



SPRINGFIELD UTILITY BOARD

MAIN OFFICE 250 A Street, PO Box 300 Springfield, OR 97477-0077 Tel 541.746.8451 Fax 541.746.0230 www.subutil.com
March 27, 2019

Representative Ken Helm, Chair
Honorable Committee members
House Committee on Energy and Environment

Re: HB 2857 and HB 3274 Testimony for the Record

Springfield Utility Board (SUB) appreciates this opportunity to provide information to the legislature regarding HB 2857 (Requires eight percent of electricity sold in this state by each electric company that makes sales to 25,000 or more retail electricity consumers to be generated by small-scale renewable energy facilities or certain biomass facilities).

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a municipal utility that serves Springfield, Oregon. SUB is also a member of the Oregon Municipal Electric Utilities Association (OMEU).

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Sound by Sound Performance

Consideration of Scale – P

Concerns raised during testimony that consumer electricity rates would increase.

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Table with 2 columns: Metric and Value. Rows include: Residential electricity demand (2,500,000 kilowatt-hours), Commercial electricity demand (1,500,000 kilowatt-hours), Industrial electricity demand (1,000,000 kilowatt-hours), and Total electricity demand (5,000,000 kilowatt-hours).

According to the Oregon Public Utility Commission (PUC) and OREGON Sustainability Board, utility rates will increase by 1.5% to 2.0% annually. SUB currently generates approximately 10% of its electricity from renewable energy sources.

for PGE to be equivalent in terms of total load vs SUB, PGE would have to allow up to ~6,000kW for individual net metering projects. In terms of scale and the ability to integrate loads reliably, affordably, and safely, OMEU members are out performing PGE in terms of current state requirements.

The testimony that asserts that IOUs are outperforming OMEU members in this context is like arguing a heavyweight should fight a flyweight. This argument is, at best, a curious distraction. These are wildly different weight classes – for good reason due to the laws of physics (force = mass times acceleration). SUB suggests that the real question is: How does a champion flyweight compare point per pound with a champion heavyweight?

### **Federal and State Compliance**

During public testimony on 3/26/2019, the following statement was made:

“Generally, one of the reasons why we have over 40 years of experience with PURPA is that the investor owned utilities have been the most compliant with PURPA. PURPA applies to every load serving utility in the nation under federal law and yet the consumer owned utilities typically have not had a high compliance rate because they are self-governing, they set their own avoided cost rate they don’t have the same independent oversight that the IOUs do...”

The Public Utilities Regulatory Policies Act (PURPA) was enacted in 1978 as part of the National Energy Act. PURPA was amended in 2005 by the Energy Policy Act of 2005. Implementation of PURPA is directed at the state level as long as the state is conforming to the minimum guidelines under Federal law. The Federal Energy Regulatory Commission (FERC) oversees PURPA federal compliance.

The items raised by testimony (self-governing, avoided cost, independent oversight) have no direct connection to PURPA compliance. They are elements that are part of the PURPA process and as long as an entity is following PURPA requirements using those elements, they are in full compliance. Different rules may appropriately apply, but if an entity is abiding by the rules they are in compliance. Reviewing historic records, SUB can find no record of non-compliance related to a FERC or state PURPA process for SUB or the other OMEU members.

Respectfully submitted,



Jeff Nelson, General Manager  
Springfield Utility Board