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March 22, 2019

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

RE: HB 3274 and HB 2857

Farmers Irrigation District strongly supports both HB 3274 and HB 2857. These bills are crafted to provide support for important community scale renewable energy projects within the state of Oregon.

Farmers Irrigation District (FID) has been serving farmland in the western Hood River Valley since 1874. FID serves nearly 6,000 acres of land, including all of the Urban Growth Boundary of the City of Hood River and over 300 landowners within the City of Hood River as well as high value farmland growing pears, cherries, apples, blueberries, and wine grapes. What is important to note is that FID serves all of this land using nearly half as much water as it did just 30 years ago. Modernization of the infrastructure serving our farmland is what has made this possible and modernization was made possible through a combination of user rates and fees and revenue from hydroelectric production. FID made the decision to harness the power of water flowing through its system over 30 years ago and has steadily invested the revenue from that fateful decision in system improvements. Through these investments, FID has been able to:

- Pressurize all of its delivery system saving 1.4 million kilowatt hours annually by eliminating 1,451 individual pumps
- Eliminate or discontinue use of 22 points of diversion
- Invest in on-farm efficiency by providing over 15,000 micro-sprinklers to farmers
- Install 9 fish screens
- Plant 7,800 trees in the riparian corridor along Green Point Creek
- Place 85,000 board feet of wood in Green Point Creek
- Establish 2 minimum in-stream flow agreements in the Hood River and Green Point Creek
- Establish an extensive remote telemetry monitoring system
- Conserve 15,000 acre feet of water annually

The benefit to the community and the environment is enormous. The system improvements at FID have provided a level of water security and resilience that allow growers within our district peace of mind and a willingness to invest in the future. None of this would have been possible without the revenue from FID's two power houses which produce approximately 24 million kilowatt hours of Low Impact Hydropower Institute certified energy. This is enough to power roughly 2,400 homes and represents about 8% of the energy demand in Hood River County. This local generation is an important resource to the community from a local energy resilience perspective, a climate change resilience perspective, and an economic resilience perspective. On the economic side, 100% of the revenue produced from the hydro facilities stays in the community in the form of construction jobs, infrastructure investments, and family wage jobs.

This 30+ year success story is at risk of coming to an end. The Investor Owned Utilities (IOU's) have worked hard to drive down the prices available for local renewables as well as weakening contracting provisions within the Public Utilities Regulatory Policy Act or PURPA. Over the past several years, the Avoided Cost (rate that the IOU's pay for outside power as regulated by PURPA) has decreased dramatically while contracting has become increasingly difficult and expensive. HB 3724 and HB 2857 offer reasonable measures to support community scale renewable energy projects by recognizing the capacity that these projects provide and creating a fair way to calculate avoided cost rates.

Oregon legislators have repeatedly expressed support for carbon free power generated within Oregon to benefit all Oregonians. The IOU's have continually shown a desire to meet the Renewable Portfolio Standard requirements with out of state resources. This does not benefit Oregon's economy and misses much of the legislative intent shown in past bills.

Reducing our carbon foot print is important but doing so without regard for our local economies and communities is not the Oregon way. You will receive much testimony with important facts, figures, and details but I would ask you to also keep the bigger picture in mind. These small renewable projects have tremendous positive impact to our state but particularly for rural communities. These projects provide distributed generation and the opportunity for communities to participate in the energy market and keep energy dollars in the local economy.

Farmers Irrigation District asks for your support in passing HB 3724 and HB 2857.

Thank you,

A handwritten signature in blue ink, appearing to read "Les Perkins", with a horizontal line extending to the right.

Les Perkins

General Manager
Farmers Irrigation District
Les@fidhr.org