

House Committee On Climate, Energy, and Environment
Oregon State Capitol
900 Court St. NE
Salem Oregon 97301



March 27, 2025

From: *Community Renewable Energy Association - CREA*

Subject: *Testimony in support of HB 3868*

Honorable Chair John Lively, Vice Chair Mark Gamba, Vice Chair Bobby Levy, and members of the committee:

I am writing in support of **HB 3868**, on behalf of the Community Renewable Energy Association (CREA).

CREA is an ORS 190 intergovernmental association. Members include counties, irrigation districts, councils of government, project developers, for-profit businesses and non-profit organizations. CREA supports business and economic opportunities through renewable energy development in a competitive environment. We support creating economically and environmentally responsible electric generation within the State of Oregon.

HB 3868 would require the State Department of Energy to study “avoided costs” currently paid to qualifying facilities under PURPA (the federal Public Utility Regulatory Policies Act), and then to see this compared with the costs incurred by investor-owned utilities, as it pertains to renewable energy generation facilities.

This gets back to a long-standing issue that CREA has been trying to unpack for many years now. To have factual hard data, and to understand the avoided costs and how they are calculated in a comprehensive and transparent manner.

CREA would strongly advocate for a true quantification and comparison of the costs approved by the PUC and incurred (or to be incurred) by investor-owned utilities in Oregon, for acquiring or maintaining renewable energy generation facilities; and paid by IOUs to qualifying facilities under PURPA.

We further support the examination and development of findings pertaining to the costs of small-scale renewable energy projects. To accurately analyze the avoided cost schedules over time, comparing the avoided costs under contract terms with the costs actually paid under the contracts.

For context; If a farmer, a landowner, or small developer wishes to build out a renewable energy project on their property, it is likely that they would decide to develop a project that

would be eligible under the PURPA because of the benefits of being a Qualifying Facility (QF).

Benefits of developing under PURPA as a QF include being able to utilize a standard contract and not having to negotiate with a large utility and being able to secure a set “avoided cost” rate for many years which enables project owners to secure financing for the development.

These benefits exist to encourage the small facilities to be developed by helping them reduce costs and achieve financial viability.

It is our hope with this bill, that the appropriate state agencies, while recognizing and respecting confidentiality for all parties involved, will be able to furnish such information and advice to the Oregon State Department of Energy, as is necessary to complete the study.

I think all of us would like to better understand the costs of energy in our state, especially as we make decisions that could impact ratepayers, as we are frequently told.

Thank you for your time and consideration on this matter. I hope that HB 3868 will move forward with your support.

Sincerely,

A handwritten signature in blue ink, appearing to read "James Williams", with a stylized, cursive script.

James Williams
CREA Executive Director