

## **Southern Oregon Ocean Resource Coalition – SOORC**

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April 17, 2015

Rep. Jessica Vega Pederson and committee members  
House Committee on Energy and Environment  
Salem, Oregon 97301

Rep. Caddy McKeown  
900 Court St. NE, H-476  
Salem, Oregon 97301

Sen. Arne Roblan  
900 Court St. NE, S-417  
Salem, Oregon 97301

Dear Chair Jessica Vega Pederson, members of the House Committee on Energy and Environment, Rep. McKeown and Sen. Roblan:

The following comments regarding opposition to HB 2216-3 are submitted on behalf of the Southern Oregon Ocean Resource Coalition (SOORC). SOORC represents marine-related interests on the Southern Oregon Coast engaged in proposed uses of Oregon's coastal waterways. SOORC serves as a forum to address issues of common interest to its members and associated industries.

We oppose HB 2216-3 for a number of reasons. Primarily, providing competitive advantage to a single company with unproven technology is blatantly unfair to other competitive potential wind energy developers but also to the businesses who form the backbone of coastal communities. The seafood industry and marine-related companies that depend on sport and commercial fishermen and processors are an established part of coastal economies that contribute millions of dollars to the state. We provide thousands of family-wage jobs, quality seafood to residents and tourists, and a culture and ambiance that attract visitors from around the world.

SOORC worked with Principle Power to identify an area in which the proposed WindFloat project would likely have the least effect on the local seafood industry. However, after Principle Power obtained preliminary approval from the Bureau of Ocean Energy Management (BOEM) for a larger area off of Coos Bay, Principle Power moved its WindFloat footprint 2 miles north within that area, with no advance notice to SOORC or seafood industry participants, thereby negating a carefully negotiated area. The project is now located directly in prime shrimp and rockfish fishing areas utilized by several small businesses in Charleston. This action displaces traditional fishermen.

Principle Power, based in Seattle, Wash., has long maintained its interest in developing the WindFloat technology, then selling it to other buyers. To that end, the company has now partnered with Deepwater Wind, a developer from Rhode Island, that is working on building an offshore wind array off the East Coast. Principle Power has zero direct interest in Oregon other than having a landing spot for its WindFloat cable and energy to come ashore. Profits from the energy sales – which HB 2216 would force on Oregon ratepayers – go out of state. Sales of the technology go out of state. Any taxes the company is required to pay go out of state. Deepwater Wind's investors for the East Coast project are from Ohio and France.

Nothing Principle Power or Deepwater Wind has done so far benefits Oregon; SOORC does not expect that trend to change.

SOORC first understood the structures would be built locally. Recently we discovered that is not the case. Some parts would be constructed overseas. Certain parts of the structure would be assembled in other deepwater ports such as Portland or Seattle, then towed directly to the site, completely bypassing Coos Bay. Again, money for design and construction would *not* go to the local economy.

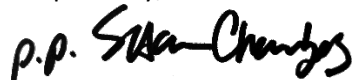
Whereas SOORC and its members have tried to reach out to Principle Power to further communication through state and federal meetings, Principle Power has not done the same. In addition to moving its site without advance warning or negotiation, it placed testing equipment in the area using used railroad wheels – then left them in the ocean. This can be a safety issue for commercial fishermen. When asked to remove them, Principle Power has not done so. Furthermore, since fishermen were unaware there was testing equipment in the area, that gear got tangled in a fisherman’s net and ended up in Brookings. Advance notice would have gone a long way to establishing trust with the seafood industry and avoided unnecessary entanglements.

If all this sounds familiar, it should. Ocean Power Technologies, a wave energy developer from New Jersey, wasted years of the state’s time, the seafood industry’s time and the legislature’s time when it promised jobs and development at Oregon’s coast. None of that came to fruition and OPT abandoned its plans. Traditional market forces, not government intervention, should provide the capital for development and success. HB 2216-3 has the potential to create another scenario of high hopes and pipe dreams.

SOORC cannot in good conscience support such a flawed bill, nor the sponsors of such a bill. HB 2216-3 will *not* create jobs; it could instead cause a net loss in coastal employment by displacing sport and commercial fishermen. HB 2216-3 should not pass out of committee.

We appreciate the opportunity to comment.

Respectfully,

A handwritten signature in black ink that reads "p.p. Rick Lilienthal". The signature is written in a cursive, somewhat stylized font.

SC/for Rick Lilienthal  
Chairman, SOORC  
Coos Bay, Ore.

Cc: Rick Lilienthal