

March 11th, 2025

Representative Lively, Chair House Committee on Climate, Energy & Environment Oregon Legislature

Re: Environment Oregon supports House Bill 3609

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

Environment Oregon is a policy and action group with one mission: to restore and protect the natural world. Our staff works for clean air, clean water, clean energy, wildlife, open spaces and a livable climate. Our members across the state put grassroots support behind our research and advocacy.

We support House Bill 3609 because it provides a bold but achievable vision for Oregon's energy future and gives Oregon another tool in its toolbox to meet its clean energy standards.

Distributed Power Plants or DPPs are local <u>networks</u> of distributed energy resources that are aggregated by a central authority (usually an electric utility company) and, when brought together, can help support the electrical grid. People who use electric vehicles (EVs), solar panels, home battery storage systems, or smart thermostats can choose to enroll their devices in a DPP if one is available in their area, and are <u>compensated</u> for their participation.

Just like other types of power plants, DPPs can provide a <u>variety</u> of benefits to the grid. Many existing DPPs work primarily to lower strain on the grid at times of high energy demand. Imagine, for instance, that you own an EV and your neighbor uses a smart thermostat. The two of you decide to enroll your devices in your local utility's virtual power plant program. During the hottest times of day in the summer, when electricity demand spikes to power A/C units, your utility might instruct your neighbor's smart thermostat to raise the temperature a couple degrees, and instruct your EV charger to charge a little slower until later in the day. In return, both you and your neighbor receive credit on your energy bills for helping out the grid. These coordinated actions across the system reduce demand on the grid, helping to balance energy supply and demand at critical moments, and reduce the risk of blackouts.

DPPs also have the potential to go beyond just managing energy demand, and can actually <u>provide</u> <u>electrons</u> to the grid like a traditional power plant. With enough storage resources on the grid, the power stored by things like home solar + storage systems and EV batteries can be aggregated and <u>exported</u> onto the grid when demand for energy is high.

DPPs are estimated to cost 40–60% less than traditional methods of providing the same services to the utility grid. The Department of Energy (DOE) projects that rapidly deploying DPPs by 2030 could save ratepayers up to \$35 billion.

However, the DOE identifies that the main thing holding DPPs back is that they aren't widely available to consumers yet because voluntary utility programs are stuck at the "pilot" stage, restricting their ability to scale to levels needed to meet growing energy demands.

Policy initiatives, such as House Bill 3609, are critical to bringing stakeholders and utilities to the table, attracting customers, and ensuring program success. Now is the time to make DPPs available to all Oregonians by setting up a DPP statewide program. Please support House Bill 3609.

Sincerely,

Celeste Meiffren-Swango State Director