



Consumer-Owned Utilities (COUs) Deliver Clean Power Support Exclusion in HB 2021 Amendment -1

- There are 36 COUs in Oregon. We were formed to provide lower-cost electricity and local control over rates, services, customer policies and community investments. We differ from Oregon's larger investor-owned utilities (PacifiCorp, Portland General Electric & Idaho Power) in many ways. We are owned by the customers we serve. We are governed by locally elected boards and commissions. We exist only to serve our customers. All revenues are re-invested in the communities we serve.
- Most Oregon COUs (notable exceptions: Eugene Water & Electric Board (EWEB) & Umatilla Electric Cooperative (UEC) are Full Requirements customers of the Bonneville Power Administration (BPA), a federal agency. We purchase nearly all of our energy from the BPA under 20-year contracts.
- As detailed in DEQ's presentation to the House Energy & Environment Committee <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/CommitteeMeetingDocument/234840> (see slide 6 of attached presentation), BPA provides COUs the cleanest energy resources of any utilities in Oregon. Our BPA power purchases are an allocation from the Federal Columbia River Power System (FCRPS), which includes the output of the 31 Federal dams, nuclear output from the Columbia Generating Station (CGS) in Richland, WA, as well as a small amount of market purchases acquired to balance resources and meet customer demand. **On average, our energy mix is 95% carbon free TODAY.**
- Unlike the IOUs, who are phasing out coal under the Coal to Clean legislation, each COU BPA power purchase is a purchase of the **system** rather than from a specific generation resource. Our contracts do not allow us to say, for example, we don't want power from the CGS or market purchases. Why:
 - The "one system mix" recognizes that BPA needs to integrate and operate the federal projects as a single system to efficiently, reliably, and economically meet customer demand.
 - Legal interpretation of the NW Power Act requirements
- **The only emissions in the system mix COUs purchase from BPA are attributed to unspecified market purchases necessary to balance the system. While the average is around 5%, market purchases can be higher when, for example, when we have a bad water year or are spilling more for fish mitigation. These market purchases are considered unspecified because the source is generally unknown, the power could come from natural gas, but can just as easily be from solar, hydro or wind. We are assigned a default emissions factor by DEQ for these purchases.**
- COUs are already near-zero carbon and Full Requirements customers of BPA have very little ability to get to absolutely 100% Clean because of the need to balance the Federal system resources and customer load with market purchases. Oregon COUs have been

some of the cleanest utilities in the country since BPA was formed in 1937, setting a standard that few others can match. If GHG emissions are added up since the inception of BPA, it would take IOUs many decades to meet the standard we have set.

- In recognition of our clean power, the Oregon Renewable Portfolio Statute (RPS) provides that COUs are not required to comply with RPS if it would require the COU to reduce their Tier 1 priority firm allotment from BPA.
- However, beginning in 2025, most small utilities do have a 5% - 10% RPS requirement. Those RPS obligations can be met with renewable energy certificates (RECs) issued for efficiency upgrades made at existing (pre-1995) hydro facilities (which COUs have been earning since the inception of the RPS statute) or other qualifying renewable projects (solar, wind etc.).
- EWEB is already subject to RPS obligations. UEC begins its RPS compliance reporting in 2022.
- It is also important to understand that COU communities also provide benefits to IOU residential and small agriculture customers through the Residential Exchange, which we pay for in our BPA rates.

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