March 23, 2021

Via Electronic Submission

Oregon State Legislature

House Committee On Energy and Environment

900 Court St. NE

Salem, OR 97301

Re: HB 2021, Proposed -1 Amendment

Dear Chair Marsh, Vice-Chair Brock Smith, Vice Chair Helm, and Members of the Committee:

[BACKGROUND]

My name is Jake Stephens, CEO and founder of NewSun Energy, a company with offices and employees in Bend and Tucson. NewSun Energy invests in the development of renewable energy, primarily focused in Oregon, particularly solar and storage projects.

During 2019-20, nearly 1,000 acres of projects we co-developed, totaling roughly $200 MM of direct Oregon investment, were built in Lake and Harney Counties, across four sites, comprising the first-ever solar direct-connected to BPA, and adding $560,000 per year to county property tax rolls, and helping solar become Lake County's #2 overall taxpayer. These projects were the fruit of *4 years of development and investment effort*—filled with risks, including IOU behaviors, that killed other projects—and other. *(These investment risks and long timelines are important for you to consider as you craft climate policy.)*

My *entire professional life* for 15 years now has been dedicated to Climate Action, GHG reductions, and the development of solar energy – from helping birth the utility-scale solar industry in the U.S. – including developing the world's 9th largest PV plant (2012). 5 years of this has been intensely immersed in nearly every aspect of Oregon energy policy and renewables project development, particularly permitting, OPUC rulemakings, financing, IOU behaviors and realities, grid interconnection, and Bonneville—living and breathing the (mostly wonderful) consequences of Oregon current energy statutes, especially the 2016 RPS increase.

[OPPOSITION]

To New Emissions-Only Approach – and overall form of HB 2021 – despite 100% support

It is thus surprising—as a life long climate activist—who is proactively engaged in seeking 100% clean energy—I am literally dedicated to causing *actual* decarbonization with every fiber and dollar of my being, every relationship and resource—to find myself **Opposing HB 2021's -2/-4 and emissions-driven approach to 100% for Oregon.**

This bill is worth than doing nothing. It appeases the namesake of our *good intentions*, and will prematurely relieve pressure for Oregon to Act, while sabotaging the outcomes—and allowing investor-owned utilities (IOUs) in Oregon to pad their shareholder pockets in the name of the *Cause* of

Decarbonization—unnecessarily creating new rights and spending privileges, while demanding few assurances of outcomes, no consequences for failure, and ***creating so many loopholes and outs that it is essentially unfixable as-written without wholesale removal of its bulk content***. It makes the head spin.

Few to none of the "extras" in this bill are required for decarbonization. They are gifts to the IOUs that ratepayers will fund. Excuses to build stuff—that remove OPUC discretion to properly regulate such expenses and actions. They likely impede success—distractions to spend money and IOU and PUC staff's *precious bandwidth* on while real progress waits.

They are off-ramps, bonuses, and competition suppression. For what? For a worse, less assured, more compromised, and more likely way to fail at decarbonization. That defers action. That delays investments. That impedes market clarity. That undermines OUTCOMES—by failing to demand OUTCOMES.

This entire HB 2021 -2/-4 approach[1]—as further compounded by all the "extras"—**ensures it will *take <u>years and years before You and Oregon knows whether You succeeded</u> – or what the Bill even means, in practice.***

> **Years in the IOUs' preferred 'briar patch' of the OPUC's rulemaking processes—where the IOUs wield outsized, ratepayer-funded blank-check financial power and influence, to abuse the outcomes and undermine legislative intent.** Further compounded by the multi-agency aspects of this approach—which create new venues for IOUs to dominate and distort and suppress legislative intent—and abuse and out-gun all the under-funded stakeholders which attempt to hold their overwhelming monopoly power in limited check.
>
> **Years,** to determine if/whether/when/how and to what extent your noble intentions with this climate legislation will be implemented, hampered, or (more likely) sabotaged, by the inherent structure of this legislative approach. **We will not know until full OPUC rulemaking completion.**
>
> **Years,** for the compounded sabotaging consequences of delayed market/IPP investments, and delayed *start of procurement, delayed starts of construction*—due to delays for PUC procurement authorization, due to its normal OPUC process:
>
> > I.e. The normal OPUC workings: Rules-*then*-IRPs-*then*-RFPs-*then*-PPAs-*then*-Construction. **Years + Years + Years + Years + Years.**
>
> **Years and Years,** before new Renewable Energy—the only standard of progress—begins to come online, as a result of your hard work.

[ALTERNATIVE, SIMPLER, BETTER READY-TO-GO SOLUTION EXISTS]

Of course, all that Risk, Delay, and Undermined Outcomes is completely unnecessary. HB 2021 pursues *this more damaged and risky and delayed path unnecessarily*.

Because Oregon has an existing, simple, proven means to these outcomes: Increase Oregon's Renewable Portfolio Statute (RPS).

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[1] Opposition is not to HB 2021 -2, which is same as HB 3180 -2's RPS-based approach.

Simple increases to the RPS require no delay for IOU action. No delay for rulemakings. No delay for achieving decarbonization. Simply procure more under existing rules. (As the IOUs have asked the PUC for permission to do in recent years.) Pacificorp literally has a RFP shortlist of 11,000 MW[2]. All they need is authorization to procure a bit more. And maybe put some in Oregon.

The simple truth is this: If the choice was RPS vs Emissions 10 or 20 years ago, it wouldn't matter so much. I'd support either (conceptually). But it's too late. The 2020s are the most important decade in the history of the world. Action is required. Progress is required. In 2022, 2023, 2024 – not 2028. The emissions-based approach—*at this point*—has costs, risks, delays, uncertainty that are unnecessary, and undermine your goals, undermine the outcomes. Outcomes we can easily achieve progress on promptly, in the 2020s, without any risk whatsoever. **Outcomes—in the 2020s—must be your focus.**

Oregon must do its part. Particularly given the $B-scale of low-hanging cost-effective fruit, readily available to construct. **Oregon cannot implement a standard which avoids progress in the early 2020s.**

[KEY FRAMING QUESTIONS FOR 100%]

Keeping in mind the following simple, primary **(1) principles and facts** – the following are **(2) key framing policy questions** that you, as legislators, as stewards of Oregon's role in Climate Change, must focus on.

(1) Key Principles & Facts:

The Grid Does Not Get Greener Until New Renewables Are Built. Moving around how we count hydro, for example, does not help the planet. Period.

Emissions accumulate every year. Every year of delay is more carbon in the atmosphere, as RMI's Dr. Teplin. Sooner is better. Period.

Lots of Renewables are "Ready To Go" – including in Oregon: Enough renewable energy—solar and wind—to power Oregon's IOUs 2-3 times over can be built by 2025. Pushing out progress to the late 2020s is inexcusable. And unnecessary. Because:

Renewables are Cheap. We are past the point of "it's too expensive". We just need to start building.

Delay is Risk. Delay is Failure. Waiting for clarity on rules of legislative intent… delays action… delays decarbonization. It also compounds the challenges of execution later – and makes failure (including to meet HB 2021's first goal, 80% by 2030) more likely by far. Carbon accumulates.

Short Execution Timeline Increases Costs and Failure Risks: Doubling or tripling (or even small increases to) what must be built into a few years in the late 2020s will doom the effort, explode costs, and make solving long-lead transmission limitation issues much less likely, and lead to failure. BPA staffing bandwidth is maxed out; Oregon labor is constrained; financing and tax equity have

[2] OPUC, Pacificorp 2020-21 RFP (in progress) current shortlist of 11,000 MW of 2024-schedule projects. https://edocs.puc.state.or.us/efdocs/HAH/um2059hah15492.pdf

annual limits. More time to build expands success. It builds an execution platform. It clears the deck for existing, ready projects—and sets the stage for the next wave. Less risk, better costs.

Projects take 5-7 years to develop! Transmission lines take 10-15 years. We need to get started.

Primary Policy Questions:

Thus, you legislators should be asking the following?

- **When will New Renewables Be Built? When. When. When?**
  - 2023? Or 2028? Or 2030s and later?
- **How certain are we of that?**
- **Are we unnecessarily risking or delaying that outcome?**
- **Do the policies propose contribute to—or risk or undermining—our intended outcomes?**
- **Does is *really* cost more to go faster? How much more?**
- **What does that "more" really cost an average ratepayer?**
  - If the answer is 25 cent/month… go faster.
- **How much faster *can we go?***
- **What happens if we fail? To pass legislation. To act.. now.**

- **What will you tell your grandkids? Or yourself… if you took a path that led unnecessarily to failure.**

And finally:

How much of this can we build in Oregon?

How much should Oregon get out of this $8-10B capital investment? Certainly not zero.

CONCLUSION

Oregon has great renewable projects and solar and wind resources.

Oregon has great statute that can easily be changed for maximum impact.

Do something. Take the low risk, high impact path.

Increase and accelerate the RPS ASAP. And build as much as you can in Oregon.

Sincerely,

Jake Stephens

ATTACHMENTS

Andrus Rulemaking Memo. ECONorthwest comparative study. Barlow Comments. Andrus Comments.

We also support the CREA and OSSIA and NIPPC comments.