Chair Nathanson and Members of the Committee:

For the record, I am Les Perkins and the General Manager for the Farmers Irrigation District, a small renewable project that operates hydropower facilities that help not only generate clean renewable energy for the community, but also helps to reduce the cost of delivering water to farmers in the Hood River valley. I am also a Hood River County Commissioner and Board Member of the Community Renewable Energy Association, or CREA, which I will speak on behalf of today.

Unfortunately, CREA is here today to oppose the negotiated amendment before you because we believe it is lacking two crucial provisions that would ensure a portion of these renewable projects are (1) small - under 20 MW and (2) are located right here in Oregon.

First, we must fix the math problem being used to calculate Oregon’s current small-scale renewable mandate. As adopted in the 2016 Session, the small scale community mandate requires IOUs to purchase at least 8% of their renewable energy from small, under 20MW projects. However, a few key words added in the final hours have had a chilling effect on new small scale projects actually being built in Oregon and envisioned by the policy. The change adjusted the compliance standard to be based on capacity rather than generation. This dramatic policy shift has needlessly and significantly jeopardized the amount of renewables needed to attain the 8% mandate. We need a simple change from capacity to generation – let’s make sure the mandate has meaning by making sure the formula to assess compliance is real and requires IOUs to make the small scale renewable investment intended by policy makers.

Second, there must be a requirement that a portion of these projects be built in Oregon. We support the -48 Amendment but believe it should be higher than 25% in Oregon – it should be 50%. We must prioritize renewable energy projects that produce direct energy resiliency benefits for Oregon and local regions.

We want to thank Rep. Helm, Rep. Brock Smith and Owens for their hard work over the past few weeks championing these specific provisions and ask that this Committee not advance this bill until the small scale community renewable mandate methodology is fixed – and the requirement that at least 50% of these renewable projects be located in Oregon.

Thank you for your time today and I’m glad to take questions.

**Q&A IF ASKED:**

* Q. Are you concerned about the commerce clause issues connected with the in-state requirement?
  + No. And hope you will invite Legislative Counsel to the Committee to brief the Committee on their legal analysis that this is a policy option available to us. That we can prioritize renewable energy projects that produce direct energy resiliency benefits for Oregon and local regions.
* Why 50% not 25%?
  + Any in-state mandate is a good first step, however at 25% we are concerned a few larger projects could eat this mandate up very quickly – whereas a larger 50% in-state requirement would spur diverse investment and likely include small, medium and large projects.
* Do you have an idea of IOUs are close to the 8% mandate already?
  + We believe, based on numbers gathered by the PUC and ODOE, that if the current RPS small-scale policy is left at “capacity” but moved up to 10% from 8% as proposed in the negotiated amendment, PGE will already be in in compliance with a 10% capacity requirement or very close to it in 2025 (and certainly by 2030).   PacifiCorp has some room to go before reaching 10%, but its not significant.  Additional analysis also is needed for these compliance figures beyond 2030 as the mandate continues to apply.

* What are the benefits of small scale renewable projects?
  + Small scale projects provide additional benefits beyond the clean energy provided. These projects provide a better opportunity for local ownership and retained economic benefits/local jobs as well as add to resiliency. There are small scale renewable energy projects operating in almost every county of Oregon. These projects under 20 MW represent critical economic development for rural communities. Oregonians want all of the benefits of renewable energy - including that they be developed in their own communities and create local jobs. See our testimony in OLIS with examples across the State.