



**Testimony of Rick Crinklaw, General Manager of Lane Electric
on behalf of the Oregon Rural Electric Cooperative Association
March 21, 2013
Senate Business and Transportation Committee**

Chairman Beyer, and members of the Committee, Good afternoon. I am Rick Crinklaw, General Manager of Lane Electric Cooperative, an electric distribution utility headquartered in Eugene. Lane Electric serves nearly 13,000 member-consumers, all located across more half the area of Lane County (2,600 square miles) in predominately rural areas. A portion of our service area includes the southeast corner of Chairman Beyer's legislative district. Today, I am here on behalf of the Oregon Rural Electric Cooperative Association (ORECA).

ORECA represents the state's 18 not-for-profit electric cooperatives that serve 206,000 meters, 65 percent of the land mass of Oregon, and 11 percent of the population with more than 30,000 miles of transmission and distribution lines to deliver electricity to rural Oregonians.

I appreciate the opportunity to testify on SB 562. While we support the objectives and vision of the bill, we are deeply concerned with the specific provisions.

First, I believe it is important to point out what Oregon's electric co-ops are doing in the area of renewable energy deployment. We have been helping our members participate in renewable energy choices for years, whether it is working with them on a robust net-metering program, offering them voluntary green-power products, or exploring new renewable resources that include solar, wind and wave energy.

In many respects, this proposal is duplicative of existing programs we have at Lane Electric combined with other programs offered by Oregon's electric co-ops. But, unlike those programs, this proposal does not provide the much-needed flexibility that is required to make these projects viable.

Lane Electric has first-hand experience with a nearly one megawatt solar array recently built in our service area. Lane Electric is a partner in this very exciting project, and we are very proud to be a participant. However, it took nearly five years from conception of this project to actual operation; an effort that included numerous studies and analyses. But, never was the question of will or commitment the reason for the lengthy development of the project. Rather, it was the financing that was incredibly challenging and time-consuming; and that is what concerns me about SB 562.

Our project was only half the size of what would be allowed under this legislation. We remain concerned about the size threshold of these projects and our contracts with the Bonneville Power Administration (BPA). BPA requires a series of studies and fees for projects larger than 200 KW – SB 562 allows for projects up to two megawatts, which is substantially larger. This size threshold and our BPA contracts must be seriously considered when examining this legislation. For instance, I am aware of a 700 MW generation project at another electric co-op that required a \$38,000 deposit to BPA; a substantial added cost for the project.

These projects are not inexpensive or easy – as I have experienced first-hand – and I think it bodes well for local control and maximum flexibility for utilities rather than the approach taken in SB 562. We want these projects to be successful. It is not a lack of interest in deploying these resources, it is simply a case of one-size does not fit all.

While we cannot support the bill in its current form, I want to applaud Chairman Beyer for his efforts to include cost-protection measures in the bill to help limit our exposure, including avoided cost for excess generation, and other provisions that could help avoid or limit cost-shifts to those who can least afford increases in their electric bill.

These provisions go beyond what I have read in other legislative proposals. It demonstrates a recognition that we need to recover our costs.

Thank you again for the opportunity to testify. I would be happy to answer any questions the member of the committee may have.