



April 16, 2013

Senator Lee Beyer
Chair, Senate Business and Transportation Committee
900 Court St. NE
Salem, OR 97301

RE: Opposition to SB 844 – Greenhouse Gas Reduction Programs

Dear Senator Beyer:

The Northwest Food Processors Association (NWFPA) urges opposition to SB 844 establishing voluntary greenhouse gas reduction programs. NWFPA serves as the voice of the food processing industry in Washington, Oregon and Idaho, representing small, medium and large processors of fruit and vegetable, seafood, dairy, poultry, bakery, specialty and fresh-cut food products. Food processing is the third largest manufacturing employment sector in Oregon and the Northwest, with over \$42.5 billion in regional economic impact.

Food processing is an energy intensive industry and is the second largest industrial user of energy in Oregon. NWFPA has developed an Energy Roadmap to guide food processing's efforts to achieve very aggressive goals to reduce industry-wide energy intensity by 25% in 10 years through existing technology and by 50% in 20 years through innovation, new technologies and new resources. NWFPA is committed to taking action to using energy efficiently and reducing its carbon footprint.

Additional programs provided by SB 844 are not necessary to increase Oregon's renewable resources. The Renewable Portfolio Standards were designed to accelerate the transition to renewable energy by providing mandates and schedules for acquisition. Utilities are complying with the mandates which require meeting qualifying electricity goals, ramping up to 25% of statewide energy production by 2025. State and federal tax credits provide incentives to develop renewables.

In its 18th annual report of overall US greenhouse gas emissions released today, the US Environmental Protection Agency has reported a 1.6% decrease in emissions in 2011 from the previous year. According to the US Energy Information Administration, total emissions are now at 1992 levels due to large scale conversion from coal to natural gas. These changes are already happening as the nation moves toward cleaner sources of energy, irrespective of one state's renewable energy targets.

SB 844 is not a suitable approach and will serve to compound the costs associated with current law. By requiring acceptance of a proposed project within 90 or 180 days of receipt of an application, the bill appears to circumvent existing review processes with the Public Utility Commission for certain types of resources which are designed to provide important protections and certainty for ratepayers.



Oregon is an attractive location for food processing facilities due in large part to the abundant, clean and relatively inexpensive hydropower sources. SB 844 could contribute to driving up the cost of electricity that the industry and the state can ill-afford. It also lacks sufficient oversight and accountability. We believe there are alternative, more cost-effective ways that should be pursued to achieve greenhouse gas emissions reductions, such as energy efficiency. We urge you not to move forward with this bill.

Sincerely,

A handwritten signature in blue ink, appearing to read 'James Curry', is positioned below the word 'Sincerely,'.

James Curry
Director, Government Affairs

CC: Honorable Members, Senate Business and Transportation Committee