



May 13, 2019

**TO:** Senator Ginny Burdick, Chair, Senate Rules Committee

Members, Senate Rules Committee

**FR:** Nicole Hughes, Executive Director, Renewable Northwest

**RE:** Opposition to SB 451 -1 -2 amendments

Dear Chair Burdick

Renewable Northwest is a regional, non-profit renewable energy advocacy organization based in Oregon, dedicated to the responsible development of renewable energy resources throughout the Pacific Northwest. Our members are a combination of renewable energy businesses and environmental and consumer groups. **Renewable Northwest continues to oppose SB 451 and the -1 and -2 amendments, which would undermine the state's Renewable Portfolio Standard (RPS).**

Renewable Northwest has a long history of working to support renewable portfolio standards across the Pacific Northwest that drive the deployment of responsibly sited renewable energy facilities.

- Our organization played a leadership role in development of and passage of Oregon's original RPS in 2007, as well as the visionary expansion in 2016 (Clean Electricity and Coal Transition Act).
- We worked to passed Washington's renewable portfolio standard, or Energy Independence Act, through Initiative 937 in 2006, and have worked for the last three years to pass a 100% Clean policy in Olympia. This policy has passed the Washington Senate and is poised for action in the House in the near future.
- Finally, we advocated for Montana's RPS in 2005.

#### **What is the RPS?**

Oregon's Renewable Portfolio Standard was passed in 2007 (SB 838) and required that all utilities serving Oregon load must sell a percentage of their electricity from qualifying renewable energy sources. The RPS was updated by the legislature in 2016 with the passage of the Clean Electricity and Coal Transition Act (SB 1547).

For large utilities serving whose percentage of total retail sales in Oregon is equivalent to three percent or more, a gradual increase in renewable energy deployment is required such that 50% of the state's largest utilities' energy generation will come from new renewable resources by 2040. The Clean Electricity and Coal Transition Act also tasked utilities with eliminating coal for Oregon electricity rates by 2030, created a landmark community solar program, and recognized the valuable role that electric vehicles play in our state's clean energy transition.

Wind and solar, as well as geothermal, biomass, wave and tidal resources, are all eligible for the RPS and complement Oregon's clean, robust hydroelectric capacity with abundant, stable-priced, reliable,



alternatives to coal and other carbon-producing sources of energy. Importantly, hydroelectric power plays a role in Oregon's RPS, with certain hydroelectric power facilities, low-impact hydroelectric facilities, as well as hydro efficiency upgrades, qualifying as eligible facilities for RPS compliance. Entities that are eligible for the RPS show their compliance through the retirement of renewable energy certificates (RECs).

### **What benefits does the RPS bring to Oregon?**

In 1998, Oregon was only to only one operational wind farm. Thanks to policies like SB 1149 in 1999, which established a public purpose fund to encourage improvement in energy efficiency and development of renewable energy, and the RPS in 2007, Oregon grew into a national leader for renewable energy development.

Since 1998, renewable energy in Oregon has delivered:

- More than \$10.3 billion in investments
- More than \$258 million in public revenue
- More than 7,700 jobs

According to the Oregon Department of Energy, there are over 4,589 MW of renewable energy projects built in Oregon approved for compliance with the RPS, which includes qualifying hydroelectric facilities, wind, solar, geothermal, and biomass<sup>1</sup>. Investments from renewable energy projects here in Oregon support public services such as public education, fire protection, and health care. These payments can also help reduce the tax burdens on local residents.

### **Why oppose SB 451 and the -1 and -2 amendments?**

ORS 469A.029 allowed existing municipal solid waste (MSW) facilities that came into operation before 1995 the opportunity to register with the Western Renewable Energy Generation Information System (WREGIS) by 2011 in order to be eligible to be issued with RECs. SB 451 seeks to amend the statutes to allow any pre-1995 MSW facilities another opportunity to be issued with RECs. Allowing an existing MSW facility to be issued with RECs could displace demand for new, non-emitting, renewable energy. In order for the state to continue to cut emissions from fossil fuels and shift to a clean energy economy, it must continue its commitment to a growing renewable energy economy. Relying on the power from an existing MSW facility that is already in our electricity mix will not provide us with additional momentum in the direction of that clean future.

The -1 amendment is attempting to achieve the same result as the introduced bill. This amendment would change ORS 469A.031 to allow pre-1995 MSW to be eligible for RECs even if it registered with WREGIS on or after 2011. Renewable Northwest therefore has the same concerns with this as the introduced bill.

The -2 amendment attempt seeks to restrict the amount of RECs that a pre-1995 MSW facility would be eligible for by restricting it only to electricity generated from the combustion of "biogenic" material, as opposed to any waste. This is problematic for two reasons. Firstly, while there may be arguments as to why this might be considered "carbon neutral" over many decades, it is certainly not "climate neutral" in

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<sup>1</sup> Oregon Department of Energy, Oregon Energy Mix: Resource Mix



the immediate term. Any such combustion leads to greenhouse gases being released into the atmosphere and impacting the climate right now. Secondly, while this amendment could reduce the amount of electricity for which a pre-1995 MSW could be issued with RECs, it could still suppress demand for new, non-emitting renewable energy. For the same reasons as outlined above, Renewable Northwest also opposes the -2 amendment.

SB 451 and the -1 and -2 amendments are in opposition to Governor Brown's Oregon Climate Agenda, as they would reward a single, existing greenhouse gas emitting facilities as opposed to expanding the demand for new, clean, renewable energy.

Sincerely,

Nicole Hughes  
Executive Director  
Renewable Northwest