

To: House Committee on Climate, Energy and Environment

RE: HB 2064, 2065, and 2066 Supporting Oregon's Community Energy Resilience Future

Oregonians want greater resiliency from their community energy systems, and many rural communities are plagued by power outages from natural disasters. Microgrids provide a realistic option for these communities to develop cost-effective, resilient systems that will improve reliability and promote economic growth.

HB 2064, HB 2065, and HB 2066 would help the PUC clarify the regulations and legal requirements for communities to develop microgrids.

HB 2064: Enabling Islanding Capabilities

The Problem: Public Power Agreements make it difficult for community microgrids to switch on and off from the grid to divert power to critical infrastructure during disruptions.

The Solution: HB 2064 would enable microgrids to operate independently or in coordination with a utility's power grid during normal conditions or an emergency.

- HB 2064 would empower the PUC and the Department of Consumer and Business Services to provide guidance on grid disconnection processes and put more decision-making power in the hands of local emergency management teams.
- HB 2064 would enable communities to provide power to critical infrastructure including schools, hospitals, communications, and utility services during a grid disruption.
- HB 2064 would let communities designate microgrid zones based on geographical boundaries and existing electrical services infrastructure.
- HB 2064 would shed light on costs associated with designing, constructing, and maintaining a microgrid.

HB 2065: Allowing Third-Party Participation

The Problem: Utility staffing capacity is overextended by system operation and maintenance, natural disaster response, and a focus on utility priority project investments. This lack of capacity results in bottlenecks that slows the development of microgrids and renewable projects.

The Solution: HB 2065 addresses these bottlenecks in the energy planning process by enabling communities to work with certified, licensed third party professionals to provide interconnection and engineering review to reduce delays and get more projects built.

- HB 2065 allows communities and project developers to contract with a licensed third party consultant to conduct required interconnection and engineering studies, subject to the reasonable review and approval from the utility.
- HB 2065 allows these third party professionals to work with utilities as technical collaborators to add capacity and expedite the review process.
- HB 2065 requires non-utility provided studies or engineering evaluations to receive a professional stamp of approval in order to interconnect a community energy project with the public utility transmission or distribution system.

HB 2066: Establishing Clarity around Legality, Ownership, and Operations

The Problem: A lack of transparency around ownership rights stifles projects before they have even left the whiteboard. Also, avoided costs, or the value utilities compensate for locally-generated electrons, are artificially low for small scale renewables.

The Solution: HB 2066 requires PUC to establish legal clarity and compensatory mechanisms to support community-scale microgrid development and resiliency strategies. The bill also directs utilities to pay the real value of locally-produced clean energy.

- HB 2066 directs the Oregon Public Utilities Commission to conduct an investigation to determine the benefits and constraints of microgrid development.
- HB 2066 establishes clarity around who can own and operate community-led microgrids with forward-thinking interconnection standards and requirements.
- HB 2066 creates compensatory mechanisms that capture the true value of microgrids and their ability to make our grid more reliable.