

SB 838: POWERING OREGON'S FUTURE

a continuing series on why renewable energy matters...

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Renewable Energy Protects Energy Consumers

RENEWABLE ENERGY SAVES CONSUMERS MONEY

Increasingly, renewable energy resources such as wind, geothermal and biomass are the cheapest option for generating electricity, especially as prices for natural gas and coal continue to rise. Puget Sound Energy, Washington's largest utility, reports that their investment in two large wind farms will save customers \$170 million over the next 20 years compared to buying the next cheapest resource.¹ Xcel Energy reports that investing in wind power saved their Colorado customers \$14 million in 2004 and 2005.²

Expanding our use of renewable energy can also help reduce the use of natural gas for electricity generation and save Oregon consumers money on their gas bills. According to experts at Lawrence Berkeley National Laboratory, increasing our use of renewable energy will hedge against natural gas price risk in a number of ways, including "displace[ing] gas-fired electricity generation, which reduces natural gas demand and ... puts downward pressure on gas prices."³

RENEWABLE ENERGY OFFERS STABLE, PREDICTABLE ELECTRICITY PRICES

Electricity prices are largely dependent upon the price of the fuel that is used to generate power. The price of electricity from renewable resources is steady and predictable because a utility doesn't buy fuel to power wind turbines or solar panels; the fuel is free. Once a wind turbine is built, for example, a utility knows how much the electricity from that turbine will cost for up to twenty years into the future.

In contrast to the volatile and unpredictable natural gas prices shown below, renewable energy offers stable, reliable prices over the long-term.

FOSSIL FUELS ARE A RISK FOR CONSUMERS

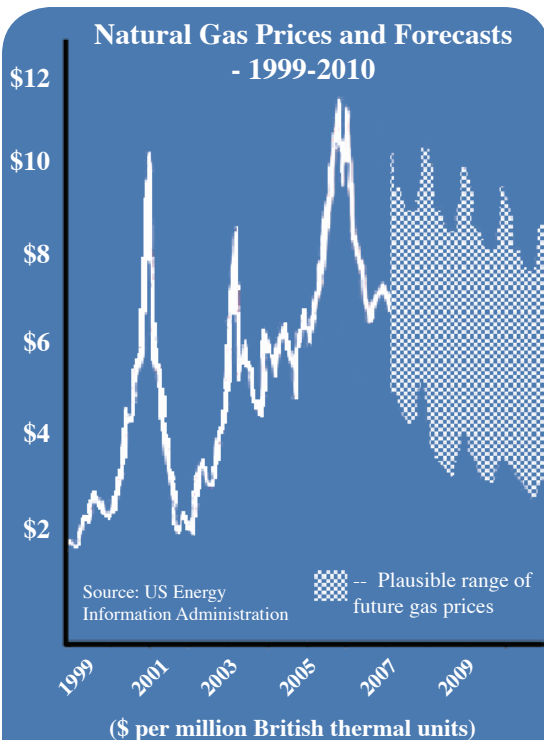
Alternatively, the price of electricity from fossil fuel plants is unpredictable because it is impossible to accurately determine how much coal and natural gas will cost. Natural gas prices have tripled since 1999 and doubled in just the past five years (see graph). Coal prices are also on the rise, up 45% since 1999.⁴ Rising fuel costs have resulted in regular rate increases for Oregon ratepayers.

CLEAN RENEWABLE ENERGY IS INSULATED FROM RISKS OF CARBON REGULATION

Renewable energy generates clean electricity, free of the greenhouse gases and harmful pollutants that spew from fossil fuel power plants. This insulates renewable energy from the risks of tightening environmental regulations, including future global warming regulations, which will increase the price of electricity from fossil fuels.

"A Renewable Energy Standard protects Oregon ratepayers from volatile and unpredictable fossil fuel prices."

- Bob Jenks, Citizens Utility Board of Oregon



1. "2005 Annual Report." Puget Sound Energy (March 2006).
2. "Xcel Reports Huge Savings from Wind," *Windpower Monthly*, Vol 22, No. 5. (May 2006).
3. *Easing the Natural Gas Crisis: Reducing Natural Gas Prices through Increased Deployment of Renewable Energy and Energy Efficiency*. Lawrence Berkeley National Laboratory (Jan. 2005).
4. Energy Information Administration. <http://www.eia.doe.gov>. October 10th, 2007

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