

**HB2020 – Public Hearing Testimony by John Brown, EWEB Commissioner
February 22, 2019; Springfield, Oregon**

Co-Chairs Dembrow and Power, Vice Chairs, Members of the Committee:

My name is John Brown, and I am an elected Commissioner of the Eugene Water & Electric Board; “EWEB”.

EWEB was founded in 1911, and is Oregon’s largest consumer-owned utility serving electricity to approximately 200,000 residents in Eugene and the McKenzie River Valley. EWEB purchases about two-thirds of our power from the Bonneville Power Administration, self-supplying the remainder of our power from a mix of McKenzie River Hydro, Wind, and Biomass sources.

EWEB believes direct carbon pricing, specifically in the form of cap and trade, provides the least-cost approach to meeting our carbon reduction goals. By using a market-based, technology-neutral approach like cap and trade, the electricity sector can meet our carbon reduction objectives while maintaining the reliability our customers depend on. Simultaneously, secondary electricity markets should strengthen providing favorable economic impacts to hydro-based utilities like EWEB, and those served across the state by the Bonneville Power Administration.

As an elected official for a consumer-owned utility, we appreciate that this policy will not dictate how EWEB should meet any compliance obligation we may have under the program, nor will it dictate any specific carbon reduction measures EWEB must undertake. Local control is very important to us, and EWEB is best equipped to determine which compliance options and carbon reduction measures are the right choices specific to our utility and our customers.

As to the details of the drafted Bill, EWEB staff and executives have been providing feedback to Work Groups, Legislators, and Committee Members. These suggestions include provisions that will facilitate ongoing compliance as hydro conditions vary with snowpack and water availability. Specifically, we suggest using a longer time frame of historical data in the allocation of allowances to Covered Entities that rely on hydropower. We support an expected amendment to do just that for BPA, using 15 years of publicly available reported data.

Finally, we recommend that Covered Entities be allowed to bank unused allowances for future use, as this will help balance out hydropower variability and compliance obligations over time. Since it will take time to accumulate and bank these allowances in the early years of Oregon’s program, it will be important to hydro-reliant utilities that, in the event of a very low water year, they have access the “Electricity Price Containment Reserve” established in House Bill 2020.

While we have other specific suggestions, EWEB is committed to working with you on the Bill and in future rulemaking to ensure the success of this important legislation.

Thank you for considering these comments and inviting us to participate.