

Testimony by Craig Campbell, Representing Umatilla Electric Cooperative in support of HB 2023 – Columbia Valley Viticulture EFU Exemption for Placement of Solar Facilities - before the House Committee on Agriculture and Natural Resources, April 13, 2017

Mr. Chair, members of the committee:

HB 2023 was introduced to resolve a conflict between the requirement of Umatilla Electric Cooperative to meet its renewable portfolio standard as a Large Utility and current provisions in statute and rule which treats Exclusive Farm Use (EFU) land as high value farmland by virtue of its location within a federally defined American Viticultural Area.

Under the Renewable Portfolio Standard, Umatilla Electric is expected to provide 100MW of renewable energy by 2025. Due to our inability to rely on stable renewable energy costs from purchases on the spot market, UEC has chosen to meet that obligation through the development of solar arrays in our service territory.

In a recent attempt to site a solar array in an EFU area the County discovered that the solar array would require a goal 3 exception because the array would exceed the 12-acre limit of placing a solar array in high value farmland which applied only because the exclusive farm use zone was within an American Viticultural Area.

Viticultural Areas were created in federal statute as a means of allowing wineries to provide the geographic pedigree of its wine, usually referred to as an Appellation of Origin. It was not designed to be a land use tool when it was enacted. However, under Oregon law it is treated as such.

UEC has successfully been granted the Goal 3 exception allowing the placement of the solar array on the property that exposed the problem that HB 2023 seeks to fix. However, the cost of seeking a Goal 3 exception for the placement of solar arrays over 12 acres will add between \$150,000-250,000 to each such application whether they are successful or not.

However, staying within that 12-acre limit creates challenges as we seek to meet our Renewable Portfolio Standard obligation. It effectively means that we will only seek siting for solar arrays that are under the 12-acre limit which are capable of producing only 2MW each. This will require the placement of at least 50 solar arrays and many of them will have to be placed where we do not have existing substations and transmission lines so those facilities will have to be constructed as well.

Our 10,000 members include a large number of irrigators and farmers. They want us to keep our energy costs down and provide it with as little impact on farming operations as possible.

We are seeking this legislation to address both of those goals and still meet our renewable portfolio standard requirements.

The choice between increasing our member's costs vs increasing transmission infrastructure over active farming operations is not a good choice.

In finding a solution Umatilla Electric Cooperative worked with a wide range of groups. Those groups provided critical advice and recommendations to meet the goals the group sought to achieve, which were: to keep the statutory solution narrowly focused only on the Columbia Valley Viticulture area to minimize unintended consequences; to avoid exempting land that can be used for farming; to avoid ambiguous language that could have an impact beyond solving this particular problem.

The -4 amendments attempt to solve this problem by allowing a solar facility to be sited on high-value farmland, provided that it is within an exclusive farm use zone that it is located within the Columbia Valley viticulture area, and provided it does not have access to water and hasn't had access to water for the last 20 years. UEC has no desire to place solar arrays on land that can be used by our members for farming.

There are some who are concerned that the way the amendments are drafted that it may create a new process for siting solar within this Viticulture Area. That is an issue that still needs to be addressed as we do not wish to create a new siting process through this bill. We are committed, as we have up to this point to work with parties to make sure this bill does not result in unanticipated consequences. It is our hope that you will move the bill forward in this form with the promise that we will continue to work with the parties who have indicated an interest in getting the language as close to perfect as we can.

Thank you, I am happy to answer any questions you may have.