



Senate Committee on Energy and Environment
Oregon State Capitol
900 Court St. NE
Salem Oregon 97301

March 9, 2021

Dear Chair Beyer, Vice-Chair Findley, and members of the committee,

The Oregon Solar + Storage Industries Association (OSSIA) is a trade association founded in 1981 to promote clean, renewable, solar technologies. OSSIA members include businesses, non-profit groups, and other solar industry stakeholders. We provide a unified voice of the solar industry and focus exclusively on the solar value chain; from workforce development to permitting, advocacy, policy, and regulation for manufacturing, residential, commercial, community, and utility scale solar and storage projects on the local, state and regional level.

OSSIA appreciates the opportunity to comment on SB 784. We appreciate Portland General Electric (PGE) advancing the conversation surrounding energy resiliency, customer choice and labor standards. However, SB 784 proposes a number of significant changes that would have a negative impact on the energy market in Oregon. OSSIA's members are still reviewing this proposal and may have additional comments as we learn more.

Anti-competitive

After an initial reading we have strong concerns with the large changes proposed to the way the energy market currently functions in Oregon. Overall, one important goal to advancing clean energy in Oregon is to strengthen the existing free market. This means allowing both customer choice in where their energy comes from and also robust third-party participation in construction and ownership of projects. Competition to the investor-owned utility monopolies is healthy for our economy and for ratepayers. While we are encouraged to see this legislation include language around a variety of ownership models, it is important to clarify that owners are not only residential and commercial customers, but also third-party owners that contract power with the utilities. SB 784 needs to be amended in order to include other types of owners, such as PURPA Qualifying Facilities (QFs) or other commercial contract holders, in order to maintain competition and low prices.

OSSIA's biggest concerns with SB 784 are with Section 6, since the language would substantially weaken existing statute meant to protect customers of a monopoly. This section may even be illegal at the federal level, as the Federal Energy Regulatory Commission (FERC) has rules about prohibiting cross-subsidization. This section narrows the definition of a competitive retail market for the benefit of



utility monopolies. A discussion of changing the nature of a competitive market is no small conversation and deserves its own separate conversation.

Project size and type

While it may be that PGE’s intent for this legislation is to focus on very small projects, it is a mistake to overlook medium size projects that could also provide resiliency benefits, such as PURPA QFs or other community renewable projects. The bill’s current language doesn’t currently include provisions that would allow existing clean energy projects to have resiliency measures added to them. These medium sized projects would also be disadvantaged by the anti-competitive language in Section 6.

Resiliency

Regarding the resiliency proposals in the SB 784, OSSIA supports the general concept as long as there is a broader definition of ownership and a more narrow definition of storage. OSSIA supports “clean storage,” or storage charged from renewable energy, not straight from the grid that could include fossil fuels. The language should also make clear that renewable energy – which does not rely on purchased fuel – should be the focus of energy resiliency. The ability of storage systems to provide clean storage should be included in the prudency determinations on p. 2 of the bill.

However, we have concerns regarding the prudency criteria laid out in the bill. Important criteria regarding how the Public Utility Commission (PUC) determines prudency for resiliency projects is best left to the discretion of the PUC, not the entities it regulates. We are concerned that the current language does not provide enough checks on utilities to charge ratepayers for investments the utility wants to make.

OSSIA also supports including FEMA’s definition of critical facility in order to determine where investments are made. In addition, this proposal leaves out projects that may be located outside of the Investor Owned Utility (IOU) territory, but that provide resiliency benefits by reducing dependence on out of state power that may be down in an emergency.

Renewable Energy Certificates

SB 784 also proposes changes to how Renewable Energy Certificates (RECs) are treated. RECs are one of the ways that third party competition is possible and any changes should be carefully considered to understand the impacts on the Renewable Portfolio Standard (RPS) and any other policies that currently use RECs.

Green Tariffs

While OSSIA is generally supportive of the concept of Green Tariffs, the proposal in SB 784 is not a comprehensive program and does not allow for competition. The PUC just held its first workshop on community green tariffs that includes participation from all stakeholders. That process should be



allowed to run its course and the PUC should be the entity with oversight over the creation. The proposal in SB 784 also leaves some customers out. For example, some businesses have 100% clean electricity or Net Zero goals that they are unable to meet in the current structure. Excluding businesses from this program leaves out customers that are anxious to have clean energy. It is also worth noting that there is another proposal in a different committee, HB 3221, that proposes an Oregon Renewables Options Program. That proposal allows for diverse ownership in community renewables and OSSIA believes would be better for ratepayers than SB 784.

Labor Standards

Lastly, OSSIA appreciates the bill's discussion of labor standards. OSSIA is currently in conversations with the Blue Green Alliance and the Oregon Building Trades to find common ground and solutions that work for all parties. We feel confident that our work will produce good policies that we can bring back to this committee. It is worth noting that requiring labor standards for projects as low as \$1 million would make Oregon an anomaly. To the best of our knowledge, the only state to have labor standards for small projects is New York State, which has a threshold of 5 MW projects and greater, which would translate to projects around \$20 million and greater.

In conclusion, while OSSIA strongly supports the ability of communities to choose clean energy and invest in clean energy resiliency, we oppose SB 784 as written as the way to get there. We look forward to engaging this committee in finding a better path forward.

Sincerely,

A handwritten signature in black ink that reads "Angela Crowley-Koch". The signature is written in a cursive, flowing style.

Angela Crowley-Koch
Executive Director