



HARNEY COUNTY COURT

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Rep. Ken Helm, Chair
House Energy and Environment Committee
900 Court St. NE, H-490
Salem, Oregon 97301
Email: rep.kenhelm@oregonlegislature.gov
RE: Harney County Supports 8%/PURPA Bill - HB 2857

Chair Helm:

This letter is to urge the House Energy and Environment Committee to pass House Bill 2857, to protect and promote renewable energy development, particularly in rural Oregon. In places like Harney County solar development offers a critical opportunity for counties like ours to have infrastructure investment that is hard to come by – and resultant property tax opportunities to help fund school, roads, and other critical services that face substantial budget constraints.

PURPA standard contracts and rates being restored to at least 10 MW is critical to having viable scale for east-side, high-desert, high-sun projects to be able to sell power to Portland area load, as well as locally, given interconnection and transmission costs burdens that overburden smaller projects. PURPA development has been the primary source of Oregon solar. Indeed, I support the standard contract size being increased to 20 MW or higher, in order to ensure critical scale and support maximal development opportunity.

The OPUC unwisely has been steadily clipping the wings of PURPA in Oregon, threatening all of the good PURPA QF development brings to rural Oregon. Which is why HB 2857 is needed.

Solar and PURPA are good for rural Oregon, especially Central and Eastern.

- **PURPA is the source of almost all the utility-scale solar construction in Oregon**, resulting in hundreds of millions of dollars of solar investment in central and eastern Oregon.
- **PURPA is a very efficient market tool to rally entrepreneurial and capital resources** to develop green energy -- all set based on utility's own wholesale costs. Better than monopoly-owned bureaucratic utility rate-based projects, that tend to bloat costs.

- **Hundreds of millions of dollars of PURPA-driven solar economic development in rural Eastern & Central Oregon Counties in past 3 years** -- Washington, Crook, Deschutes, Lake, Klamath, Malheur, and Harney County.
- **PURPA contract projects are important to Harney County:**
 - Success of *current* Harney County projects extremely important. **60 MW** targeting 2019 construction.
 - *Future* opportunity should be supported.
 - HB 2857 ensures PURPA developers have access to courts, penalties apply to utilities suppressing competition, existing Qualifying Facilities can get new contracts, batteries aren't discriminated against, and that the 8% requirement in state RPS is fully fulfilled.
- **Financial benefits – current and potential:**
 - *County depending on solar project tax revenue* and economic development.
 - *Biggest injection of development in Harney County since the Mill.*
 - *Property Tax Revenue:* \$420,000 per year for 20 years (from PURPA QF projects currently planned in Harney County!)
 - *Economic Development:* to land owners, construction costs, and on-going maintenance with local contractors and employees.
 - *Opportunity to attract data centers* requiring clean energy solutions.
 - *Revenue to electric cooperatives* through transmission services.
 - *Revenue to BPA for wheeling*, which helps coop and public power costs.
- **Additional Benefits from Solar Development:** Actions by solar developers, such as NewSun Energy, include, even before construction:
 - Funding local kids' college scholarships (thousands of dollars for past 3 years);
 - Supporting Harney Cattlewomen;
 - Supporting 4-H auctions, buying animals from local kids;
 - Funding of arts and community events, including sponsoring rodeo / county fairs;
 - Funding athletic facilities and programs;
 - Support for families in area going through hardship;
 - ***Additional monies/contributions expected after solar project successes***
- **Concerns & Requests – why HB 2857 is needed:**
 - **PURPA should be strengthened, not weakened.** Commission hasn't done this, attacking PURPA, which is why legislature needs to act. Concerned about hasty Commission actions without proper evidence or consideration.
 - **Concerned that utilities are abusing** their roles in the PURPA contracting process, litigation, interconnection process, and ratepayer money to evade their PURPA obligations, by creating delay, risk, and cost. (And to decrease competition.) HB 2857 addresses this with better access to courts for QFs.

- **Should be increasing standard contracts and rates sizes** to 10 or even 20 MW or 40 MW, especially given higher interconnection costs in sunny parts of state, need for bigger projects to be viable (higher voltage power lines).
- **Also need a more reliable process for PURPA projects above standard contract threshold:** 20-40 MW needed. This would improve HB 2857 further.
- **PURPA is good, creates competitive pressures to reduce rates for ratepayers.** Coops do things cheaper than investor-owned-utilities because they *don't* have investor-owned utilities' rate-basing incentives to bloat costs. PURPA developers similarly look for ways to do things cheaper – which is a good thing for Oregon to support and encourage

Respectfully,



Pete Runnels
Harney County Judge