Oregon House Committee on Environment and Energy - January 25, 2021

Testimony of Mike McArthur, Executive Director, Community Renewable Energy Association

> The Community Renewable Energy Association (CREA) was founded in 2007 to bring together local governments and renewable energy developers and other interested parties to work on supporting small scale, local renewable energy projects. It is organized under ORS Chapter 190 as an intergovernmental public entity.

> https://www.community-renewables.org

> CREA, several developers and renewable energy advocate organizations have been involved in proceedings before the Oregon Public Utility Commission regarding issues in implementing the Oregon version of the Federal Law know as the Public Utility Policy Regulatory ACT (PURPA).

"PURPA was originally passed with the intention of conserving electric energy, increasing efficiency in facilities and resources used by utility companies, making retail rates for electric consumers more fair, speeding up the creation of hydroelectric energy production at small dams, and conserving natural gas.[2]
The main vehicle that the PURPA law used to try and accomplish these goals was by creating a new class of electric generating facilities called "qualifying facilities" (QFs). PURPA gave QFs special rate and regulatory treatment.[2]
The Public Utility Regulatory Policies Act of 1978 (PURPA) encouraged:

- *creating a market for power from non-utility power producers*
- *increased efficiency by making use of cogeneration*
- *ending promotional rate structures*
- *encouraging the development of hydroelectric power*
- *the conservation of electric energy and natural gas"*

-Wikipedia

> There have been many PURPA projects successfully built bringing renewable energy to the grid over the past 40 years. Early biomass,

landfill gas and solar developments in Oregon were able to use the program to develop those projects. There are also several small, locally owned wind projects that were built with PURPA. Irrigation districts have used PURPA to create projects that generate electricity which then funds upgrades to their systems and conserves water and provides grid reliability.

> The combination of rulings by the OPUC and Federal Energy Regulatory Energy Commission (FERC), low energy costs, transmission constraints and interconnection issues have all but eliminated PURPA as a mechanism for bringing small scale renewable energy projects on line. Here are three examples:

- Columbia Ridge Landfill methane gas generator.
- City of Prineville biomass to energy project.
- Hood River Hydro project.

> In order to achieve any carbon reduction goals we need all types of renewable energy generation from large utility scale hydro, wind, solar as well as small scale projects.

> We appreciate the work the legislature has done in the past to facilitate the development of small scale renewables like the implementation of PURPA, the requirement that 8% of new renewables counted toward the Renewables Portfolio Standard come from small projects and the community solar program. Unfortunately none of these policies are leading to the further development of small scale renewables.

So as the committee considers legislation for the 2021 session we hope that you will keep in mind that small scale renewables have many benefits both environmental and economic. The projects are often located in rural parts of the state which add to grid resiliency and improved tax base. We also need to develop programs to incentivize electricity storage: pumped storage, batteries and green hydrogen.