

March 26, 2019

To: Chair Helm and Members of the House Energy & Environment Committee

Re: HB 3274 and HB 2857



Dear Members:

Thank you for the opportunity to provide public comments on House Bills 3274 and 2857. Farmers Conservation Alliance (FCA) is a non-profit organization that partners with irrigation districts throughout Oregon to help them modernize their systems for the benefit of the economy and environment. Currently, FCA is working with over 20 irrigation districts in Oregon, representing nearly 40% of Oregon's total irrigated acreage.

Most irrigation districts throughout Oregon are delivering water to urban, suburban and rural farms and ranches via systems that were constructed over 100 years ago. Modernizing irrigation infrastructure, including converting open, leaky canals to a closed, pressurized pipe system not only delivers water more reliably and economically to patrons, it conserves anywhere from 30 – 60% of the water needed to irrigate. That conserved water can be permanently protected in-stream for the benefit of fish and river systems as a whole. FCA's irrigation modernization program helps districts to identify how they can invest in new water delivery to increase efficiency, save energy, install new in-conduit hydropower projects, conserve water, and improve habitat for fish.

Nine of FCA's enrolled districts have completed the initial planning process required for modernization. Their plans have identified 60,000 megawatt hours of energy savings from irrigation pump elimination and the potential to install 38 megawatts of in-conduit hydroelectric projects. If fully implemented, the plans would save over 500 cubic feet per second of water to restore Oregon rivers while also increasing the reliability of agricultural water deliveries. Under the current regulatory environment it is nearly impossible for irrigation districts to develop in-conduit hydroelectric power projects.

A district's ability to install in-conduit hydropower projects is often the difference between modernization and the status quo. Irrigation district hydropower projects provide clean, renewable energy, increase grid resilience, and diversify the state's energy resources. In addition, the projects provide a revenue stream irrigation districts can use to match federal, state or other private sector finance programs to pay for other aspects of modernization. Revenue from hydroelectric projects also enables irrigation districts to capitalize on



low-interests loans. In a resource-constrained environment, modernization requires an all-hands-on-deck approach and revenue from hydroelectric projects is critical.

In recent history, changes to PURPA have created more and more barriers to market for these multiple-benefit projects. Irrigation districts have a demonstrated track record of successfully delivering power at low cost to consumers. Though 37 megawatts may seem like an insignificant amount of power compared to commercial-scale acquisition contracts in Oregon, I can assure you the benefits of investing in these projects in our rural communities is crucial. Hydroelectric projects help keep farmers farming, ranchers ranching and fish swimming.

Thank you for your time and please feel free to contact me with any questions you may have.

Sincerely,

A handwritten signature in cursive script that reads "Julie O'Shea".

Julie O'Shea
Executive Director