



February 2, 2016

To: Oregon State Legislators
From: Oregon Employers and Elected Leaders
Re: Support HB 4036 | Oregon Clean Electricity and Coal Transition Plan

We join consumer advocates, utilities, environmental groups and energy developers in supporting HB 4036 – legislation that will put Oregon on track toward meeting its goals for reducing greenhouse gas emission while maintaining our state’s high standards for electricity service.

HB 4036 would move Portland General Electric and Pacific Power off coal-generated electricity and double their renewable energy generation – all while maintaining the reliable and affordable electricity that is key to our state and local economies.

This legislation also avoids a contentious campaign in November on a ballot measure that lacks key consumer and reliability protections and would cost PGE customers up to \$360 million more than

HB 4036. Environmental advocates have agreed to withdraw November ballot measure efforts if – and only if – this legislation is passed in the 2016 session.

A broad coalition came together to create HB 4036 – a better, smarter approach to achieving the end goals of the proposed ballot measure. We applaud this coalition for working together for Oregon’s energy future.

HB 4036 includes several provisions that are essential to a healthy economy and environment in Oregon.

- **It increases renewable generation to 50%, while protecting customers from major price increases.** Under the proposed legislation, PGE and Pacific Power customers will commit to doubling their Renewable Portfolio Standard to 50% by 2040, while customers remain protected by the existing 4% incremental cost cap. This protects families, small businesses and large employers from seeing unpredictable rate increases.
- **It moves Oregon toward a coal-free future,** requiring that electricity for PGE and Pacific Power customers be coal-free by 2030 (with an exception for PGE’s minority share of Colstrip, to 2035.)
- **It allows PGE and Pacific Power to maintain reliability.** Employers and residents count on reliable electrical service. It is essential to the jobs they do and the lives they lead. Unlike the proposed ballot measure, the Oregon Public Utility Commission can temporarily suspend RPS requirements under the proposed legislation if meeting the requirement would conflict with grid reliability.



- **It creates an incentive for PGE and Pacific Power to take early action on meeting the RPS by improving the Renewable Energy Certificate (REC) program.** The ballot measure structured the RECs in a way that does not work in the real-world market. HB 4036 provides an incentive for the two utilities to take early action on meeting the RPS and gives them flexibility to protect customers from rate increases in the future.

In addition, this bill reaffirms the state's commitment to energy efficiency programs, encourages transportation electrification, and increases access to solar resources for more Oregon electricity customers, including low-income residents – all provisions that are not included in the proposed ballot measure.

We believe this smart and thoughtful policy will help Oregon maintain its national leadership in clean energy and create a healthier climate *while* remaining competitive in attracting quality employers and building a stronger economy. We urge your support.

Sincerely,



John Howorth
President
Clackamas County Business Alliance