



April 3, 2025

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

Re: HB 3540 - OPPOSE

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

We urge you to oppose HB 3540, which would conflate Oregon clean energy policies by merging the cost caps for two distinct and complementary laws: the 100% Clean Energy Law (HB 2021, 2021) and the Renewable Portfolio Standard (SB 838, 2007).

The Renewable Portfolio Standard (RPS) was established in 2007 **to accelerate the procurement of renewable resources such as wind and solar**. It set clear targets requiring large utilities to source at least 25% renewable energy by 2025. The 2016 legislature updated these targets to 27% by 2025. Small utilities must obtain at least 5% of their electricity from renewable resources starting in 2025. The RPS includes a cost cap, which enables participating utilities to seek a tolling of their renewables requirement if procuring those resources would exceed 4% of the utilities revenue requirement.

In 2021, the Legislature passed HB 2021, establishing a 100% Clean Electricity law **to drive greenhouse gas emissions reductions in the electricity sector**. This law set emissions reduction targets for investor-owned utilities of 80% by 2030, 90% by 2035, and 100% by 2040, with a separate 6% cost cap. Importantly, HB 2021 included a provision explicitly maintaining the RPS as a separate policy tool.

By merging the cost caps for these two policies, HB 3540 would effectively lower the investment threshold for renewable energy under the RPS. The 2021 Legislature deliberately chose to maintain the RPS alongside HB 2021 rather than combining or eliminating it, recognizing that these policies serve different but complementary goals, and have different costs associated with them. There is no evidence or rationale to justify undoing this carefully considered policy framework.

We urge the committee to stay the course and vote no on HB 3540.

Sincerely,

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