

To: Senate Committee on Energy and Environment
From: Daniel Whelan, Director of Government Affairs, Sustainable Northwest
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Testimony in support of HB 3863

Sustainable Northwest is writing to express support for HB 3863, which would require the Oregon Public Utility Commission to establish an eligibility cap at no less than 10 megawatts for the use of standard avoided costs rates and contracts for the purchase of energy or energy and capacity from qualifying facilities under the Public Utility Regulatory Policies Act of 1978.

PURPA Standard Contracts for Qualified Facilities (QFs) provide a pathway for Oregon's farmers, landowners, small businesses and communities to participate in the economic, environmental and energy resilience benefits of developing small-scale solar energy projects.

According to studies done by Oregon State University, the National Renewable Energy Laboratory and the Department of Energy, small-scale renewable energy projects return 3-5 times more to local communities than larger scale renewable energy projects.

They are also an important contributor to meeting Oregon's clean energy targets pursuant to HB 2021. The "avoided cost" rates paid to QFs for the power they generate help to make these small-scale projects financially feasible.

At the same time, these rates are designed to be inherently ratepayer neutral, as they are calculated by utilities based on their avoided cost of not procuring this power from other sources. HB 3863 seeks to raise the capacity "cap" for solar QF projects to receive avoided cost rates from 3MW to 10MW, consistent with the current cap for QF wind projects and the initial cap for QF solar projects that existed from 2005 to 2016.

Due to changes in the current market landscape that favor larger scale projects, restoring the 10MW cap for solar QF projects is critical to ensuring that the benefits of smallscale solar energy can be enjoyed by Oregon communities and contribute to our state's clean energy goals.

For these reasons, Sustainable Northwest supports HB 3863 and encourages the legislature to advance this important legislation.



Daniel Whelan
Director of Government
Affairs
(541) 232-7475

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