24 February 2025

House Committee on Climate, Energy and Environment
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

Subject: HB 3628 - Support

Dear Chair Lively, Vice-Chairs Gamba and Levy, and Members of the Committee:

Oregon faces a sharp increase in demand for electricity that will require substantial improvements to our transmission grid. An RTO (Regional Transmission Organization) can play a significant role in facilitating the transition to clean energy by managing the electricity grid efficiently and supporting the integration of renewable energy sources. Setting up an Oregon Electric Transmission Authority (HB 3628) would be a **intermediate solution** that could provide substantial benefits while a more comprehensive regional solution such as an RTO is developed. It could begin comprehensive planning to expand transmission capacity and help drive public support for it. The bill limits the Authority's annual operating budget to less than $2 million and funds it with a charge on large industrial electricity customers.

Taking the next step and establishing a carefully designed RTO in the Pacific Northwest can provide many additional benefits. It could facilitate the integration of renewable energy resources by providing access to a wider geographic area and a more diverse generation mix. This would allow for better management of intermittent renewable sources like wind and solar and their efficient integration with high capacity factor resources like hydro and geothermal. And it could do that without compromising grid reliability. For example, when one region experiences high renewable output (e.g., lots of sunshine or wind), it can export that energy to a neighboring region currently experiencing lower renewable generation. This supports broader clean energy adoption and also reduces the need for storage. These 4 types of clean resources are abundant in our region and coordinating them over a larger area would help a new RTO enhance grid reliability during extreme weather events or unexpected outages. It also would help individual states meet their climate goals like Oregon's HB 2021 (100% clean by 2040).

Renewable energy sources are now generally cheaper than fossil fuels and the gap is widening. An RTO could help reduce the costs of distributing that energy to where it's needed. By optimizing the flow of electricity across larger regions, transmission congestion is reduced which can prevent the need for costly upgrades or the construction of new infrastructure thereby lowering overall transmission costs. It also helps enable line sharing among different utilities, leading to shared costs and better use of existing transmission resources. RTOs typically operate energy markets, where the cost of transmission is determined through competitive bidding. This competitive pricing helps reduce the overall cost of electricity for consumers, as it drives down inefficiencies in the market and encourages the most cost-effective generation and transmission strategies. All of this can help optimize transmission resources, reduce infrastructure investments, and ensure the most cost-effective distribution of electricity across a wide region.

I urge you to support HB 3268.

Respectfully,

Michael Mitton
MCAT (Mobilizing Climate Action Together)

z