

Lake County Resources Initiative

A Healthy Economy and Environment based on Sustainable Natural Resources, ensuring Quality of Life for Present and Future Generations

March 24, 2015

Senator Chris Edwards, Chair
Senate Committee on Environment and Natural Resources
900 Court St. NE, S-411
Salem, Oregon 97301

Dear Chair Edwards:

I am writing in support of SB 477. My organization has been working on renewable energy projects since 2004 as an economic development strategy for our rural area. The 2008 recession hit economies around the world hard and many are still recovering. Now consider--rural areas of Oregon have suffered the same level of economic downturn for more than two decades. Lake County is 78% government owned land. Only 22% of land generates revenue to support our roads, community services and schools. We knew we needed an innovative way to grow the local economy.

In 2005, with local elected officials and community leaders, we designed an economic strategy around wind, hydro-power, solar, geothermal and biomass to become a net exporter of renewable energy. We also discovered that by implementing everything we had done feasibilities on, we could offset all the fossil fuel emissions in Lake County.

Currently, there are 7 MW of solar in operation in Lake County and 2.5 MW of geothermal. 111 MW additional solar has been permitted. The first two solar systems were installed by local contractors, bringing much needed work to the county. Along with construction jobs, the solar projects bring new tax revenues to the county, municipalities and various taxing districts. Solar companies wishing to build in Lake County estimate that 118 MW of solar would generate \$1,315,000 of new taxes, which is significant to a rural county like Lake. This helps law enforcement, hospital, roads, library, etc.

A biomass facility producing jet fuel and diesel from wood waste is in the permitting stage. This plant will reduce CO2 emissions caused by wildfires, burning of logging slash and the production of jet fuel from fossil fuels. It is estimated that biomass and geothermal will employ 30-75 people per plant and each plant will generate \$1 million to \$2.3 million in new property taxes and around \$1 million in payroll taxes. An independent economic study of 22 businesses and homes that installed renewable energy options with the help of LCRI showed \$1.9 million in energy cost savings. Money previously spent on energy is now being spent in the community.

There is no doubt that the coal industry is going to be required to further reduce their emissions. That will raise utility costs for Oregon customers if nothing is done. Oregon only has one coal plant and it will be retired in less than 5 years. Any money spent improving coal-burning facilities will go to the states where coal plants still operate. Moving towards renewable energy in Oregon means investment dollars and jobs will benefit local communities,

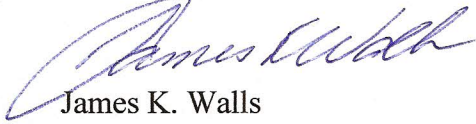
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instead of those in other states. For a small investment, Oregon will benefit from new tax revenue and have a viable economic impact on climate change.

President Ronald Regan made a big decision to deal with ozone depletion-- even though a few thought the science might be over exaggerated. President Regan thought the risk of being wrong was too high and dealing with the ozone problem was insurance should the predictions become a reality. In the end, the President's actions not only helped solve the problem, it did so in an economical way. The debate is no different today with climate change. Oregon has the opportunity to invest in renewable energy, like we have in Lake County, as insurance with a positive economic outcome.

If it were not for a conflict and the distance, I would have attended the hearing in person. I want to thank you for allowing me to opportunity to submit this written testimony.

Sincerely,

A handwritten signature in blue ink that reads "James K. Walls". The signature is fluid and cursive, with a large initial "J" and "W".

James K. Walls
Executive Director