

**CENTRAL LINCOLN**   
A COMMUNITY-OWNED ELECTRIC UTILITY

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February 25, 2019

Joint Committee on Carbon Reduction  
Oregon State Legislature  
900 Court Street, NE  
Salem, OR 97301

Co-Chairs Dembrow and Power, Members of the Joint Committee on Carbon Reduction:

My name is Randy Grove, effective Friday I will be the General Manager of the Central Lincoln People's Utility District.

Thank you for your important and ongoing work on cap and trade legislation. As a utility serving many miles of Pacific Ocean coastline, Central Lincoln knows reducing carbon emissions is of critical importance. We are proud Oregon is a leader in building a green economy, and we are also proud to be part of that effort, providing near-zero-carbon electricity to our customers.

Central Lincoln provides at-cost electric service to over 55-thousand Oregonians in parts of four counties, covering seven hundred square miles along the Central Coast. Central Lincoln has 127 full-time employees who live in the communities we serve, and we provide work for many contractors in our area as well.

Central Lincoln has engaged in ongoing efforts designed to reduce our carbon footprint. We have reduced the number of miles logged on our vehicles by approximately 100-thousand miles a year, and have added 100-percent electric vehicles to our fleet.

Central Lincoln appreciates draft legislation exempting consumer-owned utilities producing less than 25-thousand metric tons of C-O-2. The legislation also addresses a key facet of people's utility districts by entrusting decision-making to our locally-elected governing boards. Lastly, we appreciate this program being designed in a way that will help fully capture the carbon-free benefits of our federal hydropower system, which also sells wind power to us.

We hope the Committee continues to work on several issues:

- Central Lincoln serves a large industrial customer which is one of the largest employers in our District, and this customer provides living-wage jobs supporting over 400 families here. This employer makes kraft paper for cardboard boxes, a very necessary commodity. If this kraft paper is not made here, it will be made somewhere else. Since our power is near-zero carbon, we believe keeping this manufacturing here is in the best interest of carbon reduction: if the employer were to relocate, carbon emissions would almost certainly increase due to power from sources with high carbon intensity. We request that adequate allowances be made available to keep this vital job-providing industrial customer in our community—powered by near-zero-carbon electricity.

- Central Lincoln is the second-largest consumer-owned utility in Oregon. With just a small amount of growth, we could be above the 25-thousand metric ton exemption. Consideration should be given, and allowances should be reserved, for consumer-owned utilities not initially regulated by the program, but which later might exceed the cap due to increased load.
- The Bonneville Power Administration should receive allowances based on representative years beginning in 2002 through at least 2017. This would provide consumer-owned utilities with the tools needed to better protect us from inevitable low water years.
- Oregon manufacturers, especially those in rural communities, should receive free allowances to avoid carbon and economic leakage to other states or foreign countries which may be much less committed to clean air. Manufacturing jobs are critical to local economies, the families, and the communities we serve.

We look forward to progress on answers to these questions during this legislative session, and I would welcome any questions you may have of me. I can be reached at [rgrove@cencoast.com](mailto:rgrove@cencoast.com) or at 541-574-2040. Thank you.