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April 6, 2021

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The Honorable Pam Marsh Chairman, House Committee on Energy and Environment 900 Court Street NE Salem, OR 97301

RE: House Bill 3180 - Letter of Opposition

Dear Chair Marsh,

As you know, Pacific Power is a multi-state electric utility serving 2 million customers in six states across the Pacific Northwest and Rocky Mountain regions. In Oregon, we serve over 620,000 customers in 200 communities and we are committed to providing safe, affordable, and reliable energy to power their homes and businesses.

I am writing you today to share Pacific Power's opposition to House Bill 3180.

House Bill 3180 does not strike the right balance between cost and benefits. Two billion dollars in investment by 2030 is a doubling of rates for our customers or average annual rate increase of 10 percent. For comparison, our rates have increased at a rate well below inflation for nearly a decade. And that is the cost estimate before taking into consideration transmission and interconnection costs, directed by this bill to be borne by our customers—not developers. These other costs will be significant, further increasing energy burden for our customers, 12 percent of whom are currently in arrears and struggling to pay their bill as the result of the COVID-19 pandemic.

But the problem with House Bill 3180 is not the price tag—it's the policy. The primary component of the bill is a 100 percent Renewable Portfolio Standard (RPS). A 100 percent RPS does not address the critical issues of decarbonization and local resiliency for our communities, it only addresses opportunities for developers at the expense of our customers. House Bill 3180 buys one expensive tool, when what Oregonians need is a fully equipped, low-cost toolbox.

Pacific Power is committed to both local renewable development and reducing its emissions trajectory associated with providing electricity to customers in Oregon.

As has been shared, Pacific Power recently invested \$104 million to repower our Leaning Juniper wind facility in Gilliam County. We have over 500 MW of small-scale renewable projects across the state, and our innovative customer solutions resulted in 100 MW of solar development in Crook County.

PacifiCorp is also on track to reduce by 80 percent by the year 2040 its emissions from our 2010 baseline. Development of new renewables is one piece of that emissions reduction trajectory—indeed, our most recent competitive solicitation requested bids for over 4,000 MW of wind, solar, and battery storage by 2024. These new renewable resources will be acquired on a least-cost, least-risk basis resulting in not only low-cost rates, but stable rates that are retaining good Oregon jobs and attracting new investment to the rural communities we serve.

HB 3180 mandates one solution for a problem that is multi-faceted and complex. The most effective strategy for decarbonization of the electricity sector is one that relies on all the tools in the toolbox – energy efficiency, demand response measures, efficient integration of resources across the grid, market expansion, and yes – more renewables. All of these components when used flexibly together, will lead to the cleaner energy future in an economically responsible way.

We urge you to reject HB 3180 and avoid adding to customers' energy burdens and avoid reducing Oregon's competitiveness for jobs and investment.

Sincerely, Etta Lockey