



March 15, 2023

Oregon State Legislature  
House Committee on Climate, Energy and Environment  
900 Court St. NE  
Salem, OR 97301

RE: House Bill 3004, Relating to renewable energy resource development.

Chair Dembrow and Members of the Committee:

On behalf of the Oregon Chapter Sierra Club's 74,000 members and supporters, we appreciate this opportunity to submit testimony in support of HB 3004. We strongly urge you to vote YES to advance this bill that will put Oregon on a path toward a more resilient community, distributed generation and storage electric infrastructure with the development of eligible 1) nonemitting renewable energy resources (primarily solar herein), i.e., they do not emit carbon dioxide when they generate energy; 2) energy storage; 3) interconnection facilities; and 4) PUC and Dept. of Energy incentives. This bill rewards the trust that the people of Oregon have placed in our state government to address critical climate and energy resilience needs and goals for the public good.

The Oregon Chapter Sierra Club supports HB 3004 as a comprehensive, forward-looking bill that requires Oregon Dept. of Energy to study and prescribe the development of nonemitting renewable energy resources to timely achieve the state's current Renewable Portfolio Standard (RPS) objectives. Oregon's RPS requires 50% of energy sold by Oregon electric utilities to be obtained from renewable sources by 2040. Retail electricity providers are required by law to reduce annual GHG emissions by 80% below baseline emissions level by 2030, by 90% below baseline emissions level by 2035, and by 100% below baseline emissions level by 2040. HB 3004 is a tool to jumpstart action on these mandates.

Meeting these requirements obligates the state to exceed energy conservation and efficiency strategies, and to widen the window of opportunity, criteria and mechanisms to achieve its RPS objectives. It is stipulated in the bill that such Oregon-only-sited, newly constructed infrastructure utilizing nonemitting renewable energy resources, transmission, and storage facilities must be certified as ready for service on or after January 1, 2025, and on or before December 31, 2029. Such new facilities will add capacity and resiliency to the state's electrical system, and are further incentivized in the bill by available grants. Let the astute planning begin!

HB 3004 outlines rule-making for: 1) eligibility prescriptions for community solar facilities; 2) eligibility prescriptions for community solar facility ownership, i.e., "owned in whole by a person or persons that are not an electric utility, an electric utility holding company, an affiliated interest or any combination thereof"; 3) establishment of fees in lieu of tax payments on facilities, and eligibility requirements; 4) implementation of tax credits for income or corporate tax credits for transmission service expenses, plus eligibility requirements; 5) establishment of a Dept. of Energy grants program to offset the costs of

developing eligible interconnection facilities, plus eligibility requirements of grantees; and 6) establishment of PUC reimbursement rules for interconnection customer network upgrade costs.

Furthermore, this bill incentivizes new (i.e., first operational on or after January 1, 2025 up to January 1, 2031) solar and wind generating and storage facilities built exclusively in Oregon, and specifically excludes preexisting electric utilities or holding companies. This bill primarily relates to development of new eligible community solar electric utility and energy storage facility infrastructure. Eligible wind generation facilities are addressed relative to transmission or distribution services.

In addition, HB 3004 requires new eligible electric generation and storage facilities to have a signed interconnection agreement with BPA or other electric utility effective after January 1, 2024. It authorizes 15 years of business tax liability credit incentives for owners. It charges the Depts. of Revenue and Energy to create rulemaking to accommodate the new incentives, and the PUC to adopt oversight rules protecting subscribers from undue financial hardship. These considerations are critical structural pieces to implement the meat of this bill.

HB 3004 sets shareholder, owner, subscriber and ratepayer provisions and guardrails for cost sharing, cost-shifting, timeframe, service territory, location, subscription, subscriber-owner bill credit, income and corporate tax credit, interconnection network upgrades, Public Utility Commission, public interest, and other pertinent implementation and operational factors. This bill will help to establish a network of distributed generation and storage projects that will fuel job growth and strengthen Oregon's ongoing economic opportunities and stability.

The Oregon Sierra Club asks the Legislature to address concerns about siting of infrastructure facilities incentivized in HB 3004. Preserving Nature, open lands and vistas are strong Oregon values. What land and other environmental analysis and protection ground rules will be instituted so that wildlife corridors, feeding and breeding grounds are not fragmented? So that wildlife habitat remains a priority siting value consideration? So that already developed land is preferred over native wilds? So that agricultural lands are adapted to stay in production (e.g., elevated solar panels)? So that fire circumvention is a high priority? As new solar and energy storage technologies are developed, what flexibilities will be built in to incentivize and harness those efficiencies?

The Oregon Sierra Club believes that HB 3004 will help put in place the innards and essential "wiring" for Oregon to act on its public trust duty to expeditiously empower the state to transition to the nonemitting renewable energy basis envisioned/mandated by government leaders and citizens, another hopeful stride toward a more sustainable, diverse, equitable and livable energy and climate present and future.

Respectfully submitted,

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Legislative Committee  
Oregon Chapter Sierra Club