



March 7, 2025

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

Re: HB 3546 - SUPPORT

Dear Chair Lively, Vice Chairs Gamba and Levy, and Members of the Committee,

Climate Solutions is a regional nonprofit working to accelerate clean energy solutions to the climate crisis. On behalf of our thousands of members statewide, **we urge you to support HB 3546, the Protecting Oregonians with Energy Responsibility (POWER) Act.**

Oregonians across the state are struggling to keep up with rising utility bills. High energy costs exacerbate our housing affordability crisis, weaken our resilience to climate-driven disasters, and hinder our ability to invest in a clean energy future. A major driver of increasing energy demand—and rising costs—is the rapid expansion of data centers.

Oregon is now home to the fifth-largest data center market in the nation. These facilities play an important role in our economy and support many digital services in our lives. Along with the benefits of data centers, however, comes increased strain on our electricity system and significant added costs to the system. The expanding AI technology boom will compound data center energy demand and hyperscaling cryptocurrency operations. The Northwest Power and Conservation Council projects that data centers in the Pacific Northwest could consume over 4,000 megawatts by 2029—enough energy to power the city of Seattle five times over.¹ The AI boom and hyperscaling cryptocurrency operations will only increase this demand, requiring substantial and costly grid upgrades.

HB 3546 is a commonsense solution to ensure these large energy users pay their fair share for the costly grid upgrades needed to support their growing demand. Without action, Oregon families and small businesses will be left footing the bill for these costs. That is not fair, and HB 3546 will make sure that doesn't happen.

¹ Northwest Power and Conservation Council, Pacific Northwest Power Supply Adequacy Assessment for 2029, August 9, 2024, accessible at: <https://www.nwcouncil.org/energy/data-center-power-demand-is-on-target-in-northwest-council-expects-demand-to-increase-steadily/#:~:text=To%20better%20understand%20trends%20and,300%20million%20photos%20per%20day>.

As the committee heard during the public hearing on HB 3546, many states, including Texas, Indiana, New York, Ohio, Connecticut, California, and Vermont, are taking proactive steps to address the impact of data centers on energy rates and grid reliability. What we've seen in states that have adopted such frameworks is that protecting ratepayers from data centers' energy costs does not come at the expense of data center expansion.² These examples demonstrate that rate structures are not a major decision-making factor for tech companies in determining where to invest in and expand data center infrastructure. HB 3546 offers a balanced approach that will protect Oregon households and small businesses while maintaining an attractive business environment for tech investment.

HB 3546 is rightfully focused on data centers rather than all large energy users because these facilities are fundamentally different from other industrial customers. Unlike manufacturing facilities, which ramp up gradually and operate with predictable energy use, data centers often come online quickly and impose significant and immediate stress on the grid. Data centers are the fastest-growing energy users, and their unique demand profile necessitates a tailored regulatory approach. If we find that advanced manufacturing begins to have the same unique and unprecedented features of data centers, this bill does not preclude us from adding these large users into this rate class in the future.

By creating a new customer category for data centers, HB 3546 will ensure their costs are properly tracked and billed—just as consumer-owned utilities in Bonneville Power Authority (BPA) territory already do. This will give the Public Utility Commission and investor-owned utilities (IOUs) the tools they need to protect Oregon households from unfair cost burdens. This bill levels the playing field by giving IOUs and the PUC the same tools that consumer-owned utilities already have to allocate grid costs fairly.

The bill will also ensure that utilities can plan for how to reliably provide electricity to everyone by requiring data centers to commit to paying for minimum energy use and absorbing the costs of excess consumption. This provides utilities with the certainty they need to make long-term infrastructure investments while avoiding unnecessary costs that would otherwise be pushed onto ratepayers.

This bill is about fairness, affordability, and reliability. We strongly urge your support on HB 3546 to protect families, small businesses, and our clean energy future.

Sincerely,

Nora Apter
Oregon Director
Climate Solutions

² Utility Dive, "Indiana Michigan Power, Amazon, Google, others agree on large load interconnection rules," November 25, 2024, accessible at:

<https://www.utilitydive.com/news/indiana-michigan-power-aep-amazon-google-microsoft-data-center-interconnect/733850/> and Renewable Energy World, "Midwest utility reaches deal with tech giants on data centers," November 25, 2024, accessible at: <https://www.renewableenergyworld.com/energy-business/policy-and-regulation/midwest-utility-reaches-deal-with-tech-giants-on-data-centers/>