

March 25, 2019

Members of the House Energy and Environment Committee  
900 Court Street NE  
Salem, OR 97301

**Subject: Idaho Power Opposes HB 3274 and HB 2857**

Members of the House Energy and Environment Committee:

Thank you for the opportunity to express our concerns about HB 3274 and HB 2857.

HB 3274 and HB 2857 are a very one sided proposals that undercut the Oregon Public Utility Commission's (OPUC) authority. These bills would not only obscure current Oregon Public Utility Regulatory Policies Act (PURPA) law but would also have significant ramifications on utility customers through changing avoided cost pricing methodologies and changing cost allocation of required system and transmission upgrades required by PURPA developers' requests. PURPA is intended to promote the development of renewable and domestic energy but this is accomplished through the mandatory purchase obligation. The price developers are paid for generation, the avoided cost, is not the promotional tool. The avoided cost is supposed to be neutral to utility customers and is mandated by federal law to not increase the cost to utility customers. If either of these bills passes that would no longer be the case; in fact, if these bills pass in some instances costs that are currently required to be paid by PURPA developers would be shifted to utility customers.

Our concerns extend further, as the proposed changes to PURPA in both bills are issues specifically pulled from a current docket before the OPUC, docket UM 2000. The OPUC recently opened a general investigation docket, UM 2000, with the purpose of possibly revising the implementation of PURPA. This follows closely on the heels of a recently completed OPUC docket where the OPUC and all interested parties undertook a comprehensive update to the OPUC's administrative rules implementing PURPA. This was done to conform OPUC administrative rules with many years of OPUC rulings and determinations regarding the details of PURPA.

The decisions being proposed in both HB 3274 and HB 2857 should be handled in OPUC proceeding as they have the authority to hear complaints and make determinations regarding

technical PURPA matters. These matters should not be handled through legislation trying to circumvent and convolute the process.

We appreciate your public service to the State of Oregon and your consideration of our concerns with HB 3274 and HB 2857.

Sincerely,



Jen Visser  
Idaho Power Director of Government Affairs