

Senate Committee on Business and Transportation
Testimony in Support of HB 4126A
February 20, 2014

Doris Penwell, Association of Oregon Counties and
Community Renewable Energy Association

I am testifying today in strong support for HB 4126A. .

As you know the issues in this bill have been developed over a number of months by a group of utilities and energy, environmental and governmental associations that were organized by Governor Kitzhaber's Office and Representative Greg Smith.

The paramount issue was to find a way that Umatilla Electric Coop could move from their position as a small utility into the large-load category of compliance with the RPS, in a relatively short period of time, without tremendous cost to their ratepayers. With the excellent assistance of staff from Oregon Dept. of Energy and the PUC, we were able to see scenarios for different proposals and could select a choice in this bill to resolve the issue, while keeping the fundamental principles of the RPS intact. The proposal that allows UEC, or any utility in a similar situation, to have greater use of unbundled RECs, starting at 100% and phasing lower until into the large-load compliance situation after 2025, is a minor change to the RPS, and is expected to have a minor impact on the amount of renewables developed in Oregon to meet our increasing electricity load.

The other issue in the bill that deserves attention is to require the Public Utility Commission to do a study and make public determinations of the possible impacts of allowing electric companies to offer voluntary renewable energy tariffs to a nonresidential customers, without cost to another customer. The provisions in the bill deal with possible impacts on further development of renewable energy resources, competition, cost shifts, and other considerations that may be important. It should be noted that this provision of HB 4126A may not be used by an electric company to comply with the requirements of the RPS.

The final issue that we expect to be dealt with in passage of this bill, including the Governor's signature, is a voluntary withdrawal by proponents of Ballot Measure 3 initiative (the hydro initiative) slated for the November 2014 ballot.

With these three important provisions, members of the Association of Oregon Counties and the Community Renewable Energy Association ask for you support for HB 4026A.