radioactive waste prior to issuing a site certificate for a nuclear-fueled thermal power plant; and mandating voter approval of the proposed plant's site certificate in a statewide general election. The Public Utility Commissioner (PUC) was also precluded from financing new nuclear power plants without the prior approval of the EFSC (O.L. 1981, Ch. 1).

In 1982, the Legislative Assembly lifted the site certification requirement for small energy recovery facilities utilizing wood waste, straw, forest slash, farm waste and/or solid waste (O.L. 1982 SS, Ch. 6). In 1983, ODOE's odd-numbered year reporting to the Governor and Legislative Assembly was expanded to include the delivery of a *plan*, including energy forecasts for utilities, emerging trends in the industry, and anticipated five, ten and twenty-year energy demands for Oregon. The Legislative Assembly also sought an ongoing inventory of state energy resources, consistency with the fish and wildlife programs of the Pacific Northwest Electric Power and Planning Council, and recommendations for the research, development and demonstration of the cost-effectiveness of available conservation and renewable measures (O.L. 1983, Ch. 273).

In 1985, the Legislative Assembly signed off on the creation of an independent nonprofit public corporation, the Citizen's Utility Board (CUB), to serve as an advocate for the needs and interests of PUC-regulated utility consumers before Oregon's legislative, administrative and judicial bodies. CUB was empowered to intervene and participate as an interested party in agency proceedings, granted standing to obtain administrative and judicial review of agency actions, and permitted to include educational information in utility bills (O.L. 1985, Ch. 1). CUB's creation was authorized by the voters in the 1984 general election.

The protection of natural resources from the adverse impacts of hydropower was added to Oregon's energy policy in 1985, subjecting hydroelectric facility siting to strict standards. The EFSC, Water Policy Review Board, Department of Environmental Quality, and other state agencies were instructed to fully participate in local, state and federal proceedings regarding

hydropower. Agency actions were required to be consistent with the preservation of anadromous salmon and steelhead, and the Columbia River Basin Fish and Wildlife Program, as provided by the Pacific Northwest Electric Power and Conservation Program (O.L. 1985, Ch. 569).

In 1985, the list of off-limit areas for the location of waste disposal facilities for uranium mine tailings and radioactive waste was dramatically widened to include places of creek, river and ocean erosion, 500 year flood plains, active fault zones, places of movement or landslide, and areas that have experienced volcanic activity in the past two million years. The EFSC was required to issue findings demonstrating no better available site prior to selecting any location for a radioactive waste disposal facility (O.L. 1985, Ch. 4).

Striving to reduce energy costs, the 63rd Legislative Assembly steered Oregon toward a cooperative agreement with Washington, Idaho and Montana for the purpose of collectively controlling the wholesale power costs and rates of the Bonneville Power Administration (BPA). Oregon sought a regional response to arbitrary interest rate increases on federal funds previously used to build public facilities in the Pacific Northwest; federal initiatives to sell the BPA; rate increases in excess of actual need; the regional use of surplus firm power to provide long-term use for job development; and power transmission intertie access (O.L. 1985, Ch. 780). ODOE was also legislatively directed to set aside funds for research, development and demonstration of new renewable resource generating and conservation technologies (O.L. 1985, Ch. 745).

In November 1986, Oregon voters rejected a measure prohibiting the operation of a nuclear plant in the state until the licensing of a permanent waste site. In the following year, the Legislative Assembly gave ODOE the responsibility of supporting the newly-created Oregon Hanford Waste Board in its protection of Oregon's interest in any federal designation of the Hanford Site as a national repository for nuclear waste (O.L. 1987, Ch. 514); ODOE had been actively involved in several issues concerning the Hanford Site since 1983. The Legislative Assembly enshrined a special election voter-enacted initiative approving a state role for Oregon in any federal selection of a high level nuclear waste repository site in the state (O.L. 1987, Chs. 12 and 13). It also authorized the Treasury Department's creation of an Energy Efficiency Construction Account for the provision of engineering and technical assistance in Oregon's public buildings (O.L. 1987, Ch. 206). The PUC was also changed to a three-member, governor-appointed commission in this session (O.L. 1987, Ch. 834); voters approved the new structure in the 1986 general election.

In 1989, ODOE was directed to develop a strategy to reduce the emission of gases contributing to global warming in consultation with the Energy Policy Review Committee. It was instructed to prioritize conservation, renewable resources and alternative fuels, and to seek advice from the Department of Transportation, Department of Land Conservation and Development, PUC, State Climatologist in the Department of Atmospheric Sciences at Oregon State University, and the Pacific Northwest Electric Power and Conservation Council (O.L. 1989, Ch. 466).

The EFSC and ODOE were each authorized to enter cooperative agreements with federal agencies in implementing the 1980 federal Comprehensive Environmental Response, Compensation, and Liability Act (P.L. 96-510), more commonly known as the Superfund Law (or CERCLA). The Legislative Assembly was specifically interested in the cleanup of waste from Oregon uranium mining, and lifted the site certification necessities for purposes of these efforts (O.L. 1989, Ch. 496). In 1989, ODOE's Director was also authorized to impose safety conditions (and/or completely halt) the transport or disposal of radioactive materials in Oregon, and enabled to delegate any related permitting of such transport to the PUC (O.L. 1989, Ch. 6).

In 1991, the Legislative Assembly requested that ODOE assess, in consultation with the Economic Development Department, Oregon's methane, ethanol, solar electric and other renewable fuel production capacity; the feasibility of achieving state fuel independence; the investment needs for the cost-effective development of renewable fuel production; and the cost of replacing the Department of Transportation's gas vehicles with compressed natural gas vehicles (O.L. 1991, Ch. 933). The Legislative Assembly increased the public membership of the Oregon Hanford Waste Board was increased from one to ten members, and requested that the board coordinate with the State of Washington (O.L. 1991, Ch. 562).

In 1993, the Legislative Assembly curtailed the discretion of the EFSC, explicitly outlining the actions and considerations it would move through in approving Oregon's future energy facilities; as part of this process, the Legislative Assembly also created a special advisory group, composed of the governing body of the local government in the location of the proposed facility, to determine whether the state land use goals have been met (O.L. 1993, Ch. 569). Trojan nuclear power plant ceased operations in 1993; decommissioning was completed in 2004, and it was demolished in 2006.

Governor Barbara Roberts issued an executive order in 1993 creating the State Energy Initiative, 20 by 2000. ODOE was given the lead role in implementing the directive (EO-93-11). The Legislative Assembly called for state agencies to improve energy efficiency onsite through conservation, cogeneration and renewables, and ordered ODOE to develop procedural rules for the contracting of this work with utility companies (O.L. 1993, Ch. 86).

In 1995, the Legislative Assembly instituted major structural changes at ODOE, subsuming the agency within the Department of Consumer and Business Services as the Office of Energy, transferring the EFSC to DAS, and abolishing the Energy Policy Review Committee (O.L. 1995, Ch. 551). The EFSC's application and approval process was amended, and its authority extended to include inspection authority over established facilities; the EFSC was also ordered to create programs for the environmental and ecological monitoring of decommissioned sites. The 68th Legislative Assembly also repealed the statutory language requiring ODOE's global warming emissions reduction strategy preparation and reporting (O.L. 1995, Ch. 505).

In 1997, concerned about federal proposals to process plutonium into fuel for nuclear power plants at the Hanford Site, the Legislative Assembly expressed Oregon's longstanding opposition to the use of the site for operations creating more contamination, and requested that the federal government maintain its ban on plutonium and continue its cleanup of the Hanford Site (O.L. 1997, Ch. 617). The Legislative Assembly also detailed a process for the reauthorization of hydroelectric projects; the statutory language primarily concerned the Water Resources Commission, Water Resources Department and the Federal Energy Regulatory Commission, but the Office of Energy (ODOE) was included on the resulting task force (O.L. 1997, Ch. 449).

The Legislative Assembly restructured Oregon's electric power industry in 1999, seeking to enshrine 'competitiveness' as a guiding principle, and aiming to provide retail consumers with direct access, and residential consumers with a portfolio of options, by October 2001. Through Senate Bill 1149, the Legislative Assembly also broadly sought the separation of electric power generation from distribution, depth and liquidity in the wholesale energy market, alleviation of horizontal and vertical monopolies, and the unbundling of prices and services. A Public Purpose Expenditure Standard, funded by a three percent public purpose charge on Oregon electricity

bills, was established to provide cost-effective energy conservation, market transformation, new renewables, and low-income weatherization; the PUC was charged with establishing rules for implementation. The first 10 percent of the public purpose funds were directed to the Education Service Districts, to be utilized for energy audits, weatherization and efficiency, conservation programs, and the purchase of electricity from environmentally-focused sources and investment in renewables. The remaining 90 percent of the public purpose funds was earmarked for conservation and market transformation, new renewables, low-income weatherization, and low-income housing (O.L. 1999, Ch. 865).

Net-metering was first allowed in Oregon in 1999, enabling electricity customers with small scale renewable fuel electricity generating capacity to sell excess power to their respective electric utility companies. The PUC was authorized to adopt policies by rule to increase the acquisition of small scale renewable fuel electricity generating facilities (O.L. 1999, Ch. 944).

ODOE was again made a stand-alone agency in 1999, with its administrator appointed by the Governor; all rights and obligations incurred by the agency while part of the Department of Consumer and Business Services were transferred to the Office of Energy (O.L. 1999, Chs. 934 and 1043). Four years later, the Office of Energy was officially renamed the State Department of Energy, and its administrator was relabeled as Director of the agency; and the Oregon Hanford Waste Board was rebranded as the Oregon Hanford Cleanup Board (O.L. 2003, Ch. 186).

In 2001, the Legislative Assembly permitted the PUC to utilize arbitration (in conjunction with market value methodologies) in settling disputes regarding the valuation of utility company investments; set average electric generating capacity factors for wind, solar, geothermal and other generating facilities in order to establish cost-reflective rates; and eliminated the need for site certification for temporary and stand-by energy generating facilities, with the EFSC determining the qualifiers (O.L. 2001, Ch. 134). The Oregon Renewable Energy Center was created within the Department of Higher Education's Oregon Institute of Technology to engage in renewable systems engineering and applied research (O.L. 2001, Ch. 818).

In 2003, the Legislative Assembly instituted the use of energy savings performance contracts for use between public agencies and qualified energy service companies in the evaluation, design and construction of energy conservation measures – including a design-build contract that guaranteed energy savings or performance; the Attorney General was instructed to adopt model rules in consultation with DAS, ODOE, the Oregon University System, local agencies and other knowledgeable persons (O.L. 2003, Ch. 562). Rural Renewable Energy Zones were created to enable businesses in established zones to seek exemptions from property taxes for the use of new renewables; the Director of Economic and Community Development was charged with reviewing and certifying the applications of rural counties and cities (O.L. 2003, Ch. 662).

In 2004, Governor Ted Kulongoski appointed an Advisory Group on Global Warming to recommend ways to reduce emissions of heat-trapping gases such as carbon dioxide and methane. In 2005, a Carbon Allocation Task Force was appointed to study and design a load-based carbon allowance standard for Oregon; the task force included the Director as an ex officio member and received ODOE staff support. In 2006, Governor Kulongoski created a Climate Change Integration Group to continue the effort to develop a climate change strategy that provides long-term sustainability for the environment, protects public health, considers social equity, creates economic opportunity, and expands public awareness; it was staffed by ODOE, which published its final report in 2008.

In 2007, the Legislative Assembly passed a range of legislation impacting Oregon energy. As sought by the Governor and ODOE's Renewable Energy Working Group, a Renewable Portfolio Standard (RPS) was established requiring that 25 percent of the state's electricity will originate from new renewables by 2025. Wind, solar, ocean, geothermal, biomass and other ODOE-designated renewable generation facilities in the 14 Western Electricity Coordinating Council (WECC) states were identified as eligible. The legislation, Senate Bill 838, also limited renewable energy expenditures to projects of 20 megawatts or less in order to encourage a diversity of renewables. ODOE was directed to establish a system of renewable energy certificates (RECs) to assure compliance, and to conduct studies of the RPS's impact on the creation of new jobs in the renewable energy field (O.L. 2007, Ch. 301; ORS 469A). In 2008, the Western Renewable Energy Generation Information System (WREGIS) was selected by ODOE as Oregon's REC tracking and reporting system for use in achieving RPS compliance; the WREGIS database is administered by WECC to monitor renewable energy generation in the states and provinces covered by the Western Interconnection.

The Legislative Assembly provided a package of measures to encourage greater development, distribution and use of agricultural and forest materials for biofuels and electricity in 2007; it expanded property tax incentives for biofuel production facilities, established a tax credit for producers and collectors of biofuel raw materials, created an income tax credit for consumers of ODOE-certified biofuels, and expanded the Rural Renewable Energy Zones to include property used to produce biofuels. ODOE was requested to conduct impact studies, including data on job creation, acres of biofuel feedstock planted, gallons of fuel produced and consumed, production costs relative to petroleum, and environmental impacts (O.L. 2007, Chs. 590 and 739).

The 74th Legislative Assembly created the Oregon Global Warming Commission to coordinate state and local efforts to reduce greenhouse gas emissions. The commission was charged with examining cap and trade systems, developing an educational strategy on global warming issues, and tracking the impact of global warming in Oregon. The 25-member commission consists of 11 governor-appointed voting members. ODOE's Director was designated an ex officio member of the commission; and the agency was directed to provide clerical, technical and management support. The legislation also created the Oregon Climate Research Institute (OCCRI) to facilitate climate change research in the Oregon University System, and to serve as an information clearinghouse; Oregon State University was authorized to administer the OCCRI (O.L. 2007, Ch. 907).

Oregon Community Power was created in 2007 as a consumer-owned, PUC-regulated, public corporation to potentially provide reliable, low-cost electricity in a service territory where an incumbent private utility was for sale and its customers wanted public ownership. A five-person nominating committee representing diverse interests was established to nominate candidates for the Governor's selection of a Board of Directors; the seven Board members would be subject to Senate confirmation. The legislation (SB 443) established a Utility Acquisition Fund separate from the General Fund. Oregon Community Power would be a successor in interest to an incumbent utility, and could not use eminent domain in acquisition (without the utility's consent). It was stipulated that Oregon Community Power would not diminish the amount of power or lowest-cost rates from BPA, and would preserve access to the Pacific Northwest Electric Power and Planning and Conservation Act, allow nonresidential consumers direct access, and offer a cost-of-service rate option to retail customers (O.L. 2007, Ch. 807). The

Business Energy Tax Credit (BETC) and Residential Energy Tax Credit (RETC) were amended to provide greater incentives for renewable. (O.L. 2007, Ch. 843).

In December 2008, Governor Kulongoski created the Oregon Energy Planning Council (OEPC) and directed its 11 appointed members to provide a biennial energy planning report with recommendations, and ongoing counsel on energy forecasting, transmission, price stability, efficiency, and renewable and alternative energy sources. The Chair of the EFSC was designated an ex officio member of the Council; ODOE was directed to provide staff support (EO-08-26)

From 2009 through 2012, ODOE received $9.5 million of funding as part of the American Recovery and Reinvestment Act (ARRA) to support energy efficiency and renewable energy projects. The State Energy Program administered the funds to improve public buildings in order to increase energy efficiency, use renewable energy, incorporate promising technologies, save energy, reduce energy costs, and invest in local communities.

In early 2011, the department launched the Energy Advisory Committee, designed to allow stakeholders a chance to engage in energy policies that affect Oregonians. Governor Kitzhaber's Energy Action Plan, released in 2012, outlined many ideas for focusing energy dollars received from the US Government. One of these ideas was a project that developed biomass energy clusters with the purpose of converting materials from forest restoration treatments to heat and power to schools, hospitals, commercial buildings, and mills. The Governor's Energy Action Plan also included a report that highlighted the contributions that all sectors of Oregon's economy can make to meet Oregon's energy and greenhouse gas reduction goals (Kitzhaber, 2012).

Current Organization

ODOE's Director's Office leads the agency and serves as policy advisor to the Governor and the Legislative Assembly on energy issues. The Director's Office coordinates Oregon energy policy with various state and federal agencies, including the Northwest Power and Conservation Council, the Public Utility Commission of Oregon (PUC), Bonneville Power Administration (BPA), and the U.S. Department of Energy (DOE). The Director is appointed by the Governor to supervise ODOE's day-to-day functions; to supervise and facilitate the work and research on energy facility siting applications at the direction of the Energy Facility Siting Council (EFSC); to hire, assign, reassign and coordinate personnel; and to adopt rules and issue orders to carry out the duties of the agency in accordance with ORS 469.010 (ORS 469.040; OAR 330; OAR 345).

The Northwest Power and Conservation Council (formerly the Pacific Northwest Electric Power and Planning Council) is a comprehensive planning agency for energy, fish and wildlife policy in the Columbia River Basin, and composed of representatives from Oregon, Idaho, Montana and Washington. The PUC is an Oregon state agency that regulates utility industries to ensure that customers receive safe, reliable services at reasonable rates, while promoting competitive markets; it regulates the customer rates and services of Oregon's investor-owned electric and natural gas companies, certain telephone services and water utilities. BPA is part of the federal DOE; it was created by the Bonneville Project Act of 1937 (Aug. 20, 1937, Ch. 720, 50 Stat. 731) to deliver and sell power from the Bonneville Dam on the Columbia River. BPA produces about one-third of the electric power used in the Northwest; it serves Idaho, Oregon, Washington, western Montana and small parts of eastern Montana, California, Nevada, Utah and Wyoming.

ODOE's Central Services Division provides critical support to the agency, including budgeting and finance; account, contract and grant management; mail and reception services; records and facilities management; and information services. As the most environmentally clean, and least expensive (over the long term) natural resource, conservation is the cornerstone of Oregon's energy policy. ODOE's Conservation Division provides information to consumers, demonstrates new technologies, and offers a variety of programs to encourage Oregonians to conserve energy and use renewable resources. The Conservation Division administers residential and business energy tax incentive programs to encourage efficient building design, energy conservation, recycled material use, renewable energy resource installation, fuel cell utilization, less-polluting transportation fuels, and the purchase of more efficient appliances. ODOE's Conservation Division also provides access to best practices and technical assistance to industrial consumers; evaluations and contractor selection assistance to schools; and commission, construction and renovation assistance to Oregon schools, state agencies and local governments.

The Energy Loan Program (SELP) promotes energy conservation and renewable energy resource development in Oregon. SELP is a self-supporting, borrower-funded program that loans money to individuals, businesses, schools, cities, counties, special districts, state and federal agencies, public corporations, cooperatives, tribes and non-profit organizations. SELP's loan funds are generated through the issuance of Oregon general obligation bonds, and generally fall into one of four categories: energy conservation, energy production from renewable resources, usage of recycled materials to create new products, and the production or usage of alternative fuels. Part of the SELP is the Energy Efficiency and Sustainable Technology (EEAST) program. EEAST offers financing for residential and commercial energy efficiency and renewable energy projects. The program provides 100% upfront long term, low-interest loans to property owners which can be paid back on the utility bill and transferred to a subsequent owner (OAR 330 Division 110).

Within the Nuclear Safety and Energy Siting Division, ODOE staff represent Oregon on the Northwest Interstate Compact on Low-Level Compact Committee (NWIC), a regional framework of responsibility for the disposal and management of low-level radioactive waste, authorized by the federal Low-Level Radioactive Waste Policy Act. The Emergency Planning program coordinates Oregon's preparation for accidents involving radioactive materials and for certain energy-related emergencies with guidance from the Nuclear Regulatory Commission (NRC) and the Federal Emergency Management Agency (FEMA). Emergency Planning also develops plans and procedures to ensure a sufficient supply of gasoline and diesel fuel for emergency responders and essential services in the event of a petroleum shortage (OAR 345 Divisions 26, 60 and 80).

The Energy Facility Siting Council (EFSC) is responsible for overseeing the development of large energy facilities in Oregon. The siting standards ensure that the construction, operation and retirement of the facility are done in a way that protects the public interest and conserves the natural resources of the state. The seven-member EFSC maintains regulatory authority over the construction and operation of the facility after certification, and evaluates amendments to energy facility siting certificates. It also regulates the transportation of radioactive materials through Oregon, and the disposal of radioactive materials within its borders. The division provides staff support to the EFSC (ORS 469.470; OAR 345).

ODOE works with DOE and the two Hanford regulators – the Washington Department of Ecology and U.S. Environmental Protection Agency (EPA) – to ensure issues of concern to Oregon are addressed. Oregon has no regulatory authority over the Hanford Site cleanup; the

cleanup is governed by the Tri-Party Agreement between DOE, EPA and State of Washington, signed in 1989. The State of Oregon's prime concern is the Columbia River. The Hanford Site's contaminated groundwater and leaked tank waste pose a long-term threat to the river. Oregon's position is that treatment of the groundwater must continue and that waste in the tanks must be removed and solidified to eliminate that threat to the river. ODOE works to involve the public in Hanford Site issues through cooperation with the Oregon Hanford Cleanup Board.

To ensure a timely and effective response to nuclear, petroleum and electricity emergencies, ODOE's Emergency Operations Center is equipped with backup power, communications equipment, and other necessary resources to ensure round the clock coverage of energy emergencies from initial notification to event termination. ODOE participates in energy planning meetings and drills with DOE, Energy Northwest, the State of Washington, and the potentially affected counties of Oregon and Washington, to ensure regional preparation for an emergency.

The Renewable Energy and Communications Division administers and participates in many state and federal programs to encourage and develop greater use of renewable resources in Oregon. Created in 2005, the division's mission is to encourage greater use of renewable energy and alternative fuels in Oregon, and to attract renewable energy manufacturers. The Renewable Energy and Communications Division provides leadership for the Governor's Renewable Energy Action Plan (REAP). The plan is designed to encourage production of energy from renewable sources, demonstrate a variety of technologies, and remove barriers. Renewable resource development provides energy independence, helps protect Oregonians from high-energy prices, and promotes economic growth. The division staffs the 35-member Renewable Energy Working Group (REWG), which is implementing the REAP. The division is the lead for implementing those portions of the West Coast Governors' Climate Change Initiative that pertain to renewable energy and alternative fuels. The Global Warming Commission, created by the Legislative Assembly in 2007, is staffed by the division. In support of the Governor's REWG, the Renewable Energy program staffs less formal technology-specific groups, including the Oregon Biomass Coordinating Group, Oregon Geothermal Working Group, Oregon Wind Working Group, Solar Energy Working Group, and Small Scale Hydroelectric Working Group. The Renewable Energy program also serves as the central repository for the Global Warming Commission's records and proceedings; administers the Community Renewable Energy Feasibility Fund (CREFF) program to support feasibility studies for community renewable energy projects; and administers the agency's energy planning program, which includes providing staff support to the Oregon Energy Planning Council (OEPC). The Communications program maintains the agency website; provides public information officer support on state energy issues; helps manage public records request; and provides staff support for working groups, committees, and other projects as needed.

Primary Agency Statutes and Administrative Rule Chapters

[ORS denotes Oregon Revised Statutes; OAR denotes Oregon Administrative Rules.]

ORS 261	People's Utility Districts (261.151: formation hearing; notice; report by director)
ORS 279C	Public Contracting, Improvements (279C.528: solar energy technology inclusion)
ORS 453	Hazardous Substances; Radiation Sources
ORS 466	Hazardous Waste and Hazardous Materials II
ORS 468A	Air Quality (ORS 468A.200 et seq.: Oregon Global Warming Commission)
ORS 469	Energy, Conservation Programs, Energy Facilities
ORS 469A	Renewable Portfolio Standards

ORS 469B Energy Tax Credits; Grants
ORS 470 Small Scale Local Energy Projects
ORS 522 Geothermal Resources
ORS 757 Utility Regulation Generally (757.612: public purpose expenditures)
OAR 330 Oregon Department of Energy (ODOE)
OAR 345 Oregon Department of Energy (ODOE), Energy Facility Siting Council (EFSC)

Chronology

1911 Public Utility law passed; Railroad Commission charged with enforcement

1915 Railroad Commission renamed Public Service Commission

1927 Public Service Commission changed from elected to appointed membership

1931 Public Service Commission replaced with appointed Public Utility Commissioner

1932 State Power Commission established

1933 Public Utility Commissioner charged with increased utility regulation

1934 State Power Commission abolished by voter referendum

1943 Ground broken at Hanford Site for construction of nuclear reactors, processing facilities

1971 Nuclear and Thermal Energy Council created

1974 Energy Conservation and Allocation account established

1975 -Oregon Department of Energy (ODOE) established
-Nuclear and Thermal Energy Council renamed Energy Facility Siting Council
-Energy Policy Review Committee established within ODOE
-Energy Conservation Board established within Oregon Department of Commerce
-Office of State Engineer renamed Oregon Water Resources Department

1977 -Energy Conservation Act passed
-Energy Conservation and Production Act passed
-Energy Conservation and Production Fund established

1979 -Alternative Energy Development Commission established
-Small Scale Energy Loan Program (SELP) established
-Energy Facility Siting Council denied ability to issue new nuclear plant site certificates

1980 -Small Scale Local Energy Project Loan Fund for SELP approved by the voters
-Initiative requiring both voter approval and waste disposal facility existence for nuclear plant licensing was approved by voters

1984 Citizen's Utility Board (CUB) approved by voters

1986 Public Utility Commissioner replaced with three-member Public Utility Commission

1987 -State role in selection of high-level nuclear waste repository sites approved by voters
-Oregon Hanford Waste Board created

1989 -ODOE directed to plan reduction of global warming gas emissions
-DOE, EPA, State of Washington agreement regarding cleanup of Hanford Site

1991 State Energy Efficiency Design (SEED) program established by ODOE

1995 -ODOE renamed Office of Energy, transferred to DCBS
-Energy Facility Siting Council transferred from ODOE to DAS
-Energy Policy Review Committee abolished

1999 -Office of Energy made stand-alone agency, administrator appointed by Governor
-Oregon electric power industry restructured, services unbundled
-Public Purpose Expenditure Standard (and Public Purpose Charge) established
-Net-metering allowed; Public Utility Commission to regulate

2001 -State agencies ordered to minimize nonrenewable energy use
-Oregon Renewable Energy Center established within Oregon Institute of Technology

2003 -Office of Energy renamed ODOE
-Administrator of Office of Energy renamed Director of ODOE
-Oregon Hanford Waste Board renamed Oregon Hanford Cleanup Board
-Rural Renewable Energy Zones established

2005 Minimum energy efficiency standards for certain consumer products

2006 ODOE's Renewable Energy Working Group to develop a Renewable Portfolio Standard

2007 -Renewable Portfolio Standard (RPS) established
-Oregon Global Warming Commission established

2008 -Community Renewable Energy Feasibility (CREF) fund approved by Emergency Board
-Oregon Energy Planning Council (OEPC) created by Executive Order

2009 American Recovery and Reinvestment Act (ARRA) provides funding for energy efficiency and renewable energy projects

2011 Energy Advisory Committee formed

2012 Governor Kitzhaber's Energy Action Plan released

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