

Falls Creek Hydro Project, L.P.

March 31, 2017

Senator Lee Beyer
Chair, Business and Transportation Committee
Oregon State Legislature
Senate Committee on Business & Transportation
900 Court Street NE, S-411
Salem, OR 97301

Re: The Falls Creek Hydroelectric Project Near Sweet Home Supports Senate Bill 979

Dear Chair Beyer and members of Senate Committee on Business and Transportation:

My name is Gary Marcus and I am the principal owner of the Falls Creek Hydroelectric Project (Falls Creek) constructed in 1984. The project is located in Linn County about 40 miles east of Corvallis, in the foothills of the Cascades. It is a locally diverse project. The project received an Oregon Governor's Energy Award in 1986 because of its environmental compatibility. It was the first project in Oregon and the fourth project in the United States to be certified by the Low Impact Hydropower Institute which means it meets the most stringent environmental standards. Falls Creek has a capacity of 4.9 megawatts and produces an average of 15,000 megawatt hours of CO2 free energy a year with virtually no impact on fisheries, riparian resources, or recreational resources.

The project has a physical life of another 70 years, and yet because PacifiCorp is only offering Falls Creek 2.85 cents per kilowatt hour (the melded cost in their current Schedule 37) starting in 2020, it is possible that Falls Creek will have to shut down in 2020. It would be a travesty to remove a proven, green plant, that has 70 years left of life, from the electrical system. There is a demand for truly green power from private businesses, and Falls Creek would like to sell to those businesses that value proven, reliable green energy. I therefore support Senate Bill 979, and hope you vote to pass it. I also agree completely with the points enumerated below. Specifically:

I express strong support for the "Renewable Direct Access" legislation proposed by the Northwest & Intermountain Power Producers Coalition (NIPPC). SB 979 permits nonresidential customers to leave their utility's cost of service power and buy green energy directly from the market.

Good for Local Business. Allowing businesses to choose Renewable Direct Access will spur construction and new green jobs hires. Businesses will be able to buy new solar, wind, biomass, small hydro and geothermal power, all of which can be found here in Oregon.

Boost Economic Development. Rural Oregon needs a "shot in the arm." New power projects will add to host counties tax base and make it easier for these communities to attract new businesses tapping into local renewable resources.

cc: Senators Thomsen, Girod, Monroe, Riley, and Mr. Robert Kahn

Support for SB 979
March 31, 2017
Page 2

Good for the Environment. Enabling businesses to “go green” for their power will reduce CO₂ emissions and build new renewable power plants “above and beyond” that required by Oregon’s Renewable Portfolio Standard (RPS).

Good for Ratepayers. SB 979 is written so that Renewable Direct Access will not affect ratepayers remaining on conventional utility service.

In conclusion, allowing eligible customers to choose their power supply will permit competition to drive down prices and increase environmental benefits for everyone. For these reasons, I urge you to vote in support of SB 979.

Sincerely,


Gary P. Marcus
General Partner
Falls Creek HP LP

cc: Senators Thomsen, Girod, Monroe, Riley, and Mr. Robert Kahn