



Smart Energy Capital, LLC
1300 SW 5th Ave, Suite 3000
Portland, OR 97201
Tel (503) 583-4209

MEASURE: HB 4078
EXHIBIT: 14
2012 SESSION H ENERGY, ENVIRONMENT
& WATER
DATE: 8-14-12 PAGES: 1
SUBMITTED BY: Michael Grenier

Subj: Testimony Presented to the Oregon House Energy, Environment and Water Committee

Smart Energy Capital appreciates the work and time that went into the Solar Rules Advisory Committee (SRAC) by all the Committee members and the DLCDC staff itself. However, we have concerns in regards to the final rule and believe HB 4078-2 will provide the changes necessary for large scale solar to move forward in Oregon. We urge adoption of this bill with the two amendments mentioned below.

Acreage: The new SRAC rule puts a 100-acre limitation on solar photovoltaic (PV) facilities on non-arable land which is too restrictive. As both panel and balance of plant costs come down, utility scale projects can be developed in the 30 MW to 50 MW range without state tax support. HB 4078 with the 2 amendments defines a 250-acre solar PV maximum size. We support this amendment.

Wildlife Studies: The new "species of concern" wildlife studies required under the SRAC rule place a more significant and unpredictable burden on solar PV developers than on other types of development. All developers previously had to satisfy federal rules with respect to endangered and threatened species. The added "species of concern" studies for potential solar sites greatly expands the scope, cost, and time of the study. According to the Oregon Department of Fish & Wildlife (ODF&W), "species of concern" are described as follows: "such species receive no legal protection and use of the term does not necessarily imply that a species will eventually be proposed for listing." This new and unique requirement fails to accomplish one of the goals of the SRAC of creating a more streamlined and predictable permitting process for solar PV projects. Also of note, these studies are not required for other development activities, but are a solar specific requirement. HB 4078-2 corrects this problem by returning the wildlife studies to the species previously required and currently applicable to all development.

Jobs: The construction and operation of utility-scale solar PV projects provides jobs to Oregonians. We estimate HB 4078 will allow the potential for 3-5 utility-scale projects to be constructed by the end of 2016, the year the critically important 30% federal investment tax credit expires. Assuming only four projects are built, we estimate direct project labor at 280 FTE for a year and additional community jobs at 140 FTE for a year. We estimate that the projects will also provide 10-15 permanent full time local jobs. Finally, since the costs for panels, inverters, communication equipment, poles, racking and other electrical equipment all include a considerable labor component, the projects would provide an additional 300-400 FTE jobs in the supply chain.

Solar projects can be an efficient and economic use of Oregon's non-arable lands and lands without water rights. The state land use policy should allow for thoughtful, but predictable development of these lands, and we hope that HB 4078 can provide some needed direction to provide Oregonians the opportunity to develop these projects.

Sincerely,

Michael Grenier
Managing Director
Smart Energy Capital, LLC