



**Testimony of Ted Case, Executive Director
Oregon Rural Electric Cooperative Association (ORECA) on SB 508
Senate Committee on Environment and Natural Resources
March 7, 2019**

Chair Dembrow, Vice-Chair Olsen, and Members of the Committee: For the record, I am Ted Case, the Executive Director of the Oregon Rural Electric Cooperative Association (ORECA). ORECA represents 18 electric cooperatives that serve nearly 500,000 Oregonians in some of the most rural and remote parts of the state. Never has the phrase “rural and remote” been as true as it has been the last two weeks as our crews work feverishly to restore power to areas in western Oregon devastated by the winter storms. We are making steady progress and certainly appreciate the support of all Oregonians in this difficult time.

ORECA would like to voice our support for SB 508. I want to thank Chair Dembrow for devoting time to this important issue and for Senator Betsy Johnson for her leadership introducing this legislation. Next year, Oregon’s electric cooperatives will go to Guatemala to bring electricity to several mountain villages who are, unbelievably, among the one billion people in the world who do not have electricity. It’s a daunting project and one of the biggest challenges is locating cost-effective and reliable power supply. As one of the project leaders told me, “if only everyone had the hydroelectric power you have in the Northwest.” This only confirmed to me what we already know: our federal hydro system is the envy of the world. It just isn’t only always envied by policy-makers here in Oregon.

As noted in the Oregon Department of Energy’s Biennial Energy Report, hydropower “makes up a large and important part of Oregon’s electricity resource mix – providing more than 40 percent of the state’s electricity.” Hydropower played an important role in the early development of this region and we believe that Franklin Roosevelt’s vision for the Columbia River in the 1930s was the original “Green New Deal.”

This valuable resource remains the backbone of Oregon’s clean energy economy and is also integral to Oregon meeting its carbon reduction goals. The Northwest Power and Conservation Council captured the attributes of hydropower in one of their reports: *“It is a low-cost, clean resource, and the hydropower system can be operated to adjust its generation up or down quickly to meet fluctuations in demand. In fact, it is this unique characteristic – the ability to shape generation to fit the needs of increasingly dynamic power system – that has been a key tool in helping to add other renewable energy resources like wind and solar to the power grid.”*

However, most of federal hydropower is *not* eligible for credit toward the state's Renewable Portfolio Standard (RPS).

The RPS does include generation attributable to efficiency upgrades made at existing hydropower facilities after 1995, and Oregon's rural electric cooperatives do benefit from renewable energy certificates (RECS) from efficiency upgrades on the federal system – which we pay for in rates. We are also currently on track to meet our RPS compliance obligation in 2025. (Umatilla Electric is in a different RPS standard because of their tremendous load growth.) However, our contracts with BPA expire in 2028 and there is no certainty moving forward on how these RECs will be treated.

Accordingly, Oregon's electric cooperatives who receive more than 85 percent of our electricity supply from clean renewable hydropower will be compelled to find alternative methods to comply with the RPS. It simply makes no sense. There may have been some rationale for excluding hydroelectricity as an RPS qualified resource in 2007, but for my members that day has long since passed.

If history is any guide, Oregon's RPS that was so vigorously debated in 2007 will continue to evolve, just as it evolved with the amendments in 2016 with SB 1547. Clean Energy Standards in California and Washington recognize the role of federal hydropower in meeting their carbon reduction targets. In the future, we hope the Oregon Legislature will have a thoughtful, deliberate debate about the value of hydropower in a new era of clean energy. SB 508, at the very least, begins this conversation.

Thank you for the opportunity to testify.