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LIBBY CALNON, General Manager

March 1, 2019

Joint Committee on Carbon Reduction
Oregon State Capitol
900 Court St NE
Salem, OR 97301
Submitted via email to jccr.exhibits@oregonlegislature.gov

Dear Co-Chairs Dembrow and Power, Co-Vice Chairs Bentz and Smith, and Members of the Committee:

Good afternoon and thank you for being here. I am Libby Calnon, the General Manager of Hood River Electric Cooperative. We serve 2,800 members in the beautiful Hood River Valley. Representative Helm, we're proud that you are one of our members. Our logo has an apple and a pear in it to signify the importance of agriculture in our community, as many of our members are involved in fruit production. We also serve manufacturing companies that provide good jobs for our members, in competitive industries with tight margins.

We wish to thank the Carbon Policy Committee for working constructively with the Oregon Rural Electric Cooperative Association on provisions that impact our power supplier, the Bonneville Power Administration. We believe there is now a greater understanding of Bonneville, of consumer-owned utilities like ours, and of the role that the federal hydropower system can play in helping Oregon meet its greenhouse gas targets.

We are working to improve this bill for Oregon electric cooperatives and our members. BPA provides us with a clean, 96% carbon free resource, but it makes some market purchases to help meet demand. HB 2020 provides for an initial direct distribution of 100 percent of allowances to BPA based on "representative years." In order to provide certainty to BPA and its customers about our starting point, we urge the Committee to define this term as average historic emissions attributable to the Federal Columbia River Power System starting in 2002 until the most recent reporting year. This starting point would give a more accurate snapshot of the variability of the BPA hydro system. ORECA is supporting an amendment to the bill to provide this certainty.

We are also concerned about gas prices. Because of high housing costs in Hood River county, one of the things I heard from my members when I became manager was that their employees live in neighboring counties and travel long distances to work. The people and companies that spur our rural economy are very important to us, and the estimated 16 cent per gallon rise in gas prices could disproportionately affect them and reduce the distance people are willing to travel for work. I'm also concerned about the impact of increasing natural gas costs on my manufacturing members who rely on that resource and compete in low-margin industries.

Thank you for the opportunity to comment. If you'd like to visit further, I can be reached at (541) 436-8573 or libbyc@hrec.coop.

Sincerely,

Libby Calnon, General Manager