



SENATE COMMITTEE ON BUSINESS AND TECHNOLOGY

Testimony in Support of HB 4036A-41

By the Community Renewable Energy Association

Monday, February 22, 2016, 1 pm

My name is Brian Skeahan. I am the executive director of the Community Renewable Energy Association, or CREA. I appreciate this opportunity to testify in support of HB 4036 with amendments.

CREA is an ORS Chapter 190 organization comprised of 13 Oregon Counties, two irrigation districts, along with an affiliate membership with the Oregon Water Resource Congress, a number of small private power developers and individuals supportive of small, non-utility developed community energy projects. My testimony today is also supported by the Renewable Energy Coalition which represents 32 members who own 41 small energy projects, primarily hydroelectric less than 7 MW and biomass facilities across 5 states.

CREA is supportive of the passage of HB 4036 with amendments. We believe HB 4036 asks the proper questions, should Oregon continue to transition away from electricity generated by coal, and if so what should replace that coal generation? CREA believes that, having already decided to provide for the orderly closure of the Boardman coal plant Oregon should now establish policy for the orderly transition away from coal by wire. And having eight years of successful implementation experience with Oregon's current Renewable Portfolio Standard CREA believes a significant component of the needed replacement energy should come from renewable energy sources.

We appreciate the amendment proposed by Chair Beyer because we believe it recognizes **there is a place in HB 4036 for smaller, community-based Oregon projects.** . **CREA and this amendment supports all types of projects:** hydro, solar, waste water, biomass, geothermal, and wind.

To date there are projects operating in almost every county of Oregon. These projects return to communities significant increased benefits including tax payments and jobs through direct investments and allied services and activities. There is considerable evidence that smaller, non-utility privately developed and community developed projects provide great benefits to local economies. Smaller, decentralized and dispersed generation provides greater grid security and can enhance system reliability, particularly with the increased threat of attacks, physical or cyber on electric infrastructure. And we are aware of no evidence that these projects have resulted in a significant negative rate impact to ratepayers.

As you know, Oregon's existing RPS includes a goal that 8% of Oregon's electric load would come from smaller community based generation (20 mw or less) by 2025. Unfortunately, it is not clear we have made sufficient progress toward the 8% goal as a State, nor is it clear that the investor owned utilities have comparable levels of attainment in reaching the goal

CREA supports the -41 amendment that makes that goal a requirement. But by extending the compliance deadline another ten years--out to 2035--the fundamental objective is slowed: to see small community based renewable resource development providing a stimulus for local economic development. As it stands, developers of large renewable projects will see significant benefits from a **doubling** of the RPS requirement. Advocates of carbon reduction apparently are convinced this bill will result in reduced carbon emissions and facilitate attainment of Oregon's carbon reduction goals. Given their support of HB 4036 it is clear that the investor owned utilities believe this bill is beneficial to their shareholders, albeit in ways that may not be fully understood. However, by extending the 8% compliance deadline out 19 years from now while maintaining the eight percent target, it is not clear that the small non-utility, community based developer or their associated communities will see immediate benefits from this amendment.

We have made a good first start here; and after further data is available about where Oregon is in achieving this "goal," CREA may be back to the legislature with a recommendation for a subsequent increase in 2035, more scalable with the 50% renewable requirement.

With the HB 4036A-41 proposal and this community—based amendment, we **invest in our homegrown industry** that offers our best chance to **create jobs and jumpstart rural economic development**, create a diverse, competitive power generation environment which enhances grid resiliency and reliability while protecting ratepayers.

CREA's proposal has been supported throughout Oregon, from the City of Portland to rural counties such as Gilliam. Such diverse and widespread support is noteworthy and merits your support.

In closing, CREA supports HB 4036A-41 to assure Oregonians that a portion of the needed renewable projects will be built in Oregon by Oregon businesses and Oregon workers.