

## **HOUSE ENERGY AND ENVIRONMENT COMMITTEE**

Date: January 17, 2014

Time: 8:30 A.M.

Room: HR D, State Capitol, Salem Oregon

**Members Present: Representative Bailey, Representative Johnson, Representative Boone Representative Bentz, Representative Dembrow, Representative Vega Pederson, Representative Whitsett, and Representative Weidner**

Informational Meeting

### **LC 54 - Relating to Net Metering of Energy Produced by Marine Resources**

Testimony from: [Lt. Col. Ken Safe](#), U.S. Army Corps of Engineers; and Richard Williams, Director, Columbia Region Leidos Maritime Solutions

Lt. Col. Safe discussed the Military Department's (OMD) desire to have wave energy included as a renewable energy resource for net metering. The OMD is very interested in using wave energy to service the energy needs for Camp Rilea. This statutory change would help OMD initiate pilot projects to phase in wave energy development. Both proponents support an amendment to the concept that would remove the reference to waters of this state and instead reference the territorial sea or outer continental shelf, that is directly interconnected to the customer-generator's premises.

### **Renewable Portfolio Standard**

Testimony from: Ted Case, Executive Director, Oregon's Rural Electric Cooperative Association; Varner Seaman, Policy Director, Renewable Northwest Project; [Lisa Schwartz](#), Director, Department of Energy; Julie Peacock, Policy Analyst, Department of Energy; Scott Bolton, Vice President, Community and Government Relations, Pacific Power; and Jeff Bissonnette, Organizing Director, Citizens' Utility Board

The Oregon Legislature enacted the Renewable Portfolio Standard (RPS) in 2007 (SB 838). Under the law, Oregon utilities must deliver a percentage of their electricity from eligible renewable resources by 2025, with interim standards for large utilities. An Oregon utility may comply using a combination of the following options: build an eligible facility (or continue to operate an existing one) and use the power and associated renewable energy credits; buy power and associated credits from an eligible facility owned by another party; buy "unbundled" renewable energy credits without the underlying electricity, statute limits how much of the utility's obligation may be met with unbundled credits; or make alternative compliance payments, with an option to use these funds for energy efficiency or

to build an eligible facility in the future. Different classes or sizes of utilities have different requirements under the RPS.

Recently a Task Force has been looking at issues related to the RPS, including how to address cost implications when a small non-generating coops is moved into the large utility class as a result of increased load from data centers. The Task Force is still working on finalizing a concept but the current proposal would change the amount of unbundled renewable energy certificates (RECs) under ORS 469A that a large consumer-owned utilities can use to meet compliance: 5% qualifying electricity - 100% unbundled RECs; 15% and 20% qualifying electricity - 75% unbundled RECs; and 25% qualifying electricity - 20% unbundled RECs (business as usual). This proposal would allow large consumer-owned utilities a longer time period to use unbundled RECs to meet the RPS. It would also make the total volume of RECs higher than Business as Usual given the relatively lower cost of unbundled RECs compared to bundled RECs. Finally the time period before large consumer-owned utilities reach the 4% cost cap would be extended.

The Task Force is also discussing a green tariff concept which would direct the Public Utility Commission to come up with voluntary options to give industrial customers more options. Mr. Bolton and Mr. Bissonette discussed the timing for developing this proposal.

### **LC 51 - Relating to the Facilitation of Financing for Energy Improvements by Local Governments**

Testimony from: Lisa Abauf, Central City Manager, Portland Development Commission; and John Tydlaska, Economic Development Director, Multnomah County

Under current law, a local government can support energy efficiency investments through a tool known as property assessed clean energy (PACE). No local government has implemented a PACE Program in Oregon yet, but 30 other states have enacted PACE programs resulting in \$56 million in energy efficiency improvements. Multnomah County looked at setting up a PACE program but found that requiring PACE funds to come from the county through either a revenue bond or a loan from the State Energy Loan Program was too big of a barrier. Multnomah County found that other state PACE programs that did not prohibit property owners to access private financing were more successful. LC 51 would amend the PACE statute to allow local governments to partner with private lenders to provide financing for those projects.

### **LC 215 - Low-Income Weatherization**

Testimony from: Ryan Fisher, Community Action Partnership of Oregon; Marion Haynes, Portland General Electric; and Jeff Bissonnette, Organizing Director, Citizens' Utility Board

A Work Group has been meeting since July to look at how to make improvements to the low income weatherization and bill assistance programs but there are still some issues remaining around governance and the alignment of the rate payer funded programs and the federally funded programs. Mr. Fisher is concerned that it is premature to pursue a legislative concept until the changes at the Housing Community Services Agency have been implemented and his preference is to wait until 2015 Legislative Session. Mr. Bissonette shared CUB's disappointment over the last 10 years with how the Housing Community Services Agency that has managed the program and suggested using the gas program as a model of what it should look like. Ms. Haynes identified some shared goals for the programs of providing good customer service, minimizing costs, gaining efficiencies, and maximizing the amount of funds that can flow through.

## **WORK SESSION**

The committee voted without objection to introduce [LC 51](#), [LC 54](#) and [LC 57](#) as committee bills