



Rep. Ken Helm, Chair
House Energy and Environment Committee
900 Court St. NE, H-490
Salem, Oregon 97301
Email: rep.kenhelm@oregonlegislature.gov

RE: Sorenson Engineering Supports Community Renewable Energy
HB 2857

Chair Helm:

Sorenson Engineering urges the House Energy and Environment Committee to pass House Bill 2857, to protect existing small scale renewable energy projects as well as energize the development of new community-based renewable projects. HB 2857 is a key component to ensure that the Public Utility Regulatory Policies Act (“PURPA”) encourages clean power and local economic development.

Sorenson Engineering is a small, family company that has specialized in low-impact hydroelectric power since 1984. We develop, permit, design, construct, own, and operate projects, most of which are located on existing water infrastructure – including irrigation canals and non-powered dams. Our projects are located primarily throughout the Western States, including in Oregon. Additional information about our family-owned Northwest company can be found here: <http://www.sorensonengineeringinc.com>

During our nearly forty years as civil engineers, we have designed over forty power plants, all of which are still in operation today. In addition, we own/lease and operate twenty hydro projects, including two in Oregon. These include the 1.2 megawatt (“MW”) Sprague Hydro facility in Bly, Oregon built in 1988, and the 1.1 MW C-Drop Hydro facility in Klamath Falls, Oregon built in 2012. Our C-Drop Project was built with the Klamath Irrigation District, who has signed a letter of support in favor of HB 2857. They directly benefit from the operation of our project in the form of ongoing royalties, which reduce their water assessments and provide widespread benefits to their irrigators.

Our Oregon projects sell their net output to PacifiCorp under PURPA, and they would not have been constructed and could not continue to operate without PURPA. While there is a great potential for additional low impact hydro facilities, under this state’s current implementation of PURPA, Sorenson Engineering is unable to build new projects and our continued operation of these projects is in question.

HB 2857 could revitalize Oregon’s small-scale community renewable projects, including low impact hydroelectric facilities. We support all aspects of the bill, including but not limited to:

- Ensuring that the prices we are paid include the cost the utility avoids by avoiding transmission costs and benefiting from local sources of generation. Currently, renewable

facilities like ours are not compensated for the value we provide as a local source of power over PacifiCorp's power that must be shipped over transmission lines from Wyoming.

- Paying existing projects like ours for the capacity we provide to a utility when we renew our contracts. Currently, if we enter into a new power purchase agreement, we will be treated as a "new facility", and not paid for our full capacity value.
- Changes the current community renewable standard from 8% of *electrical capacity* standard to an 8% of *electricity sold* standard to be consistent with the Renewable Portfolio Standard.
- Increases the amount of non-utility owned low impact hydro resources that can qualify for the renewable portfolio standard from 40 average MW to 100 average MW.
- Strengthen the Oregon Public Utility Commission's current goals of promoting small scale renewable development and setting just and reasonable prices to a mandate.
- Give greater notice and hearing rights to customers and qualifying facilities when a utility proposes to change its price schedule paid to qualifying facilities, and gives certainty regarding when the new prices will take effect.
- Clarifies that renewable facilities are eligible for standard prices and contracts if they are 10 MW in size or smaller.
- Provide access to the Oregon courts to decide contract disputes between qualifying facilities and utilities.

We appreciated your continued support for local Oregon grown renewable energy and look forward to ensuring that PURPA remains a key component of meeting this state's climate and rural economic development needs.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted S. Sorenson". The signature is fluid and cursive, with a large initial "T" and "S".

Ted S. Sorenson, President

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