



**Memorandum:**

*2007 Oregon Sustainability Legislation and Political Developments*

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**Background:**

2007 was a very successful year for sustainability related legislation in Salem. Most of the major legislative pieces that were related to sustainability passed the legislature and have been signed by Governor Kulongoski. Most votes were bi-partisan and not consumed by the gridlock that most legislative issues ran into. Please don't hesitate to contact me if you have any questions about particular legislation that you're interested in.

**These are some of the highlights of this year's session:**

**Passed:**

**HB 2210:**

Governor Kulongoski is expected to sign this legislation that provides tax credits and blending requirements for turning agricultural materials into fuel for cars. Sets up an income tax credit for individuals who purchase these renewable fuels.

**HB 2272:**

This legislation requires that new vehicles, beginning with the model year 2009, must comply with low emission standards consistent with the Environmental Quality Commission in order to register the vehicle. In addition, the bill authorizes the Oregon Department of Transportation to deny registration to 2009 or later model year vehicles that do not comply with the new standards. This bill codifies the tailpipe emissions rules that the Oregon's Environmental Quality Commission (EQC) adopted in June 2006 requiring that new vehicles meet California auto emission standards.

**HB 2620:**

This legislation requires that contracts for construction or renovation of public buildings designate at least 1.5 percent of the total contract price for solar energy technology and upgrades.

**HB 2626:**

Under House Bill 2626, manufacturers are required to provide free collection sites for consumers to recycle all computers, laptops, monitors and televisions with screens larger than four inches diagonally. Manufacturers must register with the Department of Environmental Quality to either establish a recycling program or contract with one to ensure all Oregonians – individuals, small businesses and non-profits – have access to free recycling programs.

**HB 3543:**

This bill aims to cut the state's emissions 75 percent below 1990 levels by 2050. It calls to stop growth of greenhouse gas emissions by 2010; reduce the emissions 10 percent below 1990 by 2020; and arrive at 75 percent below 1990 levels in 2050.

The bill also creates a commission on global warming to recommend to state and local governments ways to reduce the emissions. The commission is likely to consider a cap and trade system for the state's electric utilities. Such a system would reduce pollution by requiring utilities to meet tough emissions standards. Utilities that cut their emissions even further could then sell the right to emit what they don't.

It also earmarks \$180,000 for a climate change institute at Oregon State.

**SB 838:**

Creates a renewable energy standard in Oregon that requires the state's largest utilities to meet 25 percent of their electric load with new renewable energy sources by 2025. The legislation creates interim targets of: 5 percent by 2011; 15 percent by 2015; 20 percent by 2020; and 25 percent by 2025. To meet the standard, electricity must come from a new renewable energy source that was in operation on or after January 1, 1995. Sources of energy that count toward the standard include wind, solar, wave, geothermal, biomass, new hydro or efficiency upgrades to existing hydro facilities.

The legislation also contains protections for ratepayers, including a 4 percent cost-cap. Utilities are not required to comply with the standard if doing so will result in cost increases of more than four percent. In addition, if none of the options for compliance are cost-effective, utilities have the option to make an *Alternative Compliance Payment* (ACP) to help meet their renewable energy requirement under the standard. The money will be placed into an account that can be used at a later date to acquire renewable energy, invest in conservation or, in the case of consumer-owned utilities, research and development.

**SB 707:**

This bill was the first attempt at updating the famous Bottle Bill passed some 30 years ago. The legislation called for the expansion of the current law to include a 5¢ deposit on water bottles.

**Failed:****Pollution Control Tax Credit:**

The pollution control tax credit failed to be revamped during this legislative session. After meeting strong opposition from the environmental lobby, the legislation could not proceed to a vote.