

April 6, 2021

**DRAFT CONFIDENTIAL**

Chair Pam Marsh  
Vice Chair David Brock Smith  
Vice Chair Ken Helm  
House Energy and Environment Committee  
900 Court St. NE  
Salem, OR 97301

RE: Opposition to HB 3180

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

Oregon's three regulated utilities, representing more than 1,540,000 customers across the state, are united in strong opposition to HB 3180, including as amended by the -1 and -3 proposed amendments.

Our companies have and remain committed to contributing towards the state's greenhouse gas emissions reduction goals and putting Oregon on a path towards serving our customers with 100% emissions-free electricity.

HB 3180 is not the solution to the problem we are all collectively trying to solve. Instead, it is a costly energy procurement mandate on the backs of utility customers disguised as a path to entirely clean electricity in Oregon.

Oregon's regulated utilities have supported thousands of megawatts of renewable energy development throughout the state of Oregon. Those projects range in size from less than 1 MW to 450 MW and include both utility owned projects as well as projects owned by developers. This trajectory of renewable development investments in the state will only continue to grow as we further decarbonize the electricity sector.

**HB 3180 guarantees unnecessary and excessive costs for Oregonians without guaranteed GHG emissions reductions**

- HB 3180 requires the aggressive procurement of renewable resources without the requirement that any specific emissions reduction targets be met.
- The bill continuously ratchets down the amount of local, emissions-free hydro power a utility could use and count toward procurement requirements by utilizing an historical 3-year average for the compliance year. Any low water year would exacerbate this problem further leading to a steadily declining cap that forces the utility to purchase additional resources to meet compliance requirements, even when existing, emissions-free, dispatchable hydropower is available and low cost.
- The bill establishes unattainably aggressive timelines that don't take into consideration the realities of renewable energy development, including transmission and interconnection, permitting, and acquiring land rights.
- This bill could more than double the electricity rates for our customers over the next 9 years with the required \$2 billion in investments as advertised by the bill's proponent. Given the magnitude and urgency of the transformation required, the transition to a clean energy future must be done as affordably as possible. HB 3180 casts aside affordability.

## **HB 3180 shifts state policy from a customer focused to developer focused with extreme rate hikes each year**

- House Bill 3180 is good for sophisticated developers, but terrible for electricity customers.
- As an example, in PGE's PURPA queue, most solar developers are sophisticated out-of-state or multinational companies including Energias de Portugal Renewables North America (one of the largest wind developers in the United States), Sulus Solar (owned by UK based Oasthouse Ventures), Enerparc (headquartered in India), and Cypress Creek Renewables (nationwide solar developer based in California).
- These companies take advantage of steeply declining price curves for solar technology, generous federal tax subsidies, and the guaranteed pricing allowed by PURPA to lock in above-market profits for 15-years. This bill proposes to expand those lucrative terms for a minimum of an *additional* 10 years.
- These changes would leave Oregon utility customers paying hundreds of millions of dollars more for projects than necessary. In just the last five years alone, market prices for the cost of solar per MW have dropped from \$85 to \$31.

As Oregon's largest electricity providers, we are committed to working with legislators, communities, our customers, and stakeholders to reduce greenhouse gas emissions in a way that is affordable and reliable.

The approach used by HB 3180 is neither.

We are also committed to continuing to support economic development in Oregon through the development of new projects within the state. The transition to clean energy will provide many economic development and job opportunities in our state, but the transition must be balanced so that customers are protected from unnecessary and excessive costs.

HB 3180 isn't right for our customers and it isn't right for Oregon.

