

March 23, 2019

The Honorable Representative Ken Helm

Oregon House of Representatives

RE: HB 2857 Support for Community Renewable Facilities

Chairman Helm,

I support passage of HB 2857. Over the past 15 years, our state's legislative body has repeatedly supported the increased development of clean distributed electrical energy in our state. Legislators understand the widely accepted benefits associated with such development, the diversity of generation types, the increased stability and resiliency associated with such development and the benefit of competition inherent to independent power production. Legislators also understand the economic benefits that typically surround small rural communities when new qualifying facilities are constructed.

The Oregon legislature included the 8% Goal in SB 838 in 2007. SB 838 directed that *"All agencies of the executive department as defined in ORS 174.112 shall establish policies and procedures promoting the goal declared in this section"*. I believe this provision was ignored by all regulators. The legislators changed the Goal to a requirement in HB 1547, ten years later, and again it appears that the legislature's intentions are not being met.

The establishment of Distributed Energy or Qualifying Facilities as a significant portion of our states energy portfolio is seen as a major threat by Investor Owned Utilities. Utility owned resources are investments for which they receive guaranteed returns. Smaller projects owned by independent power producers who sell their power under contract do not provide such a return to the IOUs. This fact explains their efforts to squelch independent power and the Qualifying Facilities. The relationship between the IOUs and the Oregon PUC, in my opinion has become one of too much comfort in preserving the status quo.

HB 2857 will level the playing field and allow the Legislative intent to occur, to diversify our energy portfolio, support the competitive nature of independent power producers and spread the economic benefits of clean energy development.

I have personally worked to develop several qualifying facilities including two that were in conjunction with Sherman Co. The frustration associated with working through the Oregon version of PURPA is not at all conducive to increased development. None of our developments were successful. HB 2857 is a good fix.

Thank you for considering my thoughts.

Sincerely,

Don Coats

Past Chair CREA

Retired Wheat Grower

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