

The logo for Consolidated Oregon Indivisible Network (COIN) features a stylized 'COIN' acronym on the left. Each letter is composed of two overlapping semi-circles: 'C' is blue and red, 'O' is red and blue, 'I' is blue and red, and 'N' is red and blue. To the right of the acronym, the words 'CONSOLIDATED OREGON' and 'INDIVISIBLE NETWORK' are stacked in a bold, blue, sans-serif font.

# CONSOLIDATED OREGON INDIVISIBLE NETWORK

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Dear Chair Sollman, Vice Chair Findley, and other members of the Senate Committee on Energy and Environment,

I'm writing today on behalf of Consolidated Oregon Indivisible Network (COIN), its Legislative Team, and its Climate, Energy, and Environment Team to express our support for SB 1581-1, the Regional Energy Market Reporting bill. COIN is a network of over 40 Indivisible groups located across Oregon, including Oregon's more rural counties, that collaborate to protect democracy and implement progressive values through voter outreach and education, campaigns, and elections, holding our elected leaders accountable, and advocating for legislation that best reflects our values.

Since this bill addresses a rather technical issue, I will add that in addition to serving as the co-chair of COIN's Climate, Energy, and Environment Team and member of its Legislative Team, I am a retired professor of energy policy. I taught graduate and professional development courses on national and regional energy policy at one of Oregon's public universities for almost 30 years, and I still serve as the chair of the advisory committee for Portland State University's Graduate Certificate Program in Energy Policy and Management. The policy and administrative issues related to the pros and cons of various paths the region's energy community is exploring as it approaches the monumental decision on how we should participate in regional energy markets was almost always a major topic of discussion in these courses. I have also provided internal professional development training sessions on this and related topics to many of the major players in the region's energy community, including the Bonneville Power Administration (BPA), the state energy offices in Oregon and Washington, several of the region's largest electric utilities, the Northwest Energy Efficiency Alliance, and Energy Trust of Oregon. I have also taught continuing legal education courses at some of the region's major law firms that have a major energy law practice.

Prior to my transition to academia, I held senior positions at a Northwest electric utility trade association, a major California-based investor-owned utility, and as a member of the professional staff of the US Senate Energy and Natural Resources Committee (back when Washington Senator Henry Jackson was the committee chair and Oregon Senator Mark Hatfield was the ranking member, and the Northwest Power Act of 1980 was being developed.) I like to believe that this background and experience gives me a deeper understanding of the history and complexity of the policy issues involved in finding the best path toward an effective regional energy market than most Oregonians.

I have read the testimony submitted to the committee on February 8. Most statements are right on target, but **the one that I found to be most helpful is the joint statement from the Oregon Clean Grid Collaborative**. In fact, they do an excellent job of making all the points I had intended to make in this statement. I encourage the members of the committee to review this statement carefully. I enthusiastically endorse their statement.

Rather than repeat all their points, I will simply amplify and provide additional context to the ones I see as most important.

- The authors correctly argue that “a fully integrated regional grid will be key to meeting the mandates established by Oregon’s 100% clean electricity law.” There have been several occasions when BPA and the Northwest’s electric utilities came very close to agreeing on the creation of a Regional Transmission Organization (RTO) or Independent System Operator (ISO). In every instance, they eventually backed away. However, momentum seems to be returning as some of the entities that were the most skeptical of the value of fully integrated regional grid now appear to be more supportive of the concept. Moreover, as the Oregon Department of Energy’s excellent [Regional Transmission Study: Oregon Perspectives](#) report explains: much of this momentum is driven by transformational changes in the electric sector—from the rapid deployment of increasingly cost-effective wind and solar energy, to the retirement of coal plants in Oregon and across the west, to the adoption of state clean energy mandates.
- The authors allude to the fact that the nation, and especially the west, desperately needs more properly located high-voltage transmission lines. Without additional transmission capacity it will be virtually impossible for the western states to effectively decarbonize, avoid price spikes, and address the consequences of extreme weather events. There is good reason to expect extreme weather events will continue, so the public is rapidly learning about the importance of grid reliability and resilience. Often, when the lights go out in one part of our region, there is still power available in another part. But the electricity can only get to where it is needed if there is a viable transmission path and a clear set of decision rules to make this possible. Isolated microgrids will play an important role in support of community resilience, but they will never take the place of long-haul transmission lines. High-voltage transmission lines are unusually resilient during all but most the most severe earthquakes, tsunamis, and extreme weather events. The clean energy transition will not happen without an expanded transmission system that moves power from wind and solar to population centers.
- They note that “conversations are progressing rapidly around the development of one or more regional markets in the West.” The current dilemma facing BPA and the region’s electric utilities involves joining one of two competing day-ahead markets – the Southwest Power Pool Markets+ option and the California Independent System Operator (CAISO) Extended Day-Ahead Market (EDAM) option. Oregon and the entire region would lose if one group of Northwest utilities decides

to go with one option and the other group joins the other. I agree with the authors of the Oregon Clean Grid Collaborative that the greatest benefit for Oregon and the Northwest will come from a West-wide market that enhances resource and load diversity across the largest possible footprint. Utilities need to consider the impact of their pending decision from a broad public interest perspective. Their decisions will affect all Oregonians and the entire region and not just their own operations and the segment of the region's transmission system they happen to control. Thus, it is important for the Oregon legislature with its mandate to represent all Oregonians to be kept informed and, when appropriate, offer guidance.

- And the authors explain why transparency and an informed public is so important. We are blessed with some of the most innovative and public-spirited electric utilities in the country. And yet, many do not have an impressive track record when allowed to make decisions without meaningful oversight and engagement from the government and the public interest community. This is why Congress passed the Northwest Power Act of 1980. Among other things, that law allowed for the creation of the Northwest Power and Conservation Council to provide a regional decision-making system that ensure oversight and meaningful participation and consultation with the Northwest states, local governments, tribes, consumers, and the public in key areas of power resource development, regional power planning, and the protection, mitigation, and enhancement of fish and wildlife affected by hydroelectric dams. The Council does not have clear authority to address regional energy markets and regional or west-wide transmission planning. Presumably, the Oregon Department of Energy and the Oregon Public Utilities Commission will be able to contribute to the discussion, but their future roles are not clear. I believe it is important for various state government parties to have clearly defined roles that will allow them to make substantive contributions to a set of decisions that will affect all Oregonians. As the Oregon Department of Energy's *Regional Transmission Study* indicated:
  - The state government—from the Governor, to the Legislature, to state agencies—has an important role to play in understanding and representing the different perspectives of the state's stakeholders as these challenges are addressed in regional forums. This is particularly the case when state perspectives differ in a proposed market, requiring deliberate negotiations to craft an optimal solution that is acceptable to both states.
  - Ongoing feedback from efforts like the implementation of SB 589 can help the state to remain informed of the interests and perspectives of Oregon stakeholders on key issues around market design and governance, in particular.

I was disappointed to learn from the Oregon Clean Grid Collaborative testimony that "Oregon public interest representatives currently lack representation in key decision-making venues where regional market development is underway. Without adequate representation, transparency, and engagement from interested stakeholders and affected communities, the

resulting energy market will be another regulated entity narrowly focused on prioritizing utility returns and shareholder profits.” This makes it more important that the state legislature ensures that Oregon’s two largest electric utilities report back annually on their latest plans to participate in a regional energy market. It is quite possible the utilities will do so voluntarily, but this mandate will ensure transparency and timeliness. The adoption of SB 1581-1 will provide an important step in what I hope will be a more extensive process that will lead to an energy market and transmission organization that supports a cleaner and more just energy future for all Oregonians.

Respectfully,

Jeff Hammarlund, on behalf of the Consolidated Oregon Indivisible Network,  
COIN’s Legislative Team, and COIN’s Climate Energy and Environment Team

