

Senate Energy & Environment Committee  
Testimony in support of SB 1582

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Sustainable Northwest  
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Chair Sollman, Vice Chair Brock Smith, Members of the Committee

For the record, my name is Daniel Whelan and I am the Director of Government Affairs for Sustainable Northwest. Sustainable Northwest works with tribal and rural communities on natural resource solutions that make economic and environmental sense. We support SB 1582 because Oregon needs every tool available to reduce the cost of electricity, reduce the impacts of climate change, mitigate the impact of data center development, and build greater resiliency in the energy systems of our front line communities.

Last session, Sustainable Northwest and the Making Energy Work Coalition worked closely with legislators, the Oregon Public Utility Commission, state agencies, utilities, local governments, and nonprofits on legislation to create a regulatory framework for microgrids and third party grid interconnection studies. As the cost for new electrical generation, transmission, and distribution skyrocket, microgrids will provide communities a way to keep the power on for emergency services, critical infrastructure, and economic centers during disasters.

But to maximize the benefits of microgrids and distributed power investments, we need distributed power plant programs that reduce electricity costs for all ratepayers by cutting peak demand and avoiding expensive new electricity infrastructure.

The synergy between Virtual Power Plants (VPPs) and Microgrids is at the forefront of our energy sector's transformation. Virtual Power Plants offer a dynamic and decentralized approach to energy generation and management, while Microgrids serve as localized hubs for optimizing energy use and enhancing resilience. When a microgrid is not being used for an emergency, it can function like a Virtual Power Plant; and the incentives earned by Virtual Power Plants can help communities fund the construction of microgrids. Together, they can provide cost-effective grid services while facilitating the transition to cleaner and more sustainable energy sources.

Virtual Power Plants can cost 40–60% less than traditional utility services according to the US Department of Energy. To make VPPs available to more Oregon customers, we need SB 1582. This bill will bring stakeholders and utilities to the table, attracting producers and customers, and ensuring program success. We strongly support a program that can make utilities and communities more efficient, effective, and resilient.

Sustainable Northwest urges a Do Pass recommendation for HB 1582.  
Thank you.