



HOUSE OF REPRESENTATIVES

May 13, 2021

Re: Transcription of HB 2021 oral testimony presented to House Committee on Revenue public hearing on May 13, 2021

Thank you, Chair Nathanson.

I am pleased to present the -46 amendment to House Bill 2021, a bill that will set the state of Oregon on a course to 100% clean electricity by 2040.

HB 2021 was originally assigned to and reviewed by the House Energy and Environment Committee, which I am honored to chair. We held three hearings for the bill, adopted the -23 amendment, and sent the bill here to Revenue. The -46 amendment is the result of further discussions that have occurred over the past several weeks. The -46 includes a few very good additions to the bill. However, it does not substantially change the very strong base legislation that was developed through a collaborative stakeholder process that involved partners who, in some cases, had never come together before.

While my job here is to tell you about the amendment, it may be helpful to begin with a brief and broad overview of the base bill. As noted earlier, HB 2021 provides a timeline for clean energy targets that will get the state to a 100% reduction in the baseline greenhouse gas emissions -- determined by the average emissions in 2010-2012 -- by 2040.

The bill includes electric investor-owned utilities, PGE and Pacific Corp, and electric service suppliers. Not included or covered are consumer-owned utilities (who rely primarily on BPA-supplied power) and Idaho Power (new in the -46 amendment).

Utilities will be required to develop clean energy plans that describe how they intend to achieve the new targets. While they are instructed to pursue non-emitting electricity sources, the bill is technology neutral, allowing the utilities to develop a variety of clean energy sources, as well as energy efficiency, demand response, or other end-user strategies that lead to reduced emissions.

The Public Utility Commission (PUC) will review and approve Clean Energy Plans, which must be updated every two years, and the Department of Environmental Quality will monitor emissions using its existing system and report outcomes to the PUC. The PUC can use various monitoring strategies, including a **temporary exemption** from compliance if necessary to maintain system reliability, to meet demand in the case of resource variability, or to respond to cumulative rate impacts that exceed 6% of revenues.

That's the concept in a nutshell, but of course there is much more exciting stuff in the bill, including Community Benefits Advisory Panels, a study of small scale renewable energy projects, community green tariffs, responsible labor provisions, a prohibition on the siting of new fossil gas plants, and a \$50 million Community Renewable Investment fund. For easy reference, you can find a section by section summary of the bill posted on OLIS.

The -46 amendment adds a few important elements to the bill.

In Section 4 we have added requirements to the clean energy plans developed by utilities. Those plans must now include: First, a risk-based examination of resiliency opportunities as well as costs, consequences, outcomes and benefits based on PUC resiliency standards. Second, plans must examine the costs and opportunities of offsetting energy generated from fossil fuels with community based renewable energy.

Section 17 clarifies that the act does not apply to an electric company serving 25,000 or fewer customers, effectively eliminating Idaho Power from the bill.

Changes to Section 29 and 30 include clarifications to the Community Renewable Energy Project Grant Program. Adam Lohman, the author of this section, is here and can answer questions about the funds structure and operation.

Section 36 expands the existing requirements for acquisition of power from small scale renewable projects. Current language requires utilities to acquire 8% of electric supply from small scale projects or biomass facilities. The amendment expands that requirement to 10% of capacity by 2030.

Finally, the -46 contains a smattering of technical clean up revisions that have been identified over the past several weeks.

I want to note that this amendment is the product of extensive discussion, and reflects workable additions that we believe augment the bill and but still maintain the carefully negotiated base bill.

I know we have a lineup of experts here to speak to HB 2021 this afternoon, so I'm going to stop so we can hear from them. But first, let me say how thrilled I am to be a part of this historic legislation, and how deeply grateful I am to the stakeholders who have worked tirelessly to design this very clear blueprint toward the state's clean electricity future.



Pam Marsh
Representative House District 05
Southern Jackson County