



Portland General Electric

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April 8, 2021

Chair Pam Marsh
Co-Vice Chair David Brock Smith
Co-Vice Chair Ken Helm
House Energy and Environment Committee
900 Court St. NE
Salem, OR 97301

RE: Support for HB 2021 with the -5 amendments

Dear Chair Marsh, Co-Vice Chair Brock Smith, Co-Vice Chair Helm, and members of the committee:

Thank you for the opportunity to express our support for HB 2021 with the -5 amendments. Portland General Electric (PGE) is a fully integrated electric utility that serves approximately 900,000 customers representing approximately 50% of the state's population and 75% of the commercial and industrial activity in the state.

We share our customers' and our communities' vision of a clean, affordable, and reliable energy future. Late last year, PGE set ambitious climate goals to reflect the urgency in addressing climate change and to help meet our customers' expectations reliably and affordably. PGE aims to reduce greenhouse gas emissions associated with the power we serve to customers by at least 80% below 2010 levels by 2030. Plus, we have an aspirational goal of zero greenhouse gas emissions associated with the power we serve to customers by 2040. We need policy, regulatory and technology advancements to help us get there.

The electric sector is already transforming - adding significant amounts of renewables to the generation fleet and closing coal-fired generation - driven primarily by resource economics, federal incentives and existing state policies. We added 300 megawatts (MW) of new utility scale renewable projects in Oregon in the last year. More than 700 MW of new renewable resources in Oregon, including 215 MW of small scale, independently owned facilities are expected to come online and serve PGE customers in the next two years. Even with those additions, we will need another approximate 1,000 MW of new, renewable or non-emitting resources to meet our 2030 greenhouse gas reduction goal.

The electricity sector is key to decarbonizing other sectors, so electricity needs to move first and be decarbonized affordably and reliably. A carefully designed 100% clean electricity standard, like HB 2021 with the -5 amendments, can be an effective tool for driving greenhouse gas emissions out of Oregon's electric sector. The -5 amendments to HB 2021 reflect a thoughtful and effective approach to the challenges of decarbonizing the electricity sector affordably and reliably.

HB 2021 focuses on clean resources and does not pick winners and losers in non-emitting technologies. To decarbonize on the timeline that climate science requires, all non-emitting technologies must be eligible, including energy efficiency and demand response. This is an important component as valuing all non-emitting resources helps keep costs to customers low.

Oregon will play a critical role in this transition. An excellent example of an Oregon-based clean energy project is the Wheatridge Renewable Energy Facility located in Morrow County, just north of

Lexington. Wheatridge is a joint project with NextEra Energy Resources and is the nation's first triple-resource renewable energy complex, including wind, solar and battery storage. The 300 MW wind farm is now complete and began delivering power to PGE customers this past December. The 50 MW solar and 30 MW battery storage facilities are under construction and will be completed by the end of 2021. Of the total 380 MW energy complex, PGE owns just 100 MW of the wind project. We have a power purchase agreement with NextEra for 200 MW of wind and for the output of the solar and battery facilities. The partnership between the utility and developer is something we anticipate seeing more of in the future. Almost 300 jobs were created at Wheatridge during construction of the wind farm. Another 175 workers are being employed this year to build the solar and storage sites. Approximately 10 full-time employees will work for NextEra to operate the combined facilities once all three components are fully commissioned for service.

PGE also appreciates that HB 2021 with the -5 recognizes the importance of voluntary customer programs. This is a critical complement to the 100% clean policy as many of our customers and communities want to decarbonize on a faster timeframe. By establishing the framework outlined in HB 2021, local governments that want to accelerate the timeline for their communities to reach their respective climate and sustainability goals will be able to do so in partnership with their local utility. They'll be able to draw on a range of small, large, and community owned resources to meet the needs and desires of their individual communities. This creates important new opportunities for the development of community-based projects or other energy projects with resiliency, economic development or other values.

Finally, the HB 2021-5 amendments make needed changes to Oregon's 1999 electric restructuring law. The law was passed primarily to allow large customers to receive electricity from different suppliers but has been a barrier to utility proposed clean energy products for many years. The amendments modernize the existing law, enabling prudent utility programs, services and investments to reach the state's clean energy and climate objectives to move forward on a timely basis. This critical component will ensure that pursuit of the new 100% clean energy goals is not hampered by unanticipated effects of a 22-year-old law, delaying or limiting actions that reduce greenhouse gases and that employ Oregonians working to build clean energy projects in communities around our state. We appreciate stakeholders' willingness to work through this language. While the change in HB 2021-5 is not our preferred approach to this issue, it should help provide a pathway to ensure clean energy projects are well planned and brought online in a timely way.

We are grateful for the hard work of many organizations and legislators in developing this policy. The -5 amendments reflect many hours of work by a large stakeholder table. We appreciate the time invested on this important policy by all the stakeholders participating in the process so far. We urge the committee's support of HB 2021 with the -5 amendments.

Sincerely,



Dave Robertson
Vice President of Public Affairs