



What's missing from HB 2021?

HB 2021, as amended, sets up a new 100% clean electricity standard for Oregon's largest utilities. As part of their compliance with the new standard, utilities will buy and build new renewable power. However, the bill currently does not contain policy support for projects to be **built in Oregon**. Specific policy support is needed, because in recent years there have been fewer small-scale projects built in Oregon with projects increasingly being built in other states due to differences in their constructs for land use and labor standards

There are two policy proposals to support renewable projects built in Oregon:

1. Restore the 8% requirement for small-scale renewables from "capacity" back to "energy generation"
2. Require 50% of the new renewables generation be built in Oregon

1. Restore the 8% requirement

How did we get here?

In the waning hours of the 2016 Session a few key words to the 8% small scale renewable mandate were changed and have had a chilling effect on new small scale projects being built in Oregon. 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.

How do we fix this?

Oregon could have many new homegrown energy projects that each provide local tax base, jobs, pride and clean electrons for Oregonians today. The fix is simple:

(2) For purposes related to the findings in subsection (1) of this section, by the year 2025, at least eight percent of the ~~aggregate electrical capacity of all electric companies that make~~ **electrical generation of each electric company that makes** sales of electricity to 25,000 or more retail electricity consumers in this state must be composed of electricity generated by one or both of the following sources: (a) Small-scale renewable energy projects with a generating capacity of 20 megawatts or less that generate electricity utilizing a type of energy described in ORS 469A.025; or (b) Facilities that generate electricity using biomass that also generate thermal energy for a secondary purpose.

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. (See [Aspen article](#))



What are Small Scale Renewable Energy Projects?

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.

For example, in **Hood River County**, agriculture is the largest sector of the local economy, accounting for nearly \$80 million in raw sales. A total of 15,325 acres are farmed in the Hood River Valley. For nearly 30 years, Farmers Irrigation District, a small renewable project, has operated 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 and allows them to re-invest in modernizing the entire system. Modern systems also conserve water and generate more water for in-stream flow to protect fish and other vital habitat for species. There is a huge potential to develop similar projects like this in irrigation districts throughout rural Oregon – projects that will help farmers save money, generate clean, renewable energy, conserve water and create badly needed jobs in our local communities.

In **Lakeview**, Oregon Black Cap II is an 8 MW ac (10.5 MW dc) solar photovoltaic plant that sits on approximately 70 acres and will produce annually enough energy to power about 2,000 Oregon homes. The facility uses over 32,000 SolarWorld mono-crystalline panels with SMA inverters, and was built by Swinerton Builders, whose renewable energy division also built the first Black Cap Solar project on an adjacent site. The site enjoys some of the best solar radiation in the Pacific Northwest and received strong support from the communities of Lakeview and Lake County, the Lake County Resources Initiative, and from the Oregon Department of Energy. Electrical labor was supplied by members of the IBEW. The project was developed by Obsidian Renewables, LLC and was purchased by PSEG Solar Oregon, LLC. Power from the project is being sold to PacifiCorp under a long term power purchase agreement.

In the **Deschutes Basin** where Three Sisters and Swalley Irrigation Districts have undergone significant system modernization projects that save farmers money, generate renewable electricity and add water back to our rivers and streams for habitat. These system modernization programs are often made possible because of our ability to develop responsible hydropower generation stations and sell that power back to the grid to power our community's homes and businesses. In the Three Sisters Irrigation District, upgrading the system has not only saved farmers money but has gotten water flowing in Wychus Creek.

In **Baker County** the Joseph family built Lime Wind, a 3MW wind farm on public lands managed by the Bureau of Land Management. With insufficient wind on their ranch they applied to the BLM for a Right-of-Way and were approved to build the first wind farm on public lands in Oregon. The Josephs have just finished their fifth year of operating and maintaining Lime Wind which has added financial support to three families while keeping all wages and profits local. The Josephs are firm believers in having local ownership and management of renewable



energy projects as renewable energy can be a boon to rural communities but the impact is maximized when ownership is local.

And from the [Aspen Institute celebrating an Oregon project](#): For example, while small-scale renewables and microgrids are known for climate mitigation and resiliency potential, particularly in economically distressed communities, efforts to implement them broadly have stumbled. Yet innovators like [Nils Christoffersen](#) and Matt King at Wallowa Resources have helped deploy innovative small-scale renewable energy technology that allows farmers, ranchers, small businesses, school districts, and municipalities in northeastern Oregon to control their own energy supply, reduce operating costs, and create new sources of revenue in places hard hit by the decline of the forest products industry. Local capacity to do the R&D and extension work, build partnerships, access public and private financing, and frame the opportunity in relevant social and economic terms has been key to that success. In **Wallowa County**, this small isolated rural county of 7,000 people is saving nearly \$2 million per year in energy dollars – and these savings are realized directly by public school districts, municipal water systems, small businesses, farms, and homes.

2. Require that 50% of power be built in Oregon

Siting renewable energy projects in Oregon has both resiliency and economic development benefits. Having energy generated makes Oregon more energy independent. It also benefits remote and coastal communities, who experience more frequent power outages. Having projects built in Oregon reduces wildfire-related resiliency risks to the grid that increase with the remoteness of electricity generating and storage facilities.

Siting projects in Oregon creates economic development for rural counties. In some counties, renewable projects are the top paying property tax entities. In addition, building renewables creates both construction jobs and ongoing maintenance jobs. Communities also receive indirect economic benefits, when workers spend money in town during construction.