



House Committee on Energy and Environment
Oregon State Capitol
900 Court St. NE
Salem Oregon 97301

March 17, 2021

Dear Chair Marsh, Vice-Chair Brock Smith, Vice-Chair Helm, and members of the committee,

The Oregon Solar + Storage Industries Association (OSSIA) is a trade association founded in 1981 to promote clean, renewable, solar technologies. OSSIA members include businesses, non-profit groups, and other solar industry stakeholders. We provide a unified voice of the solar industry and focus exclusively on the solar value chain; from workforce development to permitting, advocacy, policy, and regulation for manufacturing, residential, commercial, community, and utility scale solar and storage projects on the local, state and regional level.

Today OSSIA is in the unfortunate position of opposing the -1 amendment to HB 2021 as drafted. There are multiple elements in the bill that would cause harm to the renewable energy industry in Oregon and a glaring absence of proposals that would support projects built in Oregon. OSSIA would prefer to come before this committee and support a proposal for 100% clean electricity so we urge you to work with us and other stakeholders to make substantial amendments to the bill.

OSSIA's concerns with HB 2021-1 are the following:

1. Absence of support for projects to be built in Oregon, like the 50% in-state siting requirement in HB 3180
2. Lack of tangible support for community based, small scale renewable projects that would be built in-state (a study is unnecessary)
3. Weak, non-binding language regarding utilities meeting clean energy targets, which could be solved by switching to a Renewable Portfolio Standard (RPS) policy
4. Anti-competitive changes, which undermine rate payer savings that are otherwise available in a healthy, competitive market and put Oregon third party developers at a large disadvantage
5. Proposed green tariff program that is anti-competitive, does not reflect the savings of clean energy, does not sufficiently promote incremental development of clean energy and does not place limits on utility earnings
6. Utilities would receive benefits from renewable energy without paying for them (through REC attributes), a treatment not available for competitors and that fails to encourage incremental development



7. Lack of requirement for utilities to take all actions to avoid unexpected greenhouse gas emissions
8. A cost cap which inappropriately includes programs that do not count toward emissions reductions and allows utilities to raise rates without adequate control by the Public Utility Commission (PUC)
9. No support for rooftop solar or storage for homes or businesses
10. Lack of penalties for utility non-compliance
11. Confusion regarding which agencies direct which provisions
12. Delay in implementation which leads to delays in new project construction which could be avoided by updating our existing, known, Renewable Portfolio Standard (RPS) policy
13. Labor Standards included do not reflect what the workgroup has been discussing

The sheer number of concerns OSSIA and others have with this amendment calls for an overhaul to the policy. The collaborative work that OSSIA has participated in to draft consensus language is not reflected here. Stakeholders have been working together for months and it is disappointing to see that work ignored. OSSIA urges this committee to make substantial revisions to the policy amendment as it stands.

More details on our concerns:

1. Absence of support for projects that would be built in-state. When a 100% clean electricity standard is passed in Oregon, Oregonians should benefit economically as a result. Renewable projects mean high wage jobs, property tax revenue, and potentially resiliency benefits as technology and regulation regarding energy resiliency improves. Renewables projects mainly benefit rural counties, which overall have higher unemployment rates than urban counties. As detailed in comments of Obsidian Renewables, PacifiCorp's interconnection cluster study for this year has 3,600 megawatts of energy projects, but only 10 percent of that is in Oregon, even though Oregon represents 25 percent of PacifiCorp customers by load. We should take steps to better assure that projects built to serve Oregon's clean energy requirements are in fact built in Oregon.
2. It is imperative that we fix the current mandate on small-scale or community renewables (a study is unnecessary). It is extremely difficult to site large solar projects in Oregon; there are fewer than five projects that are over 100 MW in Oregon. In order to ensure some of the projects required to meet this standard are built in Oregon, it is imperative that we fix the current mandate on small-scale or community renewables. This is the only way to ensure the counties receive the economic development and property tax benefits that come with renewables built in Oregon. This is the only way to ensure the counties receive the economic development and property tax benefits that come with renewables built in Oregon.

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In 2016, SB 1547 changed the language regarding how small-scale renewables were treated in the RPS. The 8% goal was changed to a requirement, but the language regarding the 8% was changed from 8% of utility energy generation to 8% of nameplate capacity. This seemingly innocent word change resulted in the utilities being able to say that they had already met their goals – no new community renewable projects needed to be built. And indeed, especially in Pacific Power territory, community renewables all but stopped being built.

OSSIA urges this committee to not only change the terminology in statute back to “energy,” but also to increase the requirement to 10% of utility generation. The 8% of generation policy has been a goal since the RPS was passed back in 2007, but utilities were never held accountable to this goal before they had the language changed in 2016. We urge this committee to do more than return to the 2007 goal; the need to both address climate change and create rural jobs have only become more urgent. A requirement that 10% of energy generation come from small-scale projects would create thousands of new high paying clean energy jobs and millions in property tax revenue for counties.

There are other ideas that have been introduced which could also create renewable projects and jobs in Oregon. HB 3180 lays out a proposal to site 50% of new renewable energy projects in Oregon, to provide resiliency to our grid in the face of more frequent power outages.

It would be a shame if a 100% clean electricity bill were passed in Oregon, but Oregonians did not see any new jobs because of it.

3. Weak, non-binding language regarding utilities meeting clean energy targets. The -1 amendment says that the utilities “shall seek to provide” clean energy. That language creates a large loophole for utilities to say that they tried, but were unable to provide clean energy for Oregonians. Switching to an RPS method would be stronger.
4. Anti-competitive changes, which cut-out utility competition. Overall, one important goal to advancing clean energy in Oregon is to strengthen the existing free market. This means robust third-party participation in construction and ownership of projects. Competition to the investor-owned utility monopolies is healthy for our economy and for ratepayers. Section 20 removes important language from current law that protects ratepayers. This section may even be illegal at the federal level, as the Federal Energy Regulatory Commission (FERC) has rules about prohibiting cross-subsidization. This section narrows the definition of a competitive retail market for the benefit of utility monopolies. Changing the nature of a competitive market is no small conversation; it does not need to be a part of this bill and should be removed.



5. Proposed green tariff program is anti-competitive, does not reflect the savings of clean energy, does not promote new clean energy and does not place limits on utility earnings. While OSSIA supports the green tariff concept, the PUC has already begun the process of creating community green tariffs at the PUC. The process involves all stakeholders and the outcome is more likely to be one that benefits customers while keeping the clean energy market competitive. There is reason to proceed with caution – the PUC’s own report from five years ago warns about the possibilities of green tariffs having anti-competitive consequences, even without the additional anti-competitive changes in Section 20. We ask this committee to allow the existing PUC process to move forward as the changes proposed in this bill would make the program significantly weaker and less competitive.

6. Utilities would receive benefits from renewable energy without paying for them (through Renewable Energy Credit (REC) attributes). Currently, utilities are not receiving the emissions reduction attributes of the RECs they receive when purchasing certain types of power. The -1 language would give those benefits to the utilities for free, instead of requiring compensation to project owners for additional benefits, devaluing renewable projects and the REC market as a whole. If there is a desire to address this question, it is a complicated issue that is best determined and decided by the PUC, not by prescriptive legislation.

7. Lack of requirement for utilities to take all actions to avoid unexpected greenhouse gas (GHG) emissions. Section 7 details what occurs if renewable energy does not meet its projection. However, there are other reasons for unexpected GHG emissions including higher demand than anticipated and emergency grid issues. The section does not allow for other peak management solutions, such as storage or demand-side management.

8. A cost cap which inappropriately includes programs that do not count toward emissions reductions and allows utilities to raise rates even if there is an investigation. The current cost cap language in Section 9 includes programs that are not related to the cost of complying with an emissions reduction standard. For example, net metered solar on homes and businesses would not be part of the utilities’ plan for emissions reduction, so it should not be included in the cost cap. In addition, the utilities do not “own” the clean power from net metering or from community solar, so they should not count that toward the standard. The customers own that power.

In addition, there are no consequences for hitting the cost cap. The PUC should be tasked with determining all costs and expenses the utilities claim toward the cost cap were directly and prudently incurred in meeting the clean energy goals.



9. No support for rooftop solar or storage for homes or businesses. The -1 amendment does not include any support or requirement for net metered solar or storage projects. These projects not only provide resiliency to communities and save customers money, but also provide grid resiliency benefits and economic development. During the California brown outs last year, the grid planning did not take into account the grid benefits of solar + storage, making the power outages longer than they needed to be.
10. Lack of penalties for utility non-compliance. In addition to the bill have weak “shall seek” language to require utilities to go 100% clean, there are no penalties imposed on utility shareholders should the utilities fail to meet the targets.
11. Confusion regarding which agencies direct which provisions. Section 13 details an electricity market rulemaking which would be led by the Department of Environmental Quality instead of the Public Utility Commission (PUC). The language should be much more streamlined.
12. Delay in implementation and project construction. The -1 amendment requires extensive rulemaking and has weak language on the reduction targets. This means that actual emissions reductions will not happen immediately. A faster way to reduce emissions would be through an immediate increase in the RPS. This would guarantee more emissions free generation, faster.
13. Labor Standards included do not reflect what the workgroup has been discussing. OSSIA is part of a workgroup focused on labor standards for clean energy projects. The group is negotiating in good faith to come back to this committee with an agreed upon set of labor standards and we urge this committee to wait until we conclude our work.

Sincerely,

Angela Crowley-Koch
Executive Director