



DATE: March 24, 2025

TO: Senator Janeen Sollman, Chair  
Senate Committee on Energy and Environment

FROM: Annette Price, Vice President of Government Affairs – Pacific Power

RE: Opposition to SB 1178

Pacific Power is an investor-owned utility that provides safe and reliable electric service to more than 620,000 customers across Oregon, primarily in rural parts of the state. Pacific Power is part of PacifiCorp, one of the lowest-cost electricity producers in the United States, with 2 million customers in six western states.

Pacific Power opposes SB 1178, as it will mandate that investor-owned utilities significantly increase the power they purchase from small scale renewable projects, which costs significantly more than utility-scale projects. Specifically, Pacific Power estimates that small scale energy costs between 7.4 and 9.7 cents per kWh, compared to PacifiCorp's actual net power costs that averaged 3.7 cents per kWh in 2025. These costs are based on the incremental cost increases we estimate for 2025. This is a 200-300% increase.

HB 2021 from 2021 increased the requirement for how much energy must be procured from small scale renewables from 8 to 10 percent, and this bill changes the measurement in that law from nameplate capacity (the potential energy that a project can produce) to actual energy (the energy that the project delivers to customers). This will result in a significant increase in small scale projects from this new measurement, and will be exacerbated by the fact that most of these projects are solar projects, which are likely to be curtailed due to oversupply during the middle of the day.

This unnecessary additional build-out will increase costs on Oregon customers by 3-5%—an estimated \$50-100 million each year. This is in addition to the significant investments necessary to comply with HB 2021. In addition to our concerns with the cost, SB 1178 mandates that IOUs procure these projects, but does not allow them to control or own them. The bill also does not have a cost cap to protect customers, unlike HB 2021, and unlike the Renewable Portfolio Standard.

Finally, there is a concern about when these projects can be put into service. Currently, there are only 40 MW of small-scale resources that have interconnection studies completed. FERC has not approved PacifiCorp's interconnection queue reform. This could mean that there will be an additional 2 years from when FERC approves PacifiCorp's queue reform until new resources will have studied interconnections. This could mean it may take up to, or beyond, 2030 to contract and build new resources.

The best tool for economic development in Oregon is to keep energy costs as low as possible as we decarbonize. Pacific Power urges your opposition to SB 1178.