



Testimony by Craig Campbell, representing Umatilla Electric, before the House Committee on Rules in support of HB 3456

Madam Chair, members of the committee:

In a recent attempt by Umatilla Electric Cooperative (UEC) to site a solar array on land zoned as exclusive farm use (EFU), Umatilla County discovered that siting 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 in this case because the land was within a federally designated American Viticultural Area (AVA), despite the fact the underlying soils would not have otherwise caused the land to be classified as high value farmland.

American Viticultural Areas (AVAs) were created in federal code as a means of allowing wineries to provide the geographic pedigree of its wine, usually referred to as an Appellation of Origin. These areas are large swaths of land that were created to indicate a growing region and were not intended to indicate the quality or suitability of each parcel of land contained within the AVA, nor were they designed to be a land use tool when they were created. However in 2007 AVAs were recognized in Oregon Law under ORS 195.300. In October of 2011 a rule was adopted that designated that Exclusive Farm Use Land within an AVA should be treated as High Value Farmland for purposes of citing solar facilities.

HB 3456 was introduced to resolve a conflict between the requirement of Umatilla Electric Cooperative to meet its Renewable Portfolio Standard (RPS) obligation as a Large Utility and current provisions in statute and rule which treat (EFU) land as high value farmland by virtue of its location within an AVA.

Under the RPS, Umatilla Electric is required 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, and inability to predict the cost of renewable credits in the future, UEC has chosen to meet part of our obligation through the development of solar arrays in our service territory.

HB 3456 allows the citing of a solar facility (photovoltaic solar power generation facility) on land zoned Exclusive Farm Use (EFU) that is also designated as high value farm land due to the land being in a federally designated Viticulture area, provided the land:

- **is within an exclusive farm use zone;**
- **does not otherwise qualify as high-value farmland [Section 2(2)(c)];**
- **is located within the Columbia Valley AVA [Section 2(2)]; and**
- **does not have access to water and hasn't had access to water for the last 20 years. [Section 2(2)(a) and (b)]**

Regardless, to site a solar facility, UEC must go through a conditional use permit process required for citing solar on land zoned EFU. **[Section 2(3)]**

Our 10,000 members include a large number of irrigators and farmers. They want us to keep our energy costs down and provide new energy resources 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.

Under current law, UEC is left with the choice of increasing our member's costs vs increasing transmission infrastructure over active farming operations, as the only two options we have are to:

1. Seek a Goal 3 Exception for each Larger Solar array we site:

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 3456 seeks to fix. While fees are minimal, the cost of legal and planning services required to seek a Goal 3 exception for the placement of solar arrays over 12 acres will add between \$150,000-\$250,000 for each such application whether they are successful or not.

2. Build 50-2MW solar arrays:

Staying within the 12-acre limit creates challenges as we seek to meet our RPS obligation. It would effectively force UEC to seek siting for solar arrays that are under the 12-acre limit which are capable of producing only 2MW each. To meet our 100 MW portfolio standard, UEC would need to place at least 50 solar arrays, and many of them would have to be placed where we do not have existing substations and transmission lines so those facilities would have to be constructed as well.

UEC has no desire to place solar arrays on land that can be used by our members for farming. HB 3456 creates a narrow and geographically contained solution to addresses the current challenge being faced by UEC. It will enable UEC to meet its RPS obligations in light of the unintended consequence of the adoption of AVAs in Oregon's land use laws. We urge you to help us resolve this challenge and would appreciate your support of HB 3456.

Thank you for your time and consideration of this measure.