



Portland General Electric

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PGE Comments on House Bill 2533 and House Bill 3055 - PURPA

Thank you for the opportunity to provide testimony on HB 3055 and HB 2533 on behalf of Portland General Electric. PGE is a fully integrated electric utility that serves approximately 900,000 customers representing approximately 50% of the state's population and 75% of the commercial and industrial activity in the state. As we continue to decarbonize the electricity we serve our customers consistent with HB 2021 (2021 session), we remain laser focused on affordability and reliability.

As shared by Oregon Department of Energy (ODOE) during the informational hearing in your committee, the federal Public Utility Regulatory Policies Act of 1978 (PURPA) requires that utilities, like PGE, must take projects that come to us under the law if they meet the eligibility requirements outlined by the Oregon Public Utility Commission (OPUC). Today, PGE has 319 MW online and an additional 286 MW of PURPA projects contracted, but not yet online. These projects represent nearly half all the PURPA projects in the state.

The power from these projects has historically been far more expensive for our customers than renewable power acquired through a utility request for proposals (RFP) or power purchased in the market. In 2020, the average price paid for PGE's PURPA contracts was \$85.31 per MWh - 302% more than the average price for energy procured on the market. In 2021, the average price paid for PGE's PURPA contracts was \$79.89 per MWh - 62% more than the average price for the market for that year. Despite more than a two-fold increase in the average market price from 2020 to 2021, PURPA projects were still more costly for our customers.

Recognizing the rapidly evolving nature of the energy sector and updated guidance from the Federal Energy Regulatory Commission around PURPA, the OPUC has opened a docket (UM 2000) to analyze key aspects of PURPA including avoided costs, contracting, and storage associated with PURPA projects. The OPUC has included key stakeholders in this proceeding, including project developers, utilities, and customers, and will be working through these questions over the next 18 months.

We encourage the Legislature to let the OPUC do the work they have set out to do in UM 2000 and not move forward with HB 2533 or HB 3055.

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