



April 2, 2017

Representative Ken Helm, Chair
House Energy and Environment Committee
Oregon State Capitol
Salem, OR 97301

Re: House Bills 3166, 3269

Chair Helm and Members of the Committee,

We write in support of the -2 amendments to House Bill 3166 that modify the cost recovery of site certificate holders, and transfer and continue the issuance of loans for small scale local energy projects under Business Oregon. We also support House Bill 3269's aim to more effectively create an adequately resourced Global Warming Commission with interagency coordination.

EFSC (formerly HB 2757): Increase CO₂ standard and add "need" standard to siting process

Urgent action is needed to address the ongoing risks to public safety, our environment, our climate, and local economy posed by climate change. State-level action to reduce greenhouse gases is needed now more than ever. Oregon's innovative approach by adopting a carbon dioxide standard when evaluating power plant siting made Oregon an early climate leader.¹

Although the statute allows the rate to be adjusted by the Energy Facility Siting Council (EFSC) over time to account for the actual costs of carbon offsets, this has lapsed for years. The monetary offset fee was set at \$1.27/ton in 2007 and has not been raised since. Because the -2 amendments to HB 3166 do not address this lapse, we encourage your committee to consider increasing the amount to reflect the current cost of greenhouse gases when modifying the cost recovery formula of site certificate holders – or at least scheduling the rulemaking to review raising the monetary offset fee.

We also encourage improving the siting process by enabling EFSC to consider "need" for a generating facility along with the standards set out in statute.² Because EFSC is limited to reviewing what is proposed by the applicant for a site certificate, an analysis of alternatives is precluded from the process. By the time an objection to a project that is unnecessary can be

¹ ORS 469.503

² ORS 469.310

made through a contested case process, the project has already been approved and the site certified issued.

SELP (formerly HB 2756): Value of financial incentives to transition to clean energy economy.

Climate Solutions is glad HB 3166-2 recognizes the continued value of and need for incentives to meet state energy and climate goals. We support the -2 amendment continuation of the Small Energy Loan Program (SELP), referred to in the bill as the “loans to small scale local energy projects,” and the transfer to Business Oregon for administration of the program.

The national record is clear on the important role financial incentive programs play in accelerating clean energy technologies and solutions. Prudently designed and capably administered incentive programs can deliver real savings for households and businesses while improving energy efficiency and reducing their carbon footprint. They are especially important for small businesses and low- and medium-income households who might otherwise struggle to afford the upfront costs of efficiency improvements.

Financial incentives are critical components of the clean energy transition at the federal and state level. Though we need to insure that our investments in specific instruments deliver efficient progress toward our state greenhouse gas goals, we should not lose sight of the importance of financial incentives, or constrain our capacity to reach our state goals by removing a whole category of important tools from the toolbox.

We would also encourage the committee to strongly consider continuation of the Residential Energy Tax Credit (RETC) program as another key incentive on which rooftop solar and energy efficiency companies depend. RETC provides real benefits to residents across the state as well as the hundreds of renewable energy and energy efficiency companies that employ thousands of Oregonians. We can succeed economically by innovating, commercializing and marketing renewable energy strategies that reduce fossil fuel dependence, promote clean energy development and jobs, and deliver real climate solutions.

OGWC (HB 3269): Strengthen and adequately resource Global Warming Commission

The State Legislature established the Oregon Global Warming Commission (OGWC) in 2007 to recommend ways to coordinate state and local efforts to reduce the state’s greenhouse gas emissions consistent with Oregon’s goals. Climate Solutions relies on the critical role the OGWC plays in providing technical expertise, data, analysis, recommendations and thought leadership to achieve our state’s greenhouse gas reduction goals. OGWC currently lacks adequate staffing, authority to enforce the measures and actions needed to achieve the goals, or any coordinating authority among agencies to hold them accountable for their role in the state’s climate action. We support House Bill 3269’s aim to adequately resource the Global Warming Commission and create an interagency coordination and benchmarking to evaluate climate progress. This

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coordinating approach could help the state develop pathways to achieve needed emissions reductions across agencies to meet state targets.

We note that the role of OGWC will need to be reevaluated in concert with House Bill 2020's overlapping aim to establish a new oversight board for energy and climate within the Oregon Department of Energy (ODOE) along with an interagency climate coordinating committee. If OGWC is abolished under HB 2020, the other roles currently played by the OGWC should be integrated into ODOE to ensure we strengthen rather than lose its high level of value to the state's climate policy development and decisions. A strengthened OGWC or similar body coupled with ambitious climate policies that reduce our carbon footprint can catalyze Oregon's transition to a clean energy economy and increase our state's energy security.

Thank you for your consideration of these comments.

Sincerely,



Meredith Connolly
Oregon Policy Manager
Climate Solutions

About Climate Solutions: Climate Solutions is a regional non-profit working to accelerate practical and profitable solutions to global warming.

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