

From the Desk of  
Senator Ted Ferrioli

From the Portland Business Journal:

<http://www.bizjournals.com/portland/blog/sbo/2016/02/opponents-cite-higher-rates-lack-of-reliability-in.html>

## Opponents cite higher rates, lack of reliability in Oregon's coal transition plan

Feb 3, 2016, 2:53pm PST

The state Legislature is considering a bill aiming to wean Oregon off coal and double its renewable energy creation, but a local libertarian thinks the proposed legislation is wrongheaded in several ways.

John Charles is head of the **Cascade Policy Institute** in Portland, a free market think tank. He said the Clean Electricity and Coal Transition Plan, or HB 4036, created by energy hawks, ratepayer advocates and local utilities is a bad play because it will cause rate increases and reduce reliability.

The bill would apply only to **Portland General Electric** and Pacific Power, which provide Oregonians with 70 percent of their power. Those companies would be required to phase out coal from their energy mix by 2035. Plus, it would increase the state's renewable energy output to 50 percent in 2040.

Here's why Charles thinks the plan is a bad one.

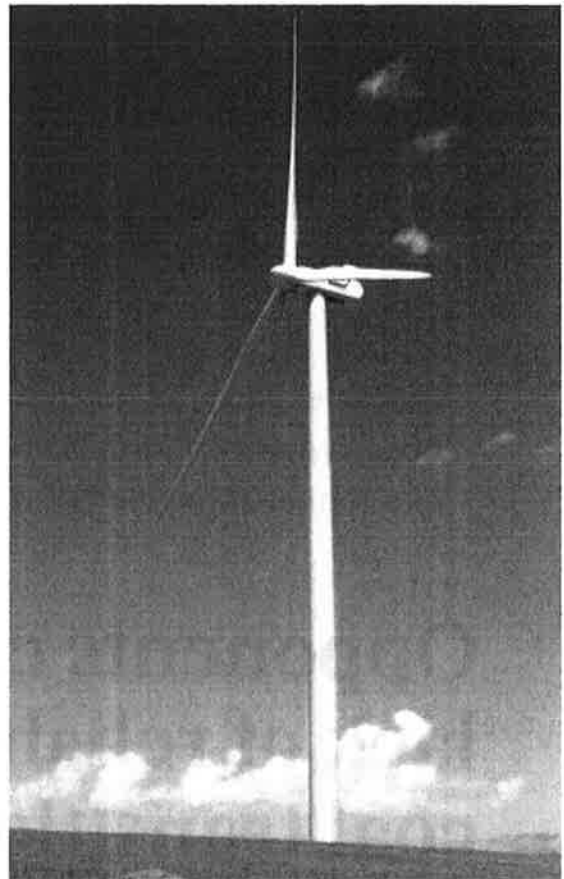
**The utilities and Citizens' Utility Board agree rates would rise about 1 percent, which they seem to think is acceptable. Why is that still too much in your mind?**

One percent may not sound like much to people that are upper income, but there are untold numbers of people that have their power shut off each year.

When you have no electricity that's a really low point in your life. One percent is not insignificant to me.

There's nothing in this for the average voter. The alleged benefits are speculative, global in nature and very long-term, but the costs are real, local and immediate. You want to go knock on a hundred doors and go sell that? I don't think if voters were informed they would choose to do this to themselves. I think trying to ram this through in a short session because you're afraid it won't make it as a ballot measure is wrong.

**Proponents point to lower costs for renewable power technology and rising costs of coal and associated environmental costs. What makes you think this will be more expensive than paying for miner's health issues and coal regulation costs?** When you look at the profile of electricity generated in Oregon, according to the Oregon Department



The Sierra Club believes several signs bode well for wind energy companies like Vestas.

of Energy, all renewables together account for less than 6 percent. About 5 percent of that is wind, which is completely unreliable. That's a huge leap to increase that to 50 percent.

Natural gas needs to run 24-7, even when you don't need it to keep up the backup to the wind. Right now the hydro system does that, but it's getting tapped out and it has been getting to that point for years. So natural gas becomes the backup. If you don't know when the big event is for when wind and solar fails simultaneously, you have to, at a moment's notice, have something else to ramp up. But you can't just shut it down entirely, so you're burning natural gas for no good reason. The entire idea of the (Renewable Portfolio Standard) is problematic for that reason.

**Why do you think the utilities would agree to the plan if it could create such unreliability?** The utilities are caving in here because they're threatened with the ballot measure. It's all pain and no gain. It's going to increase rates and you are clearly threatening the reliability of the grid, and I think people have zero tolerance for loss of electricity.

Wind is 5.2 percent, solar is 0.02 percent of our electricity. Days at a time go by and they don't produce a single megawatt of energy, so what good are they? The Legislature cannot wave a magic wand and change the way the grid works. All the voltage in the grid needs to be in equilibrium. Wind spikes way up high, and you need to ramp back all other sources because of this angry tantrum child, the wind. People that run the grid have to run the power exactly. Renewables are a liability to the grid. When you mandate this much intermittent power, you run the risk of blackouts.

There are no environmental benefits. The coal plants elsewhere are going to keep selling their power in other states. When all this is done the average breather in Oregon won't notice anything.

**James Cronin**

Staff Reporter

*Portland Business Journal*



