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Community Renewable Energy Association: *an intergovernmental entity representing local governments and developers of renewable energy facilities in Oregon since 2007.*

Executive Director Report

Mike McArthur

February 10, 2023

We want to welcome new Executive Board member, Morrow County Commissioner Jeff Wenholz. Jeff attended a CREA meeting in Boardman last year and is current Vice Chair of the Board of Umatilla Electric Cooperative. We are pleased that he brings that experience to the CREA board. Jeff follows in the footsteps of his father, John who also served as a Morrow County commissioner. We also want to welcome new developer member, Gallatin Power, represented by Jeff Fox and Jake Oken-Berg.

Our meeting today will begin with the consent agenda: minutes and financials. Our revenue has begun to come in as anticipated. All SIP county dues received. Other governments near 75% (Commissioner Dorrان of Umatilla is seeking his boards approval to join CREA). And new developer members are adding additional revenue. Expenses are at 37% for 7 months of fiscal year. We are operating without general legal counsel on retainer. We will seek legal services as needed.

Each Executive Board member may select an alternate who will have voting rights in the regular members absence. Please let us know of those selections.

Action: Please approve consent agenda.

HB 2816 - We have previously sent out news articles and materials regarding the issue of large users of electricity, especially those receiving property tax breaks, complying with Oregon's requirements for decarbonization. The issue is focused around Amazon in Morrow and Umatilla counties but may affect Google, Facebook and Apple as well as others. To better understand the situation, we have asked Robert Echenrode, General manager of Umatilla Electric Cooperative to join us and explain UECs position. We may also hear from Joshua Basofin of Climate Solutions, one of the proponents of the bill.

Renewable Energy Project Siting - As we have previously reported, there is a lot of activity among interest groups in siting renewables. In particular, the professed goal is to reduce conflict and speed up the process. (See siting concepts in meeting materials). Jeff Fox of Gallatin will be with us to discuss their ideas developed with 1000 friends. Diane Brandt of Renewable Northwest should also join us to share that workgroups concept and NewSun has their proposals we hope to see by Friday.

Resilience/Microgrids Workgroup - House Climate, Energy and Environment Committee Chair has convened a workgroup to look at how to improve electric power resilience for communities and how microgrids can be employed to achieve that goal (see Resilience slide show from PGE).

Allie Detrio of *Reimagine Power* and *Microgrids Coalition* has been participating in these discussions and has experience in California and elsewhere with microgrids. We hope she is able to join us to share some of her observations and advice in policy making.

ENEL Open House at Sherman - Renewable Energy company ENEL held an Open House at Wasco Tuesday 2/7. They are proposing a 500 MW wind project with 200 MW hours of storage somewhere in Sherman Co. They plan to connect to the grid at the 500 kv level. Currently they are signing up landowners to options to lease and develop. They have requested an interconnection study from BPA.

One landowner told me that he believed there were offers of 4% of revenue with a base level of compensation. This project from Texas looks similar to what is contemplated here.

<https://www.enelgreenpower.com/our-projects/operating/azure-sky-wind-storage-farm>

Legislative Activity - We testified last week on HB 2533 (the study of the costs of small scale renewables v. avoided costs) and recommended the study be outsourced to an independent consultant as OPUC and ODOE staff explained to Alan and me in conversations that they don't have the time, resources or staff to do the work. PGE didn't testify in person but wrote this following after the hearing:

“The power from these projects has historically been far more expensive for our customers than renewable power acquired through a utility request for proposals (RFP) or power purchased in the market. In 2020, the average price paid for PGE’s PURPA contracts was \$85.31 per MWh – 302% more than the average price for energy procured on the market. In 2021, the average price paid for PGE’s PURPA contracts was \$79.89 per MWh – 62% more than the average price for the market for that year. Despite more than a two-fold increase in the average market price from 2020 to 2021, PURPA projects were still more costly for our customers.”

Other Legislation - Alan and I also testified on HB 3055 which would increase standard rate schedules for solar QFs from 3 MW to 10, like wind. It would also require the OPUC to adopt a rate schedule for hybrid resources using storage (*permit an energy storage system to be paired with a small power production facility...*). In our discussions with OPUC staff we were told by Caroline Moore that OPUC hopes to have a hybrid rate schedule by May.

Generation v. Capacity - CREA has a bill being drafted that would amend ORS 469A.415 and change the measurement of small scale renewables to be consistent with other metrics in the Renewable Portfolio Standard. The change would require that the IOUs would need to acquire 10% of their electricity from small scale renewables by 2030 as measured by generation.

State Energy Strategy Bill - Apparently there is a coordinated effort to develop a *State Energy Strategy Plan*. It will likely appear in HB 2534 and include study proposals on several issues with regards to renewable energy development including hydrogen. Diane Brandt of RNW may be able to shed light on this proposal and the amendment pending.

Hydrogen - SB 125 - Directs Department of Transportation to establish grant program for fuel cell electric vehicle and hydrogen fueling demonstration projects. Appropriates moneys from General Fund to department for grant program.

Requires department to study existing state statutes, regulations, rules and policies that may impede or hinder wide-scale adoption and use of fuel cell electric vehicles and hydrogen fueling. Directs department to submit findings and recommendations to interim committees of Legislative Assembly related to energy and economic development not later than September 15, 2024.

Land Use - Proposal to allow non-farm parcels to include an ADU like is now allowed in cities:

ORS 215.284(7) In counties in eastern Oregon, as defined in ORS 321.805, a single-family residential dwelling (**and one Accessory Dwelling Unit**) not provided in conjunction with farm use may be established, subject to the approval of the county governing body or its designee, in any area zoned for exclusive farm use upon a finding that:

(a) The dwelling or activities associated with the dwelling will not force a significant change in or significantly increase the cost of accepted farming or forest practices on nearby lands devoted to farm or forest use;

(b) The dwelling will be sited on a lot or parcel created after January 1, 1993, as allowed under ORS 215.263 (5);

(c) The dwelling will not materially alter the stability of the overall land use pattern of the area; and

(d) The dwelling complies with such other conditions as the governing body or its designee considers necessary. [Formerly subsections (3) to (8) of 215.283; 2001 c.704 §4; 2003 c.621 §71; 2015 c.27 §24]

There may be other legislation to discuss as time permits.

Next meeting March 10

