OREGON BUSINESS FOR CLIMATE

February 27, 2025

Sent via OLIS.

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

RE: **Support for HB 3336 – Grid Enhancing Technologies (GETs) for Lower Cost Expansion of Capacity**

FR: Oregon Business for Climate

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

Oregon Business for Climate is a league of businesses across the state in a range of industries from manufacturing to agriculture to transportation to healthcare. We believe climate leadership is critical to the health of Oregon's industries and communities, and will help our state re-emerge as a leader thriving in the growing clean economy. To that end, our mission is to advance urgent, ambitious, equitable climate policies and programs designed to help spur innovation and economic opportunity while effectively and responsibly reducing emissions.

In short, we are a statewide group of businesses that see both the **imperative** and the **opportunity** of taking bold action to address climate change. We believe Oregon can and must do more to address climate change, that business plays a critical role in this progress, and that aggressive action is good for Oregon.

Oregon Business for Climate strongly supports HB 3336 to ensure deployment of Grid Enhancing Technologies (GETs) where applicable for faster and lower cost expansion of electric grid capacity. The bill would require utilities to evaluate the cost of deploying GETs technologies versus deploying traditional approaches for expanding grid capacity (such as running new transmission lines), and requires utilities to file with the PUC a plan to use grid enhancing technologies (GETs) where appropriate.

The result is that Oregon will ensure that we take advantage of these money-saving and faster-to-deploy technologies where and when appropriate. This is not a requirement to deploy these technologies in any prescribed circumstance. Studies have shown that GETs can play a pivotal role in interconnecting the 1,480 GW of zero-carbon resources that are seeking interconnection to the power grid, according to Lawrence Berkley National Lab. And ***even if clean energy is not your priority***, we can all agree we need more energy, very quickly, to meet rising loads. **GETs will help deliver that increased capacity.**

GETs, in a nutshell, are hardware and software solutions that can be deployed to the existing grid that make it smarter and increase capacity, flexibility, and resiliency. The most common GETs are dynamic line ratings (DLRs), advanced power flow controls, and topology optimization. The combination of devices provides near real-time data on how the grid is performing, helps reroute power to underutilized circuits, and

supports changing grid topologies—all of which provide grid operators and planners with a tool to effectively manage the grid. While we undergo the many years-long process of getting new transmissions built, GETs can help increase the capacity, resiliency, and safety of the existing grid in a relatively cheap and timely manner.

Committee Questions about GETs

In the hearing on February 25th, 2025, Committee members asked some questions regarding GETs. We take up a few of those questions below.

1. ***In a capitalist, market-driven system, things that make sense should get built, so why do we need this? It's not clear to me how this bill reduces costs.***
   As a business group, we generally agree that market-based approaches lead to selecting the best, least-cost solutions. However, in our utility system, we can't rely on these beneficial market forces to do their job. In order to avoid duplicative build-out of infrastructure, we've decided to structure our **utilities as monopolies in their service territories**. This means **there is no competition – which removes the core market force that would otherwise drive smart outcomes**. That's why we need the PUC to try to monitor and require least cost, least risk solutions. With no competition, utilities don't face market pressures for the lowest cost. AND, in our system, our utilities earn their return based on the capital they deploy (the investments they make on behalf of ratepayers), and **more investment means more return.** This further separates the natural market forces that would otherwise drive costs down. Incentives **matter**. These economic forces are a major driver of why **we need HB 3336 to require a transparent and full cost comparison these technologies so they are deployed wherever they are the best solution. In other words, HB 3336 ensures we deploy GETs where it saves money.**

2. ***This seems like a mandate. Can't we just work with the IOUs to get GETs done?***
   HB 3336 is NOT a mandate to deploy any technology, it is only a requirement for a full evaluation so that our utilities **deploy GETs when it saves money**.

3. ***Our public utilities seem to be deploying GETs so why can't the IOUs just operate that way?***
   Public utilities are owned by their communities and are motivated and run to serve those communities, not maximize profit. IOUs, on the other hand, while generally doing a great job serving our state, also have to serve their investors and deliver a strong return on investment – that is, profit. As outlined above, the drive for profit motivates the IOUs to deploy capital and produce earnings, rather than being inherently driven to minimize costs. **For some utilities, this can lead to cost saving options being overlooked** – especially when they require changes to traditional approaches.

To save money, boost capacity, and reduce fire risks, Oregon Business for Climate strongly urges your support for HB 3336.

Sincerely,

Tim Miller, Director, Oregon Business for Climate