



Portland General Electric Comments on House Bill 3221

House Committee on Water - March 9, 2021

The communities PGE serves expect affordable, reliable, equitable, and clean electricity, and we share our customers' and our communities' vision for this future. Over the last 18 months, we have been in discussions with many local governments we serve to discuss opportunities and options to help meet their climate action plans. **While we share the goals of House Bill 3221, we oppose the bill at this time because it will disrupt current collaboration and delay implementation by requiring a cumbersome new process.**

PGE is partnering with local governments to help meet their climate action goals

Even with PGE's new climate goals, we know many of our customers and communities want to decarbonize on a faster timeframe. Twelve of the 55 local governments (cities and counties) in PGE's service territory - representing about 90% of PGE's load - have adopted climate action and sustainability plans. Five of those 12 local governments - representing almost 50% of our load - have 100% clean electricity goals in the 2030 to 2035 timeframe.


PGE is excited to help these local governments reach these goals. Partnership between local governments, community and utilities is needed to work through the challenging questions and issues that arise in designing a community supported renewable electricity program in support of these climate action goals. In 2019, PGE began partnering with local governments to understand their climate action goals, needs and values. This year, we will continue this collaborative process and expand the conversation to our broader community, particularly BIPOC and other under-represented communities. These discussions have highlighted the range of priorities across our communities, underscoring the importance of a flexible, collaborative approach.

To expand our understanding of our customers' priorities, PGE undertook a residential customer survey in fall 2020. Our residential customers in Milwaukie, Beaverton, Portland and Multnomah County confirmed broad support for a communitywide customer supported renewable electricity program. About 80 percent of respondents felt that their local government's goal of 100 percent clean and renewable electricity by either 2030 or 2035 was either about right or too slow, indicating that PGE's residential customers share the urgency their local governments have expressed. This strong support was expressed across all customer demographic segments. An equivalent share of respondents indicated interest in a utility program to meet those clean and renewable electricity goals. PGE is expanding this customer research this year through a series of focus group to engage under-represented demographics not captured by traditional survey techniques.

Clear PUC authority is needed, not a statutorily defined program

PGE agrees that the Public Utility Commission (PUC) would benefit from clear authority to approve a communitywide renewable electricity program to support local government





climate action goals. However, PGE does not support the complex, formal process in HB 3221.

Following Governor Brown's Executive Order 20-04 in 2020, the Public Utility Commission (PUC) began initial work to provide guidance for utilities and communities for community supported renewable programs. This work continues and workshops have recently begun with utilities, local governments, and stakeholders. To advance the discussion at the PUC, simple clarification of PUC authority is needed, not a prescriptive process as proposed by HB 3221. With clear PUC authority to approve such programs, utilities, local governments, community members, advocates, and the PUC can develop programs that meet community and customer needs. The complex, formal process in HB 3221 is likely to further delay progress and stretch the already strained staffing resources of the PUC and other parties.

HB 3221 does not envision local government processes or applications starting until 2023 - this is too slow for some local governments. We expect that our existing collaboration with some local governments will result in program proposals to the PUC in early 2022. The sooner programs authorities are in place, the more manageable the annual costs to meet local government climate goals will be for these early movers.

As part of our work with local governments to meet their climate action goals, we have proposed community supported renewable program language in Senate Bill 784 (Sections 3-4). We believe that this approach provides the necessary PUC authority and preserves flexibility for local governments to develop programs that fit the needs and preferences of their communities. SB 784 requires collaboration between local governments and the utility and relies on the existing regulatory processes. Simple clarification of PUC authority will keep us on track to collaboratively design a solution that delivers on local climate action goals.

HB 3221 imposes a new process that disrupts and delays ongoing collaboration with local governments

Through our collaboration with local governments over the last 18 months, local governments have expressed different views on design elements such as the timing of the program, the resource types, and the role of non-energy benefits. These different program design preferences illustrate the importance of a flexible approach. We are concerned that the cumbersome, prescribed process in HB 3221 will disrupt and slow down the collaborative process already underway with our local governments.

House Bill 3221 creates a specific process with prescribed policy choices, such as how to develop the program, the role of small renewables, and how resources are procured. The prescribed process in this bill includes a lengthy process that includes PUC rulemaking, program application by local government, utility response to the application, independent evaluation, application review and revision by local government, final application submittal, and finally PUC approval. HB 3221 requires communities to fit into a particular policy and process design.



Other challenges created by HB 3221

House Bill 3221 as introduced includes other challenges that we highlight briefly below, among others:

- HB 3221 does not envision utility involvement until after the community has developed a program application which will slow the process and add costs. Partnership between the utility and the local government early helps reduce risks that will arise if a program is developed without utility participation.
- HB 3221 includes nearly any local service district, not just cities or counties, creating implementation challenges.
- While HB 3221 offers a broad definition for the term community energy resilience and allows this to be a scored element of resources procured under a local program, the bill leaves unclear how a resource must meet resiliency requirements.

PGE is actively working with local governments we serve to help them meet their climate goals, but HB 3221 disrupts and delays this work. We encourage the committee to consider the simpler, flexible approach in Senate Bill 784 sections 3 and 4.

Thank you for your consideration of our comments.

Contact:

Greg Alderson, State Environmental Policy Manager, gregory.alderson@pgn.com

Brooke Brownlee, State Legislative Affairs Manager, brooke.brownlee@pgn.com

