

Oppose HB 2857

Protect millions of Oregonians from paying unfair costs for renewable energy



HB 2857 is an unnecessary bill that would drive up the cost of greenhouse gas reductions and profit sophisticated developers on the backs of millions of Oregonians.

Our customers - families, schools, local governments, small businesses and large employers - expect us to transition to a clean energy future in the most affordable manner. HB 2857 runs counter to this by exacerbating well-known problems stemming from an outdated federal law that forces our customers – over 2 million people and businesses – to pay millions more than necessary for renewable energy. We should focus on solving this pricing problem, not making it worse.

HB 2857 is unnecessary to support small-scale renewable projects.

- The federal Public Utilities Regulatory Practices Act of 1978 (PURPA) requires us to buy energy from small-scale renewable facilities, which includes the facilities covered by HB 2857.
- We already support small-scale renewables by purchasing millions of dollars of energy from these projects as required by federal law, as well as through state policies that PGE has supported – such as the adoption of the statewide 8% goal (2007), the feed-in tariff for solar (2009), and the soon to be implemented community solar program (2016).
- The 8% goal became a mandate in 2016 and only applies to two utilities. According to ODOE's calculations, PGE is already on a path to meet the mandate if only 10% of the PURPA projects in our queue come online.

PGE is the *largest* purchaser of renewable energy in Oregon.

- In addition to the ~1,100MW of renewable energy projects that will be online by the end of 2020, we currently have ~750MW of small-scale renewable projects located in 19 different counties either online or in our PURPA queue.
- HB 2857 unnecessarily seeks to force regulated utilities to do what they are already doing while adding complicated state problems to an outdated federal law.

This bill promotes renewables that cost our customers *millions more than necessary*.

- PGE customers would pay **at least \$50M more** each year for 15 years starting in 2025 for **the same amount of energy** from the renewables promoted by HB 2857 than they would for a competitively priced source, like the wind-solar-storage facility we recently announced with NextEra Energy in Morrow County.
- HB 2857 also unfairly shifts even more costs to utility customers, including transmission and integration costs that are currently paid for by power producers.

HB 2857 intensifies an existing issue with PURPA that allows sophisticated, out-of-state and multinational companies make above market profits at the expense of our customers.

- There are approximately 170 small-scale solar facilities in our queue, three-quarters of which are proposed by out-of-state or multinational publicly-traded companies that build multiple small projects under the 10MW threshold to take advantage of the largest benefit of PURPA – a standard contract that provides above-market solar pricing.
- These sophisticated companies take advantage of steeply declining price curves for solar technology, generous federal tax subsidies and problematic pricing allowed by PURPA to lock in above-market profits for 15-years. This bill helps them in their efforts.

Oppose HB 2857:

An unnecessary, unfair and outdated approach to renewable energy.

HB 2857 worsens existing PURPA issues

Snapshot: Solar projects and developers in our 10MW and under PURPA Queue



Our PURPA queue has hundreds of projects from a handful of sophisticated developers. If all these solar projects come online, our customers will pay \$50M more for renewables *each* year for 15 years starting in 2025.

- More than 90% of the projects in our PURPA queue are solar (only 13 of 186 projects are not solar: 4 biomass; 4 hydro; 3 biogas; 1 geothermal; 1 wind)
- 24 developers are responsible for the 173 solar projects in our PURPA queue (6 developers have 50% of projects)
- Almost all the developers of solar projects have multiple projects in the queue (15 of the 24 developers have at least 5 projects in the queue and 6 developers have 10 or more)
- 12 developers are responsible for 50% of the 750MW of solar in the queue 3 developers have 90MW or more

Small projects don't *de facto* mean community benefits or small businesses.

In PGE's queue, most solar developers are sophisticated out-of-state or multinational companies.

- **8 developers** are owned by sophisticated national or multinational corporations like Oathouse Ventures (a venture capital company in the United Kingdom with multiple energy ventures), Total (one of the world's largest oil companies), Global Infrastructure Partners (a company that manages \$51B for investors), and EDP Group (one of Europe's largest electricity groups). They have headquarters throughout Europe and the United States.
- **9 more developers** are headquartered out of state or the country, including in Ireland, Arizona, California, Illinois, Hawaii, Delaware and Florida.

Aggregated, small solar projects do not have a small footprint on our landscape.

A majority of the solar projects in our queue have 5-16 more projects within 5 miles of it.

