

SB 838: POWERING OREGON'S FUTURE

a continuing series on why renewable energy matters...

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The Role of Hydropower in SB 838

Is hydropower considered a renewable resource? Can it help meet the standard?

Yes. Hydropower *is* a renewable resource and it does count toward the Oregon Renewable Energy Act. In fact, hydropower is the only renewable resource in the bill that has special protection allowing older facilities built before 1995 to count in some circumstances. Here are the many ways in which the bill includes hydropower:

- Just as for every other renewable resource, new hydropower built since 1995 is eligible as long as it is not located on a “wild and scenic” or protected river.
- Upgrades that get more electricity out of older, existing dams are eligible.
- For dams built before 1995, retrofits that make them certified as “low-impact” facilities would count.
- Utilities’ access to any existing hydropower they currently use is also fully protected under the bill, including hydropower from the Bonneville Power Administration (BPA) that Oregon’s utilities have preferential access to. SB 838 clearly states that utilities do not have to give up any hydropower, including the low-cost power they receive from BPA; instead, their standard is reduced to the extent necessary. For example, if in 2020 a utility is required to be 20% renewable but gets 90% of their power from BPA, its standard cannot be higher than 10%.

Why not include all hydropower and raise the targets to 65%?

Some have proposed that since approximately 40% of the electricity consumed in Oregon comes from hydropower, it should be added to the 25% target to make it 65% by 2025. Proponents of SB 838 considered this approach, and decided against it for two reasons.

- First, each utility’s use of hydro varies greatly. Although PGE’s energy mix includes roughly 41% hydro – close to the state average – PacifiCorp only gets about 11% of its power from hydro. Some small consumer-owned utilities get nearly 100% of their power from BPA’s hydro system.

Counting all existing hydropower towards a utility’s targets would create very different targets for each utility, thereby creating an inherent unfairness in the policy.

- Second, the amount of electricity that existing hydropower facilities generate varies widely year to year based on rainfall and snowmelt. Therefore, a 65% target would be based on a constantly moving baseline. In low water years, hydropower output can fall 30% to 50% below normal. If utilities rely heavily on hydro to meet the Renewable Energy Standard and a low water year drastically reduces that output, they will be forced to make up the shortfall with market purchases and tradable renewable energy credits. This could significantly drive up the cost of complying with the standard.

October 10nd, 2007