

May 14, 2021

To: Chair Nathanson and Members of the Committee  
From: Sharla Moffett, OBI  
RE: Remaining Concerns with HB 2021-46 Amendment

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### **Chair and Members of the Committee:**

Thank you for the opportunity to submit written testimony on this important issue for Oregon Business & Industry members. OBI is Oregon's most comprehensive business association representing approximately 1,600 businesses that employ nearly 250,000 people. We represent multiple sectors and serve as the state's Retail and Manufacturing Councils.

OBI appreciates the incredible work that has gone into HB 2021 by legislators and stakeholders. Getting to 100% clean, renewable electricity by 2040 is an ambitious and complex undertaking and we recognize the incredible progress that has been made toward finding a path forward for this bill.

Consistent with OBI's Climate Principles, our biggest concern with any carbon reduction legislation is that it must carefully balance the economic impacts with the environmental benefits of a transition to greater reliance on clean and renewable energy resources. Implementation of clean and renewable energy electricity goals must protect residential, commercial, and industrial customers of electric utilities from the shock of sudden and steep electricity price increases.

We have a few concerns with the bill as it will place a heavy burden on investor-owned utilities, which will, in turn, be passed on to ratepayers. Cost concerns are particularly critical for industrial and manufacturing customers who will also be impacted by the rulemakings at numerous state agencies relative to greenhouse gas reduction targets in the Governor Brown's executive order. All Oregonians will shoulder the cost increases, which could be particularly dramatic for businesses when we look at the totality of carbon regulation in progress statewide.

There are two issues we believe the Committee should carefully consider:

- The community-based renewables provisions should not be expanded beyond what is being proposed in the -46 amendments.
- The labor standards set a concerning precedent for prevailing wage on private sector funded projects, which will undoubtedly add cost.

We believe these two provisions should be addressed in the bill in a way that will ensure system reliability and protect customers from rate hikes. We urge the Committee to thoughtfully weigh the environmental benefits with the economic impacts on Oregon utility customers as it considers this bill.

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