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March 30, 2017

The Honorable Lee Beyer
Chairman, Senate Business & Transportation Committee
State Capitol, 900 Court St. NE, S-411
Salem, Oregon 97301

Re: SB 979 -- SUPPORT

Dear Chairman Beyer:

Shell Energy North America (US), L.P., (“Shell Energy”) an Oregon Electric Service Supplier (“ESS”) supports SB 979, which is scheduled to be heard in committee on April 3, 2017. The bill proposes to expand the Investor Owned Utilities’ direct access program for the commercial and industrial customers that want to buy 100% renewable electricity directly delivered from the market.

Shell Energy has been a registered ESS in Oregon since 2004 and is committed to managing customers’ commodity price risk and helping them achieve their energy goals. Customers who elect direct access are the backbone of the Oregon economy: Schools, grocery stores, manufacturing, hospitals, and technology companies, for example.

Because SB 979 will operate within the parameters of Oregon’s direct access program, as customers migrate to 100% renewable electricity this will reduce the Investor Owned Utilities’ RPS obligations as that procurement shifts to the ESS serving the customer. SB 979 will allow the customer to own the green attribute associated with their renewable electricity purchases, which is extremely important and valuable to customers; particularly those that have already adopted goals and begun the work to achieve 100% renewable procurement.

The purchases of renewable electricity occur under bilateral transactions. There may be multiple sellers but there can only be one final buyer; the consumer. When a customer purchases power from an ESS it also acquires the power’s “green attributes” which are reflected in the ownership of the renewable energy credit (“REC”). This applies whether the power is physically delivered to a customer’s facility or indirectly from a renewable power generator separately selling unbundled RECs. Either way, the customer must be the only and final entity to own the “green attributes” if the RECs are to have value.

March 30, 2017

Page 2

Moreover, Federal law, promulgated by the Federal Trade Commission's "Green Guides" (Title 16, Part 260 of the Code of Federal Regulations) requires single ownership of the "green attribute". These regulations protect against fraudulent claims and any sharing of renewable energy procurement claims.

A broad spectrum of Oregon businesses are vested in boosting economic development in their host communities while reducing greenhouse emissions. Once commercial and industrial businesses acquire renewable electricity above and beyond what is required by the current RPS standard those goals can be achieved. To that end, Shell Energy supports SB 979 as written. If you have any questions, or would like to discuss these issues further, please don't hesitate to contact me.

Sincerely,



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cc: Senator Chuck Thomsen, Vice Chair, Business & Transportation Committee
Senator Fred Girod, Member, Business & Transportation Committee
Senator Rod Monroe, Member, Business & Transportation Committee
Senator Chuck Riley, Member, Business & Transportation Committee