



Oregon

Kate Brown, Governor



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TO: Senate Committee on Business and Transportation

FROM: Mike Kaplan, Director

SUBJECT: Testimony on HB 2343A – Biennial Energy Report

INTRODUCTION

The Oregon Department of Energy supports HB 2343A, which would create a new framework and guidance for a state of Oregon biennial energy report, replacing the existing statutory requirement for a Biennial Energy Plan that was created in the 1970s.

The bill would repeal ORS 469.060, which requires the department to produce a comprehensive energy plan every odd-numbered year, along with ORS 469.070, which requires the department to produce a forecast of energy demand and energy resources at least biennially. These functions are now largely provided by utilities, regional planning organizations and federal agencies with input from the department and other stakeholders.

In place of the biennial energy plan and forecast, the bill would direct the department to produce a biennial energy report on energy resources, policies, trends and forecasts in Oregon. This report would include timely information that provides a foundation for decision-making about energy issues. It would cover all fuels and energy resources, look across utility territories, and evaluate the Oregon impacts from regional and national planning. In addition to a summary and synthesis of Oregon's energy data, each issue of the report would include information and analysis of relevant topics selected in consultation with energy suppliers and stakeholders.

The report would be submitted to the Legislature in advance of each odd-numbered year legislative session, ensuring that legislators have ready access to energy information they may need during the session.

BACKGROUND

The biennial energy plan and forecast in ORS 469.060 and 469.070 were initially adopted in 1975. The focus on energy planning and forecasting resulted, in part, from the emerging energy crisis in the 1970s, with rising fuel prices and long lines at gasoline stations. Demand for electricity was also growing, and utilities were building or planning large generating plants to

meet this demand. The 1975 Legislature responded, in part, by creating the energy plan and forecast to be produced by the newly formed Oregon Department of Energy.

While ORS 469.060 and 469.070 were amended several times from the late 1970s through the 1980s, the basic framework of the planning and forecasting statutes was retained. The statutes direct the department to research energy prices, identify existing energy resources, and estimate future supply and demand along with the effect of energy conservation and efficiency on future demand. However, energy plans and forecasts are now provided through regional and national efforts including the Northwest Power and Conservation Council's Power Plans, utility Integrated Resource Plans, and the federal Energy Information Administration's data.

Discussion

The biennial energy report would provide comprehensive information about energy supply and use from an Oregon perspective. The report would include information about energy consumption, generation, transmission, production, costs, markets and technologies, along with information about energy efficiency, greenhouse gas emissions, regulations, opportunities, and challenges. The report could also include recommendations for energy efficiency, renewable energy, research, and pilot projects.

To ensure that the report is most useful, the topics covered in each biennium would be informed by a diverse group of stakeholders served by the department. For example, an edition of the report might highlight community renewables, research on emerging technologies, resiliency, energy storage, the energy imbalance market, best practices for energy-intensive industries, energy codes and standards, smart grid, utility peak capacity needs, or other topics. The report would inform local, state, regional, and federal energy policy development, energy planning and energy investments, and identify opportunities to further the state's energy efficiency, renewable energy, and energy facility siting policies.

The department would compile the report by collecting, organizing, and refining data and information acquired through the agency's existing duties. The department could also require additional information to be submitted by rule and could request information from other agencies if needed to prepare the report. The department expects that requests to other agencies would be for information otherwise developed by the agencies and, so, would have a negligible fiscal impact.

The bill acknowledges protections for proprietary information, and creates a process for requests to exclude information and data from the report.

SUMMARY

HB 2343A repeals the requirement for the department to produce a biennial energy plan and energy forecast, and replaces these statutes with a requirement for the department to complete a comprehensive biennial energy report. The report would provide data and information on energy resources, policies, trends and forecasts in Oregon. It would compile

information developed by the department, utilities, planning organizations, and other sources to provide a comprehensive view of energy information that is beneficial to the diverse group of stakeholders served by the department and provides a foundation for furthering Oregon's statutory energy policies.

The department asks for your support of HB 2343A. Passage of HB 2343 would provide a new framework and guidance to produce a high value report for the Governor, legislators, energy suppliers, stakeholders, and the public.