



Oregon

Tina Kotek, Governor



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Senator Lew Frederick, Co-Chair
Representative Emerson Levy, Co-Chair
Ways and Means Natural Resources Subcommittee
900 Court Street NE
State Capitol
Salem, OR 97301-4048

RE: Follow-Up Responses from January 30th Informational Hearing on the Biennial Energy Report

Dear Co-Chair Frederick and Co-Chair Levy,

We appreciated the opportunity to provide an overview of the most recent Biennial Energy Report last week. We promised to get back to the committee on two questions.

Question from Co-Chair Levy: Are there consumer electricity buy-back programs operating today?

The main consumer energy buy-back program in operation is net metering or net billing. Both programs are designed to allow consumers to receive bill credits for electricity they produce and provide to their utility, such as through rooftop solar or community solar programs. The bill credit depends on the specific utility and their program design. In either case, the utility receives power from customer-sited resources and compensates the customer for that power. However, this is not a program that enables the utility to pull power from rooftop solar when specifically needed, such as to meet peak loads.

Beyond net metering, ODOE staff have identified several pilot programs operating at different utilities. This list is not exhaustive but represents the evolving nature of this type of program. At a high level, many utilities are conducting these pilots to better understand how these types of programs can help them with grid management.

Portland General Electric operates the [Smart Battery Pilot Program](#), which pays residential participants for the use of their home batteries during peak load events. Participants are able to determine the amount of the battery PGE can access and they earn \$1.70 per kWh used by the utility during each event. PGE can also use the batteries to store electricity during times when excess wind and solar are available. The pilot provides PGE with insights on a distributed resource utilization strategy to help with grid management.

APS, a utility that serves much of the state of Arizona, runs the [Solar Partner Program](#) which provides reimbursement for the use of residential rooftop solar. Under the program, APS

provides the 1,500 participants with monthly \$30 bill credits for 20 years, rather than a per kWh reimbursement. Similar to PGE's program, APS utilizes these solar systems for grid management.

Sacramento Municipal Utility District, often referred to as SMUD, offers the [My Energy Optimizer® Partner+ program](https://www.smud.org/-/media/Documents/Going-Green/Battery-Storage/MEO-Partner-Terms-and-Conditions.ashx) to help offset the costs of purchasing or installing home batteries and a quarterly payment to participants in the program. It allows customers who own their own battery storage and solar or other smart devices to voluntarily participate in a program that gives SMUD specific abilities to access and control these resources and devices to meet peak load needs. <https://www.smud.org/-/media/Documents/Going-Green/Battery-Storage/MEO-Partner-Terms-and-Conditions.ashx>)

In Puerto Rico, [SunRun](#) aggregates residential solar+storage and provides participants \$1.00 per kWh sent back to the grid, capped at \$1200 per year per. Participants have access to their energy storage for use during power outage events and, during grid events, receive notifications and an option to opt-out of supplying energy to the grid.

Question from Representative Breese-Iverson: What about biomass? What is happening to encourage innovation and development of biomass resources in Oregon?

Biomass production and use in Oregon includes burning wood and wood waste products for combined heat and power in industrial plants, for electricity generation, as feedstock for biofuels and as a precursor to other wood products and to produce compost and other soil modifications. Since biomass includes waste products there is significant potential in diverting wood and other plant waste products (from yard waste, agriculture waste, municipal waste and others) from waste streams for use either in the production of compost, in electricity generation or as a feedstock to produce biofuels rather than sending it to landfills.

Oregon Department of Energy is leading development of an [Oregon Energy Strategy](#) with the help of state agencies, tribes, and public partners. We are evaluating the future needs of Oregon and how to meet those needs while achieving our decarbonization targets. The Energy Strategy will help us answer questions about the potential of biomass and other Oregon resources and help us identify what new policies we may need, what existing policies may need to be enhanced, and what we may need to better research.

In Oregon today, low carbon fuels such as ethanol, biodiesel, or renewable diesel are blended into or replace fossil liquid fuels to reduce the carbon emissions attributable to their consumption in transportation. Oregon natural gas utilities are also blending biogas and hydrogen into pipelines to reduce the GHG emissions attributed to direct use natural gas consumption. Biomass or biogas has the potential to be a feedstock of these low carbon fuels. Most fossil fuels consumed in Oregon are imported. Low carbon could be produced in Oregon. Transitioning to these low carbon fuels and using feedstocks such as waste biomass to produce them could generate economic benefits for the state while reducing greenhouse gas emissions.

In each of the Energy by the Numbers sections of the Biennial Energy Report you can find data on the number of Biomass (and Biofuel) facilities operating in Oregon:

- [2024 Energy by the Numbers](#), pages 14, 16 and 30
- [2022 Energy by the Numbers](#), pages 2, 15, 18 and 27
- [2020 Energy by the Numbers](#), pages 4, 19, 22, 31 and 33
- [2018 Energy by the Numbers](#), pages 4, 21, 31, 34, and 36

There are also resource reviews covering the current status of resources in the state and potential for further development as well as the potential benefits and challenges:

- [Biomass](#) (2020)
- [Biogas and Renewable Natural Gas](#) (2020)
- [Combined Heat and Power](#) (2020)

If you or members of the committee have any further questions or would like to discuss any of this further, please be in touch.

Warmly,

-C.

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