

Dear Chair Marsh, Vice Chairs, and members of the committee,

Thank you for the opportunity to provide testimony and share our concerns about House Bill 3004 and the -2 amendment.

Together, Portland General Electric and Pacific Power serve over 1.5 million Oregonians with reliable, affordable electricity.

While transmission is a significant challenge in Oregon and across the nation as we work to meet House Bill 2021 targets and decarbonize, the proposed amendment does not help alleviate transmission constraints. Instead, the amendment contains a variety of new incentives, changes to existing programs and tax structures, and relitigates regulatory decisions made at the Oregon Public Utility Commission (OPUC), while presenting several jurisdictional issues with the Federal Energy Regulatory Commission (FERC).

We encourage the committee to carefully examine the transmission tax credit and interconnection grant program outlined in Sections 1-8 of the amendment, which allow substantial subsidies at the expense of taxpayers. If the Legislature chooses to give incentives for transmission and interconnection costs, the programs outlined will exclude all utilities – and therefore utility customers – from any benefits.

Additionally, the proposed tax credit, grant program, and reimbursement requirement provisions raise questions around potential conflicts with FERC jurisdiction. FERC has exclusive authority over the regulation of wholesale rates and jurisdiction over the sale and transmission of electricity. Section 12's reimbursement requirements also directly contradict the January 2023 OPUC Order in [UM 2032](#) and would increase costs for utility customers. This docket was opened in late 2019 and these very issues were litigated at the commission for more than three years. As a part of the order, the commission directed staff to open an informal rulemaking docket to look at utility transmission and system planning and the ways those processes can provide transparency about network upgrades and benefits to the entire system. Given the complexity of this subject and the significant work done by the OPUC on the topic, we believe the OPUC is the appropriate forum for this discussion, especially with additional complexities related to FERC and Public Utility Regulatory Policies Act (PURPA).

We also have concerns with the changes to the community solar program, as outlined in Section 9 and potential cost impacts for our customers. Our companies are focused on development of Community Based Renewable Energy projects, as directed by HB 2021, and look forward to working with communities on projects that fit their needs.

Thank you for the opportunity to submit this written testimony and share some of our concerns with the proposed amendment.

Sincerely,



Annette Price
Vice President Government Affairs
Pacific Power
Annette.Price@pacificorp.com



Sania Radcliffe
Director, Government Affairs and
Environmental Policy
Portland General Electric
Sania.Radcliffe@pgn.com