



## Eugene Water & Electric Board

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February 19, 2013

Dear Chair Bailey and Members of the Committee:

I am Jason Heuser, Governmental Relations Liaison for the Eugene Water & Electric Board, testifying in opposition to HB 2795.

EWEB does support and provide incentives for customers who are interested in installing distributed generation to offset their own electric consumption. It is a generation resource that does not address our planning needs, but we are nonetheless providing some support to those customers. However, there are rational limits to how far this support for net metering can go and HB 2795 would run counter to limits necessary to be as fair as possible to both net metering participants and nonparticipants and minimize inter-customer subsidization, which is something our customers have told us they are not keen on.

EWEB is currently providing staff support to a prospective community solar project in Eugene to determine ways EWEB can assist them. Virtual net metering (VNM) was one measure that has been discussed. EWEB requested estimates from vendors as to the cost of billing software upgrades to accommodate virtual net metering. These estimates ranged from a low of \$150,000 to a high of \$300,000. Additionally, virtual net metering would raise new issues and significant demands on EWEB staff time, we currently have only one full time employee administering EWEB's solar program. EWEB cannot justify incurring the rate impact of a cost this great that would benefit such a small number of customers. Furthermore, EWEB believes community solar projects can be accomplished without virtual net metering -- it is not essential to success. We do not see a problem with a conventional approach of community solar participants receiving a monthly check for their share of project generation. EWEB continues to work with the proponents of this community solar project and among other forms of support we will be evaluating is the feasibility of hosting and performing maintenance for the project at our West Eugene operations center since we already have panels of our own that we maintain there.

EWEB also wishes to call attention to our concerns about the applicability of HB 2795. This legislation applies to utilities that make 3% or more of retail electricity sales in Oregon -- this is clearly using the threshold used to determine which utilities are subject to the highest standard of Oregon's utility standard. Candidly, that % threshold changed multiple times in the 2007 session, subject to the vagaries of the political process and was intended solely for the applicability of the RPS. There is no reason it should be used for applicability of other legislation or used to define a utility as large or not. Please see the attached PUC Utility statistics for 2012. At 5% of Oregon's retail sales, EWEB is dramatically smaller than the two largest Oregon utilities, PGE and Pacific Power serving 39% and 28% of Oregon load respectively. Again, for perspective, EWEB has one single staff person administering EWEB's solar program. EWEB adamantly opposes using the RPS standard thresholds as the basis of determining the applicability of this and other legislation.

Thank you for the opportunity to comment.

Jason Heuser  
Governmental Relations Liaison  
Eugene Water & Electric Board (EWEB)

**2011 MWh Sales to Ultimate Customers [A]  
Oregon**

|  | MWh Sales         | Percent of MWh Sales | Average No. of Customers |                                    | MWh Sales                         | Percent of MWh Sales | Average No. of Customers |  |
|--|-------------------|----------------------|--------------------------|------------------------------------|-----------------------------------|----------------------|--------------------------|--|
| <b>Investor-Owned Utilities:</b>                 |                   |                      |                          |                                    | <b>Municipal-Owned Utilities:</b> |                      |                          |  |
| Idaho Power                                      | 636,868           | 1.4%                 | 18,385                   | Ashland                            | 175,390                           | 0.37%                | 11,390                   |  |
| PacificCorp                                      | 13,014,573        | 27.8%                | 558,721                  | Bandon                             | 63,044                            | 0.13%                | 3,761                    |  |
| Portland General Electric                        | 18,356,826        | 39.2%                | 823,171                  | Canby                              | 169,665                           | 0.36%                | 6,758                    |  |
| <b>Total</b>                                     | <b>32,008,257</b> | <b>68.3%</b>         | <b>1,400,277</b>         | Cascade Locks                      | 19,430                            | 0.04%                | 806                      |  |
|  |                   |                      |                          | Drain                              | 16,846                            | 0.04%                | 686                      |  |
| <b>Total Electricity Service Suppliers (ESS)</b> |                   |                      |                          | Eugene                             | 2,414,476                         | 5.15%                | 87,695                   |  |
|  | <b>1,077,922</b>  | <b>2.3%</b>          | <b>34</b>                | Forest Grove                       | 233,750                           | 0.50%                | 9,013                    |  |
| <b>Cooperatives:</b>                             |                   |                      |                          | Herniston                          | 107,188                           | 0.23%                | 5,316                    |  |
| Blachly-Lane County                              | 151,082           | 0.32%                | 3,617                    | McMinnville                        | 712,845                           | 1.52%                | 17,708                   |  |
| Central Electric                                 | 653,331           | 1.39%                | 31,173                   | Milton-Freewater                   | 104,401                           | 0.22%                | 4,904                    |  |
| Clear Water Power                                | 1,704             | 0.00%                | 154                      | Monmouth                           | 70,716                            | 0.15%                | 4,216                    |  |
| Columbia Basin Electric                          | 99,239            | 0.21%                | 3,839                    | Springfield                        | 815,105                           | 1.74%                | 31,591                   |  |
| Columbia Power                                   | 23,845            | 0.05%                | 1,804                    | <b>Total</b>                       | <b>4,902,855</b>                  | <b>10.5%</b>         | <b>183,844</b>           |  |
| Columbia Rural Electric                          | 5,538             | 0.01%                | 140                      | <b>People's Utility Districts:</b> |                                   |                      |                          |  |
| Consumers Power, Inc.                            | 380,653           | 0.83%                | 21,851                   | Central Lincoln                    | 1,274,347                         | 2.72%                | 38,491                   |  |
| Coos-Curry Electric                              | 340,074           | 0.73%                | 17,425                   | Clatskanie                         | 970,522                           | 2.07%                | 4,591                    |  |
| Douglas Electric                                 | 148,362           | 0.32%                | 9,717                    | Columbia River                     | 477,344                           | 1.02%                | 18,604                   |  |
| Harvey Electric                                  | 63,153            | 0.13%                | 2,378                    | Emerald                            | 420,834                           | 0.90%                | 20,419                   |  |
| Hood River Electric                              | 107,003           | 0.23%                | 3,665                    | Northern Wasco Co.                 | 584,286                           | 1.20%                | 10,780                   |  |
| Lane Electric                                    | 235,525           | 0.50%                | 12,748                   | Tillamook                          | 475,451                           | 1.02%                | 20,545                   |  |
| Midstate Electric                                | 374,673           | 0.80%                | 18,200                   | <b>Total</b>                       | <b>4,182,783</b>                  | <b>8.9%</b>          | <b>113,430</b>           |  |
| Oregon Trail Electric                            | 623,174           | 1.33%                | 30,198                   |                                    |                                   |                      |                          |  |
| Salem Electric                                   | 315,984           | 0.67%                | 18,545                   |                                    |                                   |                      |                          |  |
| Surprise Valley Electrification                  | 33,822            | 0.07%                | 1,749                    |                                    |                                   |                      |                          |  |
| Umatilla Electric                                | 922,432           | 1.97%                | 14,084                   |                                    |                                   |                      |                          |  |
| Wasco Electric                                   | 107,460           | 0.23%                | 4,810                    |                                    |                                   |                      |                          |  |
| West Oregon                                      | 68,707            | 0.15%                | 4,315                    |                                    |                                   |                      |                          |  |
| <b>Total</b>                                     | <b>4,665,760</b>  | <b>10.0%</b>         | <b>200,202</b>           | <b>Total Oregon</b>                | <b>46,837,577</b>                 | <b>100%</b>          | <b>1,897,787</b>         |  |

[A] Ultimate Customer Totals exclude Sales for Resale.