



## NWCPUD Testimony on Cap-and-Trade

March 1, 2019

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

On behalf of the Northern Wasco Co People's Utility District (NWCPUD), one of the six Oregon PUD's, and a member of the Oregon People's Utility District Association (OPUDA), thank you for your continued work on cap-and-trade legislation. As PUD's, we provide at-cost, near-zero carbon electric service to nearly two-thirds of the Oregon coastline, parts of Columbia and Multnomah counties, Lane County, as well as here in Wasco County. We are governed by five-member Boards of Directors that are elected by voters in each of our service areas. Oregon's electric PUDs collectively serve over 200,000 people and deliver over 4.5 billion kilowatt hours of electricity to Oregonians annually. Our OPUDA member utilities provided over 400 family wage jobs in rural communities in 2018.

Oregon is a leader in building a green economy and PUDs and other consumer-owned utilities (COU's) are an important part of that success, providing carbon free hydroelectricity to our customers. Northern Wasco Co PUD owns and operates two hydroelectric generating stations right here in our community and our customers are committed to doing their part in lowering the Oregon's carbon emissions. We utilize solar photovoltaics on our buildings, and we partner with our customers when they wish to install their own. Some OPUDA utilities even have community solar programs. Wind energy is also a large part of our local community and an important part of our resource mix.

NWCPUD and OPUDA appreciates the opportunity to work with you and hopes to continue discussions around the design of a cap-and-trade program. While PUDs and the communities we serve are unique and diverse, there are a number of foundational principles that are important to us. Specifically, we appreciate exempting consumer owned utilities under 25,000 Metric Tons of CO<sub>2</sub>. The bills also address a key tenant of public power by leaving decision-making to our locally-elected governing boards. Lastly, designing this program in a way that will help fully capture the carbon-free benefits of the hydro system that Oregon COU members utilities pay for.

Nevertheless, there are a few unresolved issues that remain in HB 2020. We would like to continue working with the Committee on the following issues:

- **Consideration should be given for COU's serving large industrial loads in terms of assuring the COU has adequate allowances to shield job-providing industrial customers in their community.**
- **Consideration should be given, and allowances should be reserved for, COUs who are not initially regulated by the program, but who later come under the cap due to increased electrical load.**
- **The Bonneville Power Administration (BPA) should receive allowances based on representative years beginning in 2002 through the most current year of record. This allows public power to better protect itself from potential – and maybe likely – low water years.**
- **Oregon manufacturers should receive free allowances to avoid carbon and economic leakage to other states. Manufacturing jobs are critical to this and other PUD communities.**

We look forward to working on answers to these questions with you during this legislative session.