



April 5, 2021

House Energy & Environment Committee  
Oregon State Capitol  
Salem, OR 97301

RE: Support for House Bill 2021-5

Chair Marsh and Members of the Committee:

We write in strong support of HB 2021-5. Climate Solutions is a regional non-profit working to accelerate clean energy solutions to the climate crisis. Founded in 1968, the Oregon Environmental Council (OEC) is a nonprofit, nonpartisan, membership-based organization.

The -5 amendment to HB 2021 represents thoughtful negotiation with many stakeholders representing diverse interests in an ambitious and pragmatic 100% clean policy for Oregon. Energy stakeholders representing the utilities, energy service suppliers and ratepayer advocates, along with renewable developers, climate, environmental justice and community representatives have worked together for many months to find common ground, and nonstop since the -1 amendment was released in mid-March. We have collectively reached consensus on the HB 2021-5 amendment up for your consideration. **This amendment represents a well-crafted 100% clean energy policy for Oregon, and addresses the concerns we raised in our prior testimony about the -1 amendment to HB 2021.**

The strengths of HB 2021-5 include increased environmental integrity, clear agency roles and processes, stronger labor provisions, and environmental justice and community benefits. The policy fits well into existing planning and review processes by the PUC and leverages DEQ's existing greenhouse gas accounting system.

The -5 amendment makes clear that 100% emissions-free electricity is required by 2040. This change sends a strong market signal that emissions-free resources are demanded in Oregon, creating investor certainty. This translates into more demand for renewable energy and other projects in Oregon and the region. Complementing this, the -5 also clarifies that EFSC shall not site any *new* fossil gas power plants in Oregon or allow substantive *expansion* of gas plants with existing site certificates.

Section 3's clean energy targets incorporate by reference the many reasonable potential off-ramps for reliability, resource adequacy, cost cap, etc., in the bill that qualify this mandate, but the bill now gives unequivocal and clear direction for energy providers as well as the investment community to build emissions-free resources for Oregon and transition off fossil fuels in our electricity mix. Section 3 also directs energy providers to make continual progress towards the 2030 clean energy target. This will ensure near-term benefits in the form of acquiring clean energy projects, including energy efficiency,

renewable energy projects, demand response, and non-emitting storage, and encourage early reduction of greenhouse gas emissions.

**The -5 amendment includes good labor standards to ensure quality jobs and a pipeline of a trained clean energy workforce in Oregon.** These provisions include a 15% apprenticeship utilization standard and workforce equity goals for projects over 2MW built to meet the clean energy standard (excluding community solar projects smaller than 3MW). For larger projects, wage, health and retirement benefits are required unless a Project Labor Agreement is negotiated.

The -5 amendment also enables local governments to partner with the utility on a community-wide green energy program that can meet the needs of the local community. Importantly, this program is voluntary and the local government can choose to opt-in to have a new way to provide electricity sourced from clean energy projects more quickly than the overall grid will clean up. It allows willing jurisdictions to move further, faster to meet their residents' desire for clean energy and their local climate action goals. Providing flexibility to local governments in designing their clean energy future if important, and protections for low-income customers are critical.

For all these reasons, we urge your strong support of the -5 amendment to HB 2021.

**\*\* The below was previously submitted on March 22<sup>nd</sup>, 2021 \*\***

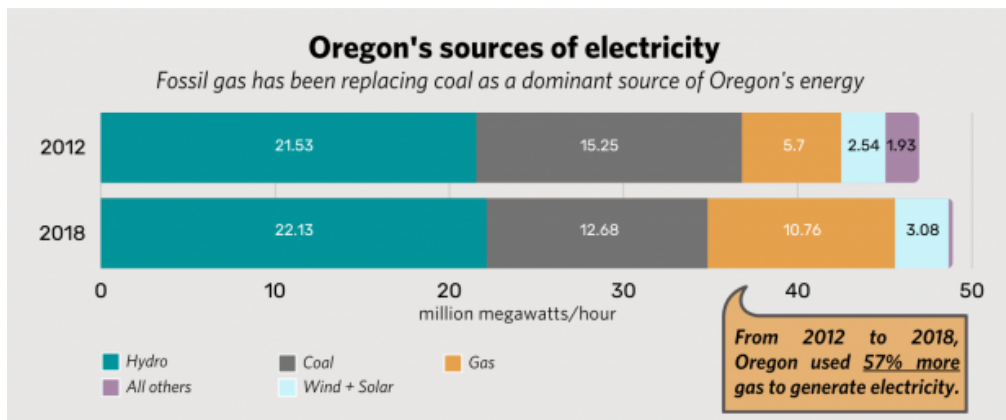
### **100% clean energy is urgently needed**

In the past twelve months both deadly wildfires and disruptive ice storms have harmed Oregonians, our homes, and our economy. These climate disruptions must be addressed with policies that address their root cause: climate pollution. 100% clean electricity policies are a proven policy solution and foundation for a clean energy powered economy. Oregon has no competitive advantage when it comes to fossil fuels. In fact, importing fossil fuels means we are merely exporting energy dollars. With a strong 100% Clean policy in place, Oregon can boost economic development, create good jobs, grow community resiliency, and improve health.

Despite all our work to date to clean up our electrical grid, Oregon still gets **half** its power from fossil fuels and is currently projected to become the dirtiest energy grid on the West Coast. Washington and California have enacted laws putting them on track to 100% clean energy by 2045, but we have not. Thanks to Oregon's Coal to Clean law (SB 1547 (2016)), dirty coal plants will be phased out as an energy source for Oregon's electric grid by 2030. However, so far, retiring coal plants have been largely replaced by increasing our state's reliance on fossil gas power plants. The Oregon Department of Energy tracked a whopping 57% increase in fossil gas in Oregon's electricity resource mix just over six years, between 2012 to 2018. Fossil gas use is now the second-largest source of greenhouse gas pollution in Oregon (22%)—we currently use (primarily fracked) gas for generating electricity, heating buildings and industrial processes.

To chart a better course for Oregon, we need a new 'north star' of 100% clean energy. Our electric system cannot continue to rely on uncontrolled fossil gas. With amendments, 100% Clean policy (HB 2021) will enable us to rapidly shift our electric mix from fossil fuel reliance to being powered entirely by

affordable, non-polluting sources like solar, wind, and innovative energy storage technologies by the year 2040. With targets along the way, HB 2021 will ensure our utilities are rapidly decarbonizing, achieving 80% clean by 2030, 90% clean by 2035, and 100% clean by 2040. The bill also wisely prohibits permitting any more new fossil gas plants to be built in Oregon. As Dr. Teplin from RMI showed in his testimony last week, renewable energy is already more cost-effective than new fossil gas plants. Fossil gas plants have a high risk of becoming stranded assets, which is a bad investment for ratepayers.



Source: Oregon Department of Energy / Jonathan Toshio Lee

### 100% clean energy is the foundation to a clean economy

Not only is it possible, 100% Clean Electricity policy is also mission critical to deeply decarbonize Oregon's economy.<sup>1</sup> Numerous studies covering different geographies (including the Pacific Northwest) have all reached a similar conclusion: in order to achieve meaningful economy-wide greenhouse gas emissions reductions, the electricity sector must approach zero emissions. A zero-emission electric sector will serve as the clean energy backbone to power our buildings, transportation, and industries.

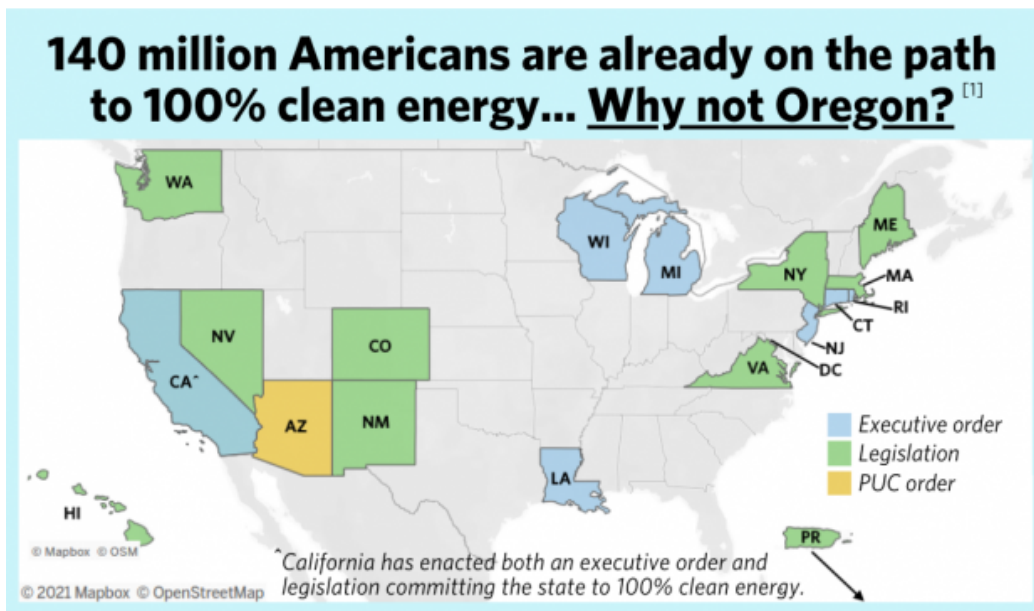
We also cannot meet Oregon's climate goals in the transportation sector without a zero carbon grid.<sup>2</sup> The transportation sector is Oregon's biggest source of climate pollution. Air pollution from this sector disproportionately harms low-income and Black, Indigenous and People of Color (BIPOC) communities living near highways, ports and other pollution hot spots first and worst. We must rapidly electrify our transportation sector (along with increasing transit, walking and biking choices) in order to achieve our climate goals and improve public health for all Oregonians. However, we will fall short if we just swap fossil fuels like gas and diesel for a fossil-heavy grid. A 100% clean policy ensures that the electricity fueling our vehicles comes from renewable sources. 100% clean electricity, paired with electrifying everything from cars and delivery trucks to homes and buildings, will lead to better air quality and health, reduce how much money we spend for our power and getting around, and address Oregon's share of the pollution fueling the climate crisis.

### 100% clean energy is a proven policy tool

<sup>1</sup> Climate Solutions, Within Reach: The Path to 100% Fossil-Free Electricity in the Pacific Northwest, (September 2018), [https://www.climatesolutions.org/sites/default/files/uploads/pdf/within\\_reach-climate\\_solutions\\_sept2018\\_0.pdf](https://www.climatesolutions.org/sites/default/files/uploads/pdf/within_reach-climate_solutions_sept2018_0.pdf)

<sup>2</sup> Climate Solutions, Transforming our Transportation Report (September 2020), <https://www.climatesolutions.org/resources/reports/transforming-our-transportation>

Research confirms that the transition to a fossil-free grid can be affordable and feasible with technologies that exist today.<sup>3</sup> Statewide commitments to attain 100% clean energy are neither a new nor revolutionary concept at this point either. Eight US states have already adopted 100% clean electricity policies, including our West Coast neighbors to the north and south.<sup>4</sup>



Source: [Clean Energy States Alliance](#) / Jonathan Toshio Lee

In fact, we can look to Washington’s experience already since passing their 100% clean energy legislation in 2019: the Clean Energy Transformation Act (CETA). They have seen their utilities procure drastically more clean energy resources and build more projects in Washington and Oregon already with good labor standards. All this while also modeling a *reduction* in their wholesale power prices. Here are the drastic change in the Integrated Resource Plan (IRP) by Puget Sound Energy (PSE), Washington’s largest energy utility, before and after the passage of CETA:

PSE’s IRP in 2017 (before CETA passed) included:<sup>5</sup>

- **486 megawatts (MW) solar by 2037**
- **0 MW of wind**
- **937 MW of Distributed Energy Resources (DERS, which included energy conservation, demand response, and storage)**

PSE’s draft IRP in 2021 (after CETA passed) included:<sup>6</sup>

- **1,898 MW of Renewable Energy by 2030** (including solar, wind, etc.)

<sup>3</sup> E.g., Berkeley, Goldman School of Public Policy, “2035 Electric Decarbonization Modeling Study,” 2020: <https://gspp.berkeley.edu/faculty-and-impact/centers/cepp/projects/2035-electric-decarbonization-modeling-study>

<sup>4</sup> Clean Energy States Alliance, “Map and Timeline of 100% Clean Energy States,” accessed March 21, 2021: <https://www.cesa.org/projects/100-clean-energy-collaborative/map-and-timeline-of-100-clean-energy-states/>

<sup>5</sup> PSE Integrated Resource Plan, “Resource Plan Decisions”, 2017: [https://www.pse.com/-/media/PDFs/001-Energy-Supply/001-Resource-Planning/02\\_IRP17\\_Ch2\\_102017b.pdf](https://www.pse.com/-/media/PDFs/001-Energy-Supply/001-Resource-Planning/02_IRP17_Ch2_102017b.pdf)

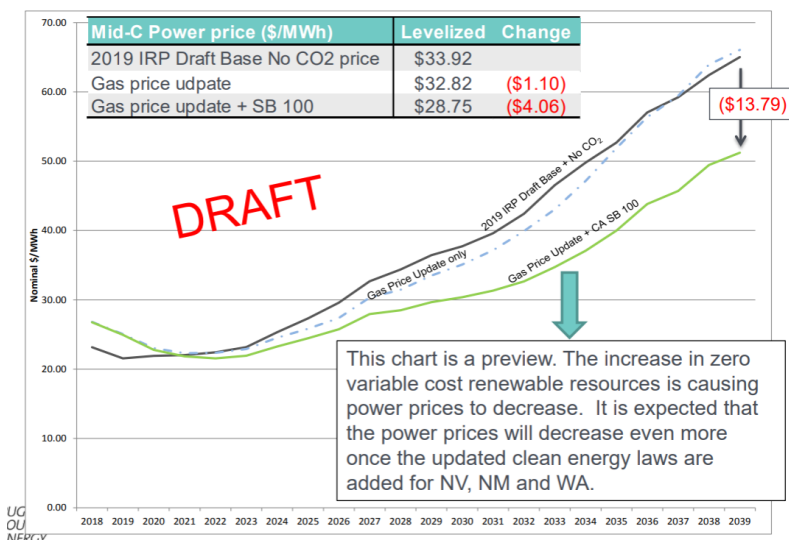
<sup>6</sup> PSE Draft Integrated Resource Plan, February 26, 2021: [https://oohpseirp.blob.core.windows.net/media/Default/Reports/Draft/General/UE-200304-UG-200305-PSE-Presentation-2021-IRP-\(02-19-21\).pdf](https://oohpseirp.blob.core.windows.net/media/Default/Reports/Draft/General/UE-200304-UG-200305-PSE-Presentation-2021-IRP-(02-19-21).pdf)

- **3,249 MW of DERs by 2045** (including energy conservation, demand response, storage, and distributed solar energy projects)

**These are not just numbers, but represent real projects in primarily rural parts of the state and broader region that bring jobs, property tax revenues and clean energy investment with them.** For example, some of the projects being built already since CETA passed in 2019 include:

- Rattlesnake Flats wind farm, a Clearway project contracted for Avista that broke ground in May 2020.<sup>7</sup> This wind farm creates an estimated 250 construction jobs with high labor standards, and has led to millions of dollars invested in Eastern Washington.
- PSE is moving forward with a new Golden Hills 200 MW wind farm built by Avangrid, located in Sherman County.<sup>8</sup> It will be coming online in 2021. It is estimated to create 250 construction jobs & generate \$220 million for the 37 local land owners and local taxes over the lifetime of the project in Eastern Oregon. This project serves as a good reminder that Oregon benefits from neighboring states’ clean energy policies too. We move forward as a region.

Moreover, PSE estimates that the increase in clean energy, i.e., “zero variable cost renewable resources” due to 100% clean laws is causing wholesale power prices to decrease compared to before 100% clean laws were passed. This graph was included in PSE’s draft 2019 IRP. The prices modeled included California’s 100% clean law, but not the 100% clean laws that then passed in 2019 in Nevada, New Mexico and Washington - which are expected by PSE to decrease power prices even more.



Oregon is ready to transition off dirty fossil fuels like coal and fossil gas, to clean, affordable, reliable energy sources like wind and solar. If designed well, our state can similarly expect to create good paying jobs, protect our health and climate, and re-establish Oregon as a leader in renewable energy innovation.

### 100% clean energy creates jobs

<sup>7</sup> Energy Central, “Construction Started on Clearway’s 160 MW Rattlesnake Flat Wind Farm in Washington,” May 18, 2020: <https://energycentral.com/news/construction-started-clearways-160-mw-rattlesnake-flat-wind-farm-washington>

<sup>8</sup> PSE, “Puget Sound Energy and Avangrid Renewables Announce Power Purchase Agreement; Construction of New Wind Farm,” August 18, 2020, <https://www.pse.com/press-release/details/puget-sound-energy-and-avangrid-renewables>

In 2019, Oregon’s clean energy sector created over 55,000 job opportunities in every corner of our state. Clean energy industries have not been exempt from the effects of the ongoing COVID-19 pandemic as the latest Clean Jobs Oregon report by E2 and Oregon Business for Climate makes clear.<sup>9</sup> However, as our country steers toward a post-COVID-19 economic recovery, we have a critical opportunity to add thousands of family-wage jobs, address the worsening climate crisis, and kickstart our just transition to a clean energy future—by investing in the clean energy sector. The renewable energy market has grown steadily in the past decade, and more industry experts and financial advisors than ever are pointing to the writing on the wall: renewables—not fossil fuels—are the sure-bet energy investment of the future. Oregon should be doubling down on its commitment to clean energy technologies, and pairing it with a prevailing wage, apprenticeships and benefits for the workers who are making our clean energy future a reality.

### **100% clean energy strengthens communities**

With the COVID-19 pandemic, devastating wildfires, and widespread unemployment, there’s never been a more important time for energy policy that helps Oregonians recover and build back even stronger than before. 100% clean energy can create economic opportunities in communities across Oregon. Importantly, HB 2021 focuses on how Oregon’s transition to 100% clean energy should maximize economic opportunities and benefits for environmental justice communities. This means investing in rural and low-income communities, BIPOC communities, and Tribal Nations. Incentivizing community-based projects like on-site solar paired with storage and microgrids will increase energy independence, affordability, and disaster resilience across Oregon. Passing 100% Clean (HB 2021) this year along with the Energy Affordability bill (HB 2475) means low income families could see reduced energy bills and our state’s transition to clean energy will be more equitable.

### **100% clean energy can be our reality**

We can start reducing our climate pollution while investing in communities across Oregon this legislative session. With amendments, HB 2021-1 can be one of the foundational policies that will set Oregon on a cleaner, more resilient path. It will also allow us to continue to retool our energy infrastructure to deliver the cleaner air, energy independence, and community resilience Oregonians deserve. All this while spurring economic development and creating family-wage jobs across the state for clean energy, storage, and transmission projects.

100% clean energy policy can help communities today and future generations: clearer skies, better economic and job opportunities, more resilient communities, and equitable policies that protect Oregon’s special places and all of the people who call this magnificent state home.

We urge you to take the next step toward making this clean energy future possible voting **YES on HB 2021-5**.

Thank you,



Meredith Connolly  
Oregon Director  
Climate Solutions



Jana Gastellum  
Deputy Director  
Oregon Environmental Council

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<sup>9</sup> E2 and Oregon Business for Climate, “Clean Jobs Oregon” Report, February 2021: [https://e2.org/wp-content/uploads/2021/02/E2-Clean-Jobs-Oregon\\_February-2020.pdf](https://e2.org/wp-content/uploads/2021/02/E2-Clean-Jobs-Oregon_February-2020.pdf)

