

Submitter: John Perona
On Behalf Of:
Committee: House Committee On Climate, Energy, and Environment
Measure, Appointment or Topic: HB3546

Thank you for the opportunity to submit testimony for HB 3546. I write in SUPPORT of the bill.

I am Professor (emeritus) of Chemistry at Portland State University and author of the climate change science/policy text for laypersons titled From Knowledge to Power, which has been widely circulated in Oregon.

I support this bill because the surge in electricity demand from large data centers is negatively impacting other electricity consumers, who are already beginning to pay higher rates.

This is well-documented in a just-published peer-reviewed study from Harvard University, see <https://eelp.law.harvard.edu/extracting-profits-from-the-public-how-utility-ratepayers-are-paying-for-big-techs-power/>

Under current electricity pricing approaches, electric companies like PGE and PacifiCorp have an incentive to preferentially serve data centers. This is because the data centers' need for a great deal of power incentivizes the utilities to engage in profit-making buildout of more electric power plants. Other electricity consumers, including low-income residential consumers, are in turn charged higher rates - while the benefit of the new infrastructure built on their money goes mainly to the big data centers.

I support this bill because it provides a corrective to this damaging and unfair new dynamic in electricity markets. There are three main reasons I support the bill:

First, under this bill, Oregon's Public Utility Commission will require electric companies to enter into contracts of at least 10 years duration with big data centers that use 20 MW or more power. These contracts must require the data center to pay a minimum amount based on their electricity usage, and this amount may include further charges for excess demand.

Second, bill also assigns the costs of serving this new class of big data center consumers to the data centers themselves.

Third, the bill requires the electric companies to mitigate the risks to other consumers. The electric companies' servicing of the data centers is expensive. Under this part of the bill, current ratepayers will not be on the hook for paying those added

costs.

Together, these provisions offer a potentially powerful remedy to ensure that Oregon ratepayers - especially low-income ratepayers - will not have to bear the costs associated with any constraints to electricity supply caused by the power demands of the big data centers.

We will hopefully see how well these provisions actually work. I would note that another step could be for the legislature to simply require all new big data centers who want to set up shop in Oregon to generate their own carbon-free electricity, perhaps entirely off the grid.

Thank you the opportunity to testify in SUPPORT of HB 3546.