



March 7, 2019

TO: Senator Michael Dembrow, Chair, Senate Committee on Environment and Natural Resources
Members, Senate Committee on Environment and Natural Resources

FR: Rikki Seguin, Policy Director, Renewable Northwest

RE: Opposition of SB 508

Dear Chair Dembrow,

Renewable Northwest is a regional, non-profit renewable energy advocacy organization based in Oregon, dedicated to the responsible development of renewable energy resources throughout the Pacific Northwest. Our members are a combination of renewable energy businesses and environmental and consumer groups. **Renewable Northwest opposes SB 508, which would undermine the state's Renewable Portfolio Standard (RPS).**

Renewable Northwest has a long history of working to support renewable portfolio standards across the Pacific Northwest that drive the deployment of responsibly sited renewable energy facilities.

- Renewable Northwest played a leadership role in development of and passage of Oregon's original RPS in 2007 as well as the visionary expansion in 2016 (Clean Electricity and Coal Transition Act).
- Renewable Northwest worked to passed Washington's renewable portfolio standard, or Energy Independence Act, through Initiative 937 in 2006, and have worked for the last three years to pass a 100% Clean policy in Olympia. This policy has passed the Washington Senate and is poised for action in the House in the near future.
- Finally, Renewable Northwest successfully advocated for the adoption of Montana's RPS in 2005.

What is the RPS?

Oregon's Renewable Portfolio Standard was passed in 2007 (SB 838), and was designed to build upon the state's legacy of clean hydropower. SB 838 required that all qualifying utilities serving Oregon load must sell a percentage of their electricity from qualifying renewable energy sources, including power generated as a result of upgrades to existing hydropower facilities. The RPS was updated by the legislature in 2016 with the passage of the Clean Electricity and Coal Transition Act (SB 1547).



For large utilities serving whose percentage of total retail sales in Oregon is equivalent to three percent or more, a gradual increase in renewable energy deployment is required such that 50% of the state's largest utilities' energy generation will come from new renewable resources by 2040. The Clean Electricity and Coal Transition Act also tasked utilities with eliminating coal for Oregon electricity rates by 2030, created a landmark community solar program, and recognized the valuable role that electric vehicles play in our state's clean energy transition.

Wind and solar, as well as geothermal, biomass, wave and tidal resources, are all eligible for the RPS and complement Oregon's clean, robust hydroelectric capacity with abundant, stable-priced, reliable, alternatives to coal and other carbon-producing sources of energy. Importantly, hydroelectric power plays a role in Oregon's RPS, with certain hydroelectric power facilities, low-impact hydroelectric facilities, as well as hydro efficiency upgrades, qualifying as eligible facilities for RPS compliance.

What benefits does the RPS bring to Oregon?

In 1998, Oregon was home to only one operational wind farm. Thanks to policies like SB 1149 in 1999, which established a public purpose fund to encourage improvement in energy efficiency and development of renewable energy, and the RPS in 2007, Oregon grew into a national leader for renewable energy development.

Since 1998, renewable energy in Oregon has delivered:

- More than \$10.3 billion in investments
- More than \$258 million in public revenue
- More than 7,700 jobs

According to the Oregon Department of Energy, there are over 4,589 MW of renewable energy projects built in Oregon approved for compliance with the RPS, which includes qualifying hydroelectric facilities, wind, solar, geothermal, and biomass¹. Investments from renewable energy projects here in Oregon support public services such as public education, fire protection, and health care. These payments can also help reduce the tax burdens on local residents.

Why oppose SB 508?

SB 508 would allow all existing hydroelectric facilities to qualify as renewable energy resources for purposes of compliance with the RPS. This change would undermine the RPS, which was meant to build on the state's existing legacy of clean hydroelectric power. According to the Oregon Department of Energy, 40.47% of the electricity consumed in Oregon already comes from hydroelectric power, compared to 6.49% wind, 0.27% solar, and 0.12% geothermal. With such a high percentage of hydroelectric power already in the generation mix, adding hydro to

¹ Oregon Department of Energy, Oregon Energy Mix: Resource Mix



the RPS leaves little room for the growth of qualifying renewable energy resources like wind, solar, and geothermal.

Importantly, for the state's two largest utilities with the largest RPS-compliance requirements, hydroelectric power makes up a significant portion of the electricity mix. For example, over 22% of the electricity consumed by PGE customers comes from hydroelectric power². Should all of this hydro count toward the RPS, as SB 508 contemplated, PGE would be nearly halfway to its 50% renewable by 2040 RPS requirement, leaving significantly less room for investments in new renewable energy resources.

In order for the state to continue to cut emissions from fossil fuels and shift to a clean energy economy, it must continue its commitment to a growing renewable energy economy. Relying on the existing hydroelectric power already in our electricity mix will not lead us to this future. We must build on the clean, hydropower in our system and invest in renewable energy resources like wind and solar.

Sincerely,

Rikki Seguin
Policy Director
Renewable Northwest

² Oregon Department of Energy, Oregon Energy Mix: PGE