

Energy plan smart move for ratepayers

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The Clean Electricity and Coal Transition Plan is great energy policy and good for Oregon's utility ratepayers. I know this because as the long-time Executive Director and lead economist for the Citizens' Utility Board of Oregon (CUB), I proposed phasing out the Boardman plant as an alternative to a costly retrofit.

At the time, our approach was new, but it is now used across the country as the way to determine the least cost, least risk scenario regarding the continued use of coal plants.

Let me be clear: I have been saying for years that reducing Oregon's use of coal is the single most important action that Oregon can do to protect ratepayers from future costs associated with emission controls. Coal is a huge financial risk to customers. That is why this bill is good for Oregon.

Consider the following:

- 1) While Oregon has only one coal plant, Boardman — which is scheduled to close by 2020 — 64% of Pacific Power's and 23% of PGE's energy mix, comes from coal.
- 2) If the utilities continue down the current path of coal-fired generation past 2030 they will need to retrofit those plants to meet federal regulations; this cost will be in the billions.
- 3) The cost of renewables has gone down over the last five years, with solar going down by 80% and wind by more than two thirds.
- 4) The fact is that utilities are going to have to invest in something to serve their customers' needs. The analysis on which I was an adviser shows that the cost of this bill could be between 4% less than and 1% more than business as usual, depending on federal regulations. The utilities' analysis shows the potential cost increase is about 1%.
- 5) While CUB would like to see un-economic coal plants closed, Oregon law can only deal with energy generated in or sent to Oregon. We cannot close coal plants in other states, but we can refuse to pay for their expensive upkeep by eliminating coal generation from our energy mix.
- 6) This plan will bring Oregon's use of coal-fired generation to zero, while bringing our use of renewably generated energy up to 50%. Both PGE and Pacific Power estimate that there would be real carbon reductions of 30 million metric tons. This is equivalent to taking 6.4 million cars off the road for a full year.
- 7) The PUC and the Governor's office have been involved in this process; in fact, we have been having conversations with the PUC about these issues for over a year since a similar bill was introduced last legislative session, and, we continue to do so.

8) This bill was conceived and negotiated with a diverse group of stakeholders. CUB, Oregon's utility consumer advocate, has been at the table the entire time, making sure that neither the utilities nor the environmental groups include provisions that would raise rates unreasonably.

The truth is, this plan will not unreasonably raise rates and it will reduce carbon emissions, making it great economic and environmental policy for Oregon ratepayers.