



TESTIMONY OF BETH VARGAS DUNCAN, EXECUTIVE DIRECTOR OREGON MUNICIPAL ELECTRIC UTILITIES ASSOCIATION

SENATE FINANCE AND REVENUE COMMITTEE MAY 22, 2013

Chair Burdick, Members of the Committee,

I am Beth Vargas Duncan, Executive Director of the Oregon Municipal Electric Utilities Association. I appreciate the opportunity to comment on HB 2435-A4. As amended, HB 2435-A4 allows certain public universities to aggregate combined generation from all sources up to five megawatts, for the purpose of net metering. OMEU is opposed to this amendment.

About OMEU

OMEU is a statewide association with eleven member municipal utilities as listed at the bottom of this page. OMEU was formed to perform several activities including the following.

- Secure cooperation among Oregon municipal electric utilities in resolving issues.
- Provide means for member utilities to exchange ideas, experiences and obtain expert advice.
- Collect, compile and distribute information about administration and operation of publicly owned electric utilities.
- Promote legislation that is beneficial to municipal electric utility customers and oppose legislation that would be detrimental to such customers.
- Promote harmony of action among municipally owned electric utilities in matters that affect the rights and liabilities of such utilities.

Although OMEU members are different in size, location and community, all members have at least two things in common: local control and attention to the bottom line. In the case of OMEU's member utilities, local control means being more directly attuned to the needs of the community, and the customers we serve. Local control allows us to implement the best solution given each community's particular circumstances. What is meant by "attention to the bottom line"? OMEU members are all consumer-owned utilities and not-for profit. There are no shareholders. Every cost incurred by the utility is obligated by the rate payers and every benefit is received by the rate payers.

OMEU's Concerns

Specifically, OMEU has the following concerns about HB 2435-A4.

- Although this legislation may be intended to be narrow, it could apply more broadly than anticipated particularly if other universities choose to exercise this option too. (Two OMEU member utilities have

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public universities in their service areas, Southern Oregon University in Ashland and Western Oregon University in Monmouth and these municipal utilities currently work directly with the universities to address their needs).

- Such state legislation limits the local utility's ability to find and implement a solution best tailored to community needs.
- Allowing certain universities to aggregate up to five megawatts for the purpose of net metering, could cause added costs for the utility, these costs would then be shifted from the entity causing the costs (the university) onto all ratepayers within the utility's service community.
- This change in statute could open the way to future minor changes in language leading to much broader applicability beyond just certain public universities.
- Subsequent consequences and complexities could arise when such universities have multiple campuses spanning multiple utility service areas.

Although OMEU is not opposed to geothermal nor higher education, for the reasons listed OMEU opposes HB 2435-A4 and is requesting members of the Committee to vote against it.

Thank you for your time and attention. Please do not hesitate to contact me with any questions.

Beth Vargas Duncan, Executive Director
Oregon Municipal Electric Utilities Association