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## **OPUDA Testimony on SB 1507 and HB 4001 – Clean Energy Jobs Bill**

February 7, 2018

Co-Chairs Dembrow and Helm and Members of the Senate and House Environment Committees,

On behalf of the Oregon People's Utility District Association (OPUDA), I want to thank you for your continued work on SB 1507 and HB 4001. About 1.1 million Oregonians are served by Oregon's consumer-owned utilities. OPUDA's members include all of Oregon's People's Utility Districts (known as PUDs), which provide at-cost electric service to nearly two-thirds of the Oregon coastline, parts of Columbia and Multnomah counties, Lane County, and as far east as Wasco County. PUDs are governed by five-member Boards of Directors that are elected by voters in each PUD's service area.

Oregon is a leader in building a growing and green economy. Oregon PUDs are an important part of that success, providing nearly GHG-free hydroelectricity to our customers. Understanding the need to produce more with less, OPUDA members and our customers are committed to doing their part in lowering the Oregon's GHG emissions with or without new cap-and-trade legislation.

OPUDA appreciates the opportunity to work these committees and hopes to continue discussions around the design of a cap-and-trade program that works for all of Oregon. Specifically, we appreciate your efforts to provide free, direct allowances to regulated consumer-owned utilities. These allowances are important to mitigating any cost impacts to our customers. The bills also address a key tenant of public power by leaving decision-making to our locally-elected governing boards. This flexibility will allow PUDs to meet local needs of the varied and diverse communities in which we serve.

Nevertheless, there are a few unresolved issues that remain in both SB 1507 and HB 4001. The committee should clarify these issues in the enabling statute, rather than leaving unanswered questions to an unpredictable administrative process. We are particularly concerned that the following topics have not been adequately addressed:

- **Point of regulation needs additional analysis.** What is the right point of regulation for consumer-owned utilities under a cap-and-trade program? For instance, whether First Jurisdictional Deliverer (FJD) or Load Serving Entity (LSE) best serves the purposes of

*Central Lincoln PUD – Newport*

*Northern Wasco County PUD – The Dalles*

*Columbia River PUD – St. Helens*

*Clatskanie PUD – Clatskanie*

*Emerald PUD – Eugene*

*Tillamook PUD – Tillamook*

our customers and the program as a whole. This analysis has not been done by the state or bill proponents and should be done before the legislature passes a bill.

- **Local economic and customer impacts need to be better understood.** Are OPUDA customers (predominately rural), both residential and industrial, adequately insulated from potential adverse economic impacts of this legislation? As elected officials, it is important that we look holistically at any economy-wide policy to ensure our customers and service territory are not adversely affected. This includes impacts to our customers that are not directly influenced by our utility, but could have a negative impact on our communities, such as a large industrial customer leaving our service territory.
- **Oregon's program should sunset with California's program.** If the goal is to link to the State of California and other like-jurisdictions, the bill should sunset alongside California in 2030. Forecasting our energy supply, transmission capabilities, and Oregon's economy beyond 2030 is challenging. For that reason, the legislature should track with California and sunset in 2030

In addition to HB 4001 and SB 1507, our members and their customers remain concerned with the State's position on Columbia River spill requirements that remove significant amounts of clean, GHG-free hydro electricity from our BPA electricity mix. Increased spill leads to more GHG emissions, which we all agree we should avoid. Therefore, the state must reconcile these two policies. Lowering GHGs and improving fish runs in the Northwest go hand-in-hand. Let's make sure that our policies reflect that fact.

We look forward to working on answers to these questions with you during this legislative session and, if necessary, beyond.

Thank you,

Kevin Parrish, OPUDA President 2018