



## Before the Senate Committee on Environment and Natural Resources

## Comments of Renewable Energy Coalition and Northwest & Intermountain Power Producers Coalition in Opposition to HB 4067-A

February 19, 2020

The Honorable Michael Dembrow Chair of the Senate Committee on Environment and Natural Resources 900 Court St. NE Salem, OR 97301

## RE: Opposition to HB 4067 in current form

Chair Dembrow and Committee Members:

The **Renewable Energy Coalition** ("**REC**")<sup>1</sup> and Northwest and Intermountain Power Producers Coalition ("<u>NIPPC</u>" and collectively with REC, "<u>NIPPC/REC</u>") appreciates this opportunity to comment on HB 4067-A.<sup>2</sup> NIPPC/REC opposes this bill in its current form and urges adoption of an amendment or, in the absence of amendment, rejection of the bill. NIPPC/ REC's specific amendment is to remove the word "retail" on page 3 of the printed bill.

The scope and mandate of the Oregon Public Utility Commission (the "<u>OPUC</u>") is determined by the legislature, which (1) requires the OPUC to balance the interests of customers and utility companies

<sup>&</sup>lt;sup>1</sup> The Renewable Energy Coalition was established in 2009, and is comprised of nearly forty members who own and operate over fifty renewable energy projects or are attempting to develop new projects. Members of REC include irrigation districts, water and waste management districts, corporations, small utilities, and individuals. REC works to ensure that small renewable generation projects continue to make an important contribution to the future of energy and is open to all technology types. A list of REC's current members can be found here: <a href="http://www.recoalition.com">http://www.recoalition.com</a>

<sup>&</sup>lt;sup>2</sup> NIPPC is a coalition comprised of independent power producers, power marketers, non-utility electricity service and independent transmission companies, located in the Pacific Northwest and Intermountain West. NIPPC members collectively have invested billions of dollars in over 4,000 MW of generation resources, and are responsible for development of a substantial portion of renewable generation assets in the region. A list of current NIPPC members can be found at <u>http://www.nippc.org/info/members.tpl.</u>





by ensuring that rates are both fair and provide adequate revenue for utilities to be financially sound (ORS 756.040); and (2) requires the OPUC to develop policies to eliminate barriers to the development of a competitive retail market structure, mitigate the vertical and horizontal market power of incumbent electric companies, prohibit preferential treatment, or the appearance of such treatment, of generation or market affiliates and determine the electricity services likely to be competitive (ORS 757.646).

HB 4067-A appears intended to authorize the OPUC to consider differential energy burden, environmental justice factors and other inequities of affordability in rates. NIPPC/REC supports these laudable concepts. In fact, NIPPC/REC have actively supported bills in prior sessions that would grant the OPUC express authorization to consider environmental and environmental justice goals in its decision making, including acting as one of the lead proponents of Senate Bill 978 (2017) and drafting HB 2855 (2019). Similar to HB 4067-A, HB 2855 specifically amended the OPUC's enabling statutes to require the OPUC to encourage, among other things, social equity, environmental justice, the enhancement of the environment, greenhouse gas emissions reductions, the fulfillment of the state's energy and climate policies and the health of the state's economy. NIPPC/REC continues to support these concepts, and did not oppose prior versions of HB 4067 (such as HB 2422 in 2019) that avoided the issue described below.

The version of the HB 4067 currently before this committee – HB 4067-A Engrossed – by contrast, contains a provision that NIPPC/REC believes creates a harmful and unintended consequence by restricting the Commission's ability to award financial assistance in advocacy proceedings. This provision would limit assistance to groups that represent the "broad interest of *retail* customers" [emphasis added] rather than groups representing "broad customer interests." While this change may appear innocuous, it could have serious and unintended consequences. Many NIPPC/REC members, particularly those actively developing new renewable power resources that benefit the state as a whole and help reduce the region's dependence on fossil fuels, are customers of the utilities, but may not necessarily be considered "retail" customers of the utilities. NIPPC/REC is concerned that this language could be interpreted in a manner that limits existing opportunities for renewable power developers to seek financial assistance under existing law. This is an issue currently before the OPUC, and the legislature should not take action to potentially limit eligibility prior to the OPUC addressing this question. NIPPC/REC submits that this





potential limitation may not have been the intent of HB 4067-A, has not been vetted in a meaningful manner, and is not consistent with the public interest.

Because of this concern, NIPPC/REC oppose HB 4067-A as currently written and asks the committee to amend the legislation to address this concern or, in the absence of an amendment, to reject the legislation. NIPPC/REC remains hopeful that it can support a final bill consistent with the organization's position in favor of expanding access to financial assistance for more intervenors.