

Irrigator Hydropower Solution: Guiding Principles and Sideboards

1. No changes to the Renewable Portfolio Standard

- No RPS carveouts.
- No changes to the 8% small-scale renewable capacity standard established in Senate Bill 1547 from 2016.

2. Eligible projects must be owned by irrigation districts and like entities that are also subdivisions of the state

- As stated in the April 9, 2019 House Energy and Environment Committee meeting, HB 3274 is intended to be amended, using HB 3407 as a foundation, to be an irrigator-only solution.
- Capacity procured should apply to 8% small scale renewable capacity mandate.

3. Applicable only to hydropower projects

- As irrigation districts testified to on March 26 and March 28, 2019, hydropower projects result from and help pay for the piping of water distribution systems.

4. Eligible projects must be Certified Low-Impact Hydro and connected to piping or water system improvement projects that are designed to achieve increased water conservation

- Conserved water should be allocated consistent with the Conserved Water Act.

5. Provide revenue from irrigators hydropower projects that help fund their piping modernization projects

- For irrigation districts, the above-market avoided cost rates IOUs must pay for their hydropower energy do not result in the revenue they once did to help fund modernization projects. Irrigation districts are seeking legislation to help address this funding gap.
- Any solution to meet this request must also align with the other principles outlined in this document *and* be legally durable at both the state and federal levels.

6. Rate impacts to customers of investor-owned utilities must be minimized

- The bill must be substantially narrowed both in terms of eligible entities and total projects to protect IOU customers.
- Consistent with current practices, projects, not IOU customers, should bear the cost of delivering power to load (i.e., transmission costs).
- Irrigation districts are located across the state and many are outside IOU service areas. Future legislative discussions to provide irrigation districts with subsidies for their piping projects should seek a statewide conversation where every utility in the state is part of the solution or non-utility sources of subsidy are brought to bear.

