



February 5, 2025

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

RE: Support for Senate Bill 1582, Relating to distributed power plant programs.

Dear Chair Sollman, Vice Chair Brock Smith, and members of the committee,

On behalf of the more than 55,000 members and supporters of the Sierra Club Oregon Chapter, we write in support of Senate Bill 1582, which requires electric companies to develop a program for distributed power plants, also referred to as virtual power plants. The No se would use distributed energy resources, things like batteries, electric vehicles, smart thermostats and appliances on the customer's side of the utility meter, that customers can opt into a program to shift energy use, especially during times of peak demand on the grid.

Federal regulators already recognize aggregated distributed energy resources as legitimate grid resources¹, and SB 1582 helps ensure Oregon can fully participate in this modern grid framework. These types of programs make our grid more reliable and are much faster to deploy and cheaper than building new power plants and transmission capacity that might only be used a few hours per month, and the savings will directly benefit ratepayers. In 2020 Vermont's Green Mountain Power distributed energy storage program saved about \$3 million for its customers.² A study by RMI found that virtual power plants could save \$17 billion in costs by 2030.³ Under current regulation, utilities typically profit more from building large, capital-intensive infrastructure, so they may not prioritize a more cost effective distributed power plant program unless they are required to with this law. Please vote yes to pass Senate Bill 1582.

Respectfully submitted,

Emily Bowes, Policy Strategist

A handwritten signature in black ink that reads "Emily Bowes". The signature is fluid and cursive, with a long horizontal line extending from the end.

¹ Federal Energy Regulatory Commission Order 2222

<https://www.ferc.gov/ferc-order-no-2222-explainer-facilitating-participation-electricity-markets-distribute-d-energy>

² GMP's Energy Storage Programs Deliver \$3 Million In Savings for All Customers During 2020 Energy Peaks, Green Mountain Power, September 2020,

greenmountainpower.com/news/gmps-energy-storage-programs-deliver-3-million-in-savings

³ Virtual Power Plants, Real Benefits, RMI, 2023, rmi.org/insight/virtual-power-plants-real-benefits

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