

Portland General Electric Comments on HB 2816: High Energy Use Facilities

**House Committee on Climate, Energy, and Environment
February 22, 2023**

In 2021, PGE collaborated with lawmakers and stakeholders to pass HB 2021, one of the most ambitious emissions reduction requirements for the power sector in the country. This coming month, we will file our first combined Clean Energy Plan and Integrated Resource Plan, outlining a plan for near-term clean energy resource procurement that supports the path toward the 2030 target required in HB 2021. Because PGE is already working to reduce the emissions associated with the power we serve our customers as required by HB 2021, data centers in PGE service area are not directly regulated by HB 2816 for their emissions for electricity consumption. We appreciate that HB 2816 uses similar reduction targets as those required of PGE and Pacific Power under HB 2021, and that the bill upholds the principle that customers buying electricity from someone other than their utility be held to an equivalent GHG reduction standard. However, House Bill 2816 is significant energy policy for Oregon, and we urge careful consideration of the following:

Approach to decarbonization and the role of renewable energy certificates: House Bill 2021 took a direct and straightforward approach to decarbonizing the electricity sector by focusing on reducing actual tons of greenhouse gas emissions. The bill was clear that renewable energy certificates (REC) have no place in the compliance structure. A REC does not make a natural gas resource emissions free, and the lack of a REC does not make a wind resource emit greenhouse gas.

RECs are appropriately used for renewable portfolio standard compliance and allow claims for voluntary purchases of renewable electricity. But greenhouse gas regulations must be based on actual emissions, as is HB 2021, because it is the actual emissions that matter, not who can claim the reduction. House Bill 2816 and the -2 are inconsistent with this approach where it allows the use of renewable energy certificates for compliance.

Regulating end users rather than electricity suppliers: HB 2816 proposes to directly regulate facilities for their electricity use. This is appropriate for emissions from electricity generated on-site (ie, a data center for emissions resulting from generating baseload electricity on site). PGE believes the best policy for decarbonizing electricity is regulation of the electricity supplier, not the customer using the electricity as proposed by HB 2816, unless the end customer is producing electricity themselves on site.

Contact: *Chloe Becker, State Legislative Affairs Manager, chloe.becker@pgn.com*

