

March 25, 2019

Representative Ken Helm  
House Committee on Energy and Environment  
Oregon State Legislature  
900 Court Street NE  
Salem, OR 97301

Dear Representative Helm,

Pine Gate Renewables supports HB 2857 and its ability encourage a more stable environment for project developers to complete projects. Bills like HB 2857 allow companies such as Pine Gate to invest more time and resources towards building Oregon into a national clean energy leader. We urge you to vote yes on HB 2857.

While HB 2857 contains many provisions which will encourage more renewable energy development in Oregon, Pine Gate Renewables is closely following three major reforms to Oregon's PURPA process. First, the bill clarifies that renewable energy facilities are eligible for standard pricing and contracts if projects are 10MW or smaller, including energy storage devices. Currently, OPUC has discretion to change the size eligibility for standard pricing and contracts and there has been no clear treatment of energy storage devices. Renewable energy plus storage offers the opportunity to replace traditional baseload resources such as natural gas and coal by allowing intermittent renewable resources to shift and smooth their injection onto the grid. By allowing renewable plus storage qualifying facilities access to standard pricing and contracts the State of Oregon through HB 2857 is positioning itself to capitalize on new types of renewable development which will allow for more robust clean energy infrastructure. Further, a larger standard offer cap will allow developers to take advantage of economies of scale that are unachievable at the current 3MW cap.

Second, HB 2857 will give customers and qualifying facility developers earlier notice and hearing rights when a utility proposes to change its avoided cost. In the past, utilities have filed unexpected price changes and requested expedited approval of their price changes to the detriment of projects that were in development under existing avoided cost assumptions. When utilities change pricing late into the development process, this uncertainty trickles down to the communities where solar is being built eroding the faith community members have that developers will fulfill their obligations.

Third, this bill will allow Oregon courts to decide contract disputes between a qualifying facility and the utilities. Currently, there is no clear statute detailing where these contract disputes should be litigated. This will allow project developers a proper avenue to dispute contracts and maintain project value in the event an unexpected avoided cost change happens.



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Oregon has the opportunity, through the passage of HB 2857, to become a national leader in renewable plus energy storage development and create a robust industry which can continue to adapt to the changing needs of Oregon's energy economy for the coming years through transparent utility processes and a more certain and predictable regulatory environment.

Sincerely,

Pine Gate Renewables