



February 12, 2025

Representative John Lively, Chair  
House Committee on Climate, Energy & Environment  
Oregon State Capitol  
900 Court Street NE  
Salem, OR 97301

RE: **Oregon Municipal Electric Utilities Association Opposition to HB 2656**

Dear Chair Lively, Vice Chair Gamba, Vice Chair Levy and Members of the House Committee on Climate, Energy & Environment:

The Oregon Municipal Electric Utilities Association (OMEU) is made up of eleven not-for-profit, city-owned electric utilities. Our electric rates are set to cover the costs of service, not to earn a rate of return for investors. Many of the communities we serve have poverty rates well above the state average, so keeping rates affordable is paramount.

Our customers are served by affordable and renewable hydropower. Our access to the Federal Columbia River Power System through our BPA contracts means our customers enjoy power that averages 95% carbon free today.

Utilities have high fixed costs to build, operate and maintain our distribution systems. As more customers take advantage of net metering, fewer fixed costs are paid into the system, resulting in higher rates for non-net metering customers.

Given the potential for operational impacts and cost shifts we oppose removing the statutory cap on the cumulative generating capacity of solar net meeting systems permitted to be interconnected to utility electric systems. When solar customers are connected to our systems there are reliability and safety concerns that must be considered. Swings in load due to excess generation, or lack of generation, can significantly impact reliability and costs to other customers.

The current statutory cap sets a reasonable limit and puts the utility in the driver's seat about whether it makes sense to exceed the cap and to what extent. That calculation will necessarily be different depending on the utility's overall load and the impact on other customers.

Please oppose HB 2656. Eliminating the statutory cap will diminish a valuable tool for ensuring system reliability and fairness to other, typically less affluent, non-solar customers of our utilities.

Sincerely,

*/s/ Jennifer Joly*

Jennifer Joly, Director  
Oregon Municipal Electric Utilities Association

1201 COURT ST. NE, SUITE 102 • SALEM, OREGON 97301 • (971) 600-6976 • E-MAIL: [jenniferjoly@omeu.org](mailto:jenniferjoly@omeu.org)