



**Testimony of Dave Markham, on behalf of the Oregon Rural Electric  
Cooperative Association  
House Energy and Environment Committee  
February 17, 2015  
RE: HB 2632**

Good afternoon Chair Vega Pederson and members of the Committee. I am Dave Markham, the President and CEO of Central Electric Cooperative, Inc. headquartered in Redmond, Oregon. I also serve as the President of the Oregon Rural Electric Cooperative Association.

ORECA represents the state's 18 not-for-profit electric cooperatives that serve 207,000 meters, 65 percent of the land mass of Oregon, 11 percent of the population with more than 30,000 miles of transmission and distribution lines to deliver electricity to rural Oregonians.

Oregon's electric co-ops are long-time supporters and users of renewable energy and developers of programs to support the growth of renewable energy technologies. We work diligently to keep our members' rates affordable while finding that correct balance between environmental benefits and economic costs. More than 86 percent of the electricity we provide to our members is renewable hydropower from the Bonneville Power Administration (BPA). In 2014, the consumer-owned utility customers of BPA funded \$173 million in hydropower improvements to improve the operational efficiency of this premier renewable resource.

This year marks the 20<sup>th</sup> operating anniversary of the Coffin Butte landfill gas-to-electricity generating facility located near Corvallis, Oregon. A number of Oregon electric co-ops are owners of this plant that generates renewable energy from methane gas captured from decomposing landfill garbage. Coffin Butte is one of the most efficient plants of its type in the country.

Oregon's electric co-ops have sited or assisted with siting nearly 3,000 kilowatts (3 megawatts) of solar photovoltaic energy which is connected directly into our systems. If combined into one location, this solar energy would cover roughly 20 acres of land and create enough electricity annually to power 238 homes in Central Electric's service territory.

The price of solar panels has decreased by 30 percent since 2010 and continues to decrease, making this renewable resource more affordable and cost-effective for consumers. But, despite this trend the traditional solar net metering approach excludes a significant amount of individuals and businesses that want to participate but are unable because they cannot afford the substantial upfront costs, are not property owners or their rooftop area may not be suitable for hosting an on-

site system. The National Renewable Energy Laboratory reports that up to 75 percent of American households are unsuitable for hosting solar photovoltaic systems due to shade, orientation, structural factors, or ownership issues.

Feedback from Central Electric members over the last several years showed increasing interest in a Community Solar program. We have listened to our members' requests and will soon break ground on construction of two-100 kilowatt systems at our district office in Bend, Oregon. The first 100 kilowatt system is targeted for completion late this summer with the second system by year-end. Other Oregon co-ops are also in various stages of development of their own Community Solar projects.

Central Electric's Community Solar program removes the traditional barriers to entry for members. Involvement is not defined by income level, property ownership or installation suitability. Our program achieves economies of scale to make involvement more affordable and provides multiple options for ease of participation. All CEC members will have an equal opportunity to voluntarily participate in the program. And participants will gain the added bonus of Central Electric assuming responsibility for operations and maintenance. Siting of panels at one central location makes maintenance and project scaling much more cost effective than multiple systems in a diverse rural geographic area.

I have had the opportunity to visit with Mr. David Brown on several occasions regarding HB 2632. I admire his passion to promote the advancement of solar energy development in Oregon. In our discussions, I presented an option that will accelerate solar development. If the minimum threshold for program participation is decreased to 100 kilowatts (from the current 2 megawatts) in electric co-ops' service territories, solar development will accelerate at a faster pace. Because electric co-ops are rural, they serve significantly fewer consumers and have much smaller loads than the state's investor-owned utilities. The current minimum participation threshold of 2 megawatts will result in very little solar development of this size in rural Oregon. A project participation cap for co-ops' service territories could be established to ensure program incentives are not over-funding smaller solar projects. To promote electrical system safety and reliability, I recommend inclusion of language in HB 2632 that specifies any solar photovoltaic system connected to the electrical system of a utility must be done in accordance with the utility's interconnection procedures. Mr. Brown has expressed to me his support for these recommendations.

Oregon's electric co-ops are innovative and problem-solvers. We have long expressed interest in renewable energy, but because the co-op business model differs from investor-owned utilities, there have been no comparable incentives to drive down the cost of entry. HB 2632, with my proposed changes, can be another tool to accelerate solar energy deployment in rural Oregon. The incentive program provided in HB 2632 can assist with decreasing overall project costs which results in greater acceptance, participation and expansion.

I want to thank Chair Vega Pederson and the Committee for their interest and effort to gain a better understanding of the benefits solar energy development can provide to Oregon's rural electric cooperatives and the members we represent.