April 3, 2025

Senator Janeen Sollman, Chair
Senate Committee on Energy and Environment
Oregon State Legislature
900 Court St. NE
Salem, OR 97301

Subject: **Robert K. Harmon & Company LLC - Public Testimony on Senate Bill 1102, Renewable Energy Certificates and HB 2021 Compliance**

Dear Chair Sollman and Members of the Senate Committee on Energy and Environment,

I appreciate the opportunity to provide testimony regarding the critical role of renewable energy certificates (RECs) in ensuring the integrity of HB 2021 and Oregon's clean energy transition.

I urge the Committee to act to safeguard the credibility and effectiveness of HB 2021 by ensuring that RECs are retired and accurately accounted for in emissions reduction compliance.

Background

My name is Rob Harmon. I am a national clean energy consultant residing in the State of Washington. In 2000, I introduced the concept of the retail REC (Renewable Energy Certificate) to Angus Duncan at the Bonneville Environmental Foundation (BEF). Angus then hired me to create BEF's "Green Tag" program. BEF then introduced the concept to the market and closed history's first sales of retail RECs. BEF then became the largest provider of RECs to many utilities in the Pacific Northwest and remained so for many years. I worked with several of those utilities to design their early retail green power offerings.

Creating a Functioning Market

As part of that process, Angus and I crafted a set of rules that would allow the voluntary market to thrive. Those rules delivered value to renewable energy developers building new projects, and they ensured that consumers were protected. We then worked with the National Association of Attorneys General and the Center for Resource Solutions (CRS) on national market rules that ensured consumer protection. Those rules became the basis for CRS's Green-e certification for REC-based products.

A Powerful Driver for Renewable Energy

The results have been astonishing. In 2023 in Oregon and Washington, utility voluntary green power products (all based on rules for retail RECs) delivered more than 7 million MWHs of Green-e certified RECs to voluntary customers. That is the equivalent of more than 2,500 MW of wind energy.[1]

[1] The voluntary products were comprised of various resources with different compacity factors. Wind energy is simply used to demonstrate the scale of the market.

What Customers Want and Expect

What logic and Green-e rules both require, is that those sales "move the needle" compared to utility regulatory requirements. Asking a voluntary customer to buy a REC that is also used for utility compliance is not only "double counting" it is quite frankly, consumer fraud.

Voluntary green power customers believe that their purchases make a difference. If utilities use those same RECs for compliance purposes, those voluntary purchases are not "additional" to what the utility must do anyway. All the customer has done is lower the utility's compliance costs. They have created no additional environmental benefit. Those environmental benefits are what the customer believes they are purchasing.

Current Oregon Law

HB 2021 allows utilities to use RECs for voluntary programs that are associated with generation the utilities use for compliance. That is double counting and risks running afoul of national and state consumer protection laws. It is also unnecessary. RECs are tracked in the WREGIS database and double counting can hence be avoided. But the law needs to be clear, so utilities can maintain their Green-e certification and deliver to their customers what those customers expect – RECs that are additional to those required for compliance.

If current Oregon rules remain in effect, most (if not all) Pacific Northwest utility voluntary green power programs cannot guarantee a customer's purchase will not be double counted. That unfortunately means that those programs should be disallowed under basic consumer protection laws/rules. That would be a terrible outcome for two reasons.

1. We have spent decades making it possible for consumers to make a difference in this market. Prior to retail RECs, the market was a utility monopoly/monopsony in which the only market participant who could make more large-scale renewable energy enter the grid was the utility. Voluntary renewable energy programs allowed customers to break the monopoly/monopsony and help move the market.
   Taking that option away will take us back 25 years into a world where consumer behavior is irrelevant.

2. The cancellation of NW voluntary green power programs will flood the market with RECs that would otherwise be retired on behalf of voluntary customers. Those RECs would immediately be used by the region's utilities to meet their ongoing renewable energy and emissions-free power requirements. **That will significantly delay the need for utilities to build the new renewable energy resources they currently plan to build.** Those voluntary purchases represent the equivalent of more than 2,500 megawatts of renewable energy.

   I understand that several testifying parties express concern that under HB 2021, utilities are not acquiring new renewable energy resources fast enough. Without the passage of SB 1102, **with the provision to require REC retirement,** we risk seeing the equivalent of 2,500 MW of renewables suddenly become available to meet utility compliance, without any new renewable energy being built. **This would have significant negative impacts for Oregon's climate goals, as well as local jobs and economic development.**

Voluntary renewable energy markets have been and continue to be a significant driver of new renewable energy development. These programs help us achieve our renewable energy and carbon-free goals better, cheaper and faster. Current law in Oregon undermines the market and places it at risk of collapse. **Please pass SB 1102, with the requirement that the utilities retire RECs associated with renewable energy used for compliance with HB 2021**, to ensure that the NW renewable energy market can thrive and that utility customers in the NW can continue to confidently drive more renewable energy into our shared grid.

Sincerely,

Robert K. Harmon
Vashon, WA