

# SB 838: POWERING OREGON'S FUTURE

a continuing series on why renewable energy matters...

www.poweringoregonsfuture.com

## What a Renewable Energy Standard Means for Oregon

A Renewable Energy Standard ensures that utilities gradually increase the amount of new renewable resources they use to generate electricity. A standard that ensures 25% of Oregon's electricity be renewable by 2025 will build on our legacy of using homegrown resources to provide clean, cost-competitive power to meet our growing energy needs. Expanding the use of Oregon's generous endowment of solar, wind, geothermal, biomass and wave resources can help our state make the transition from fossil fuel dependence to energy independence. Renewable energy also creates new economic development opportunities, protects public health and the environment, and stabilizes electricity rates.

### ENERGY INDEPENDENCE

Using our domestic, renewable resources will make Oregon more self-reliant. More than half of the electricity consumed in Oregon comes from volatile and risky fossil fuels and hundreds of millions of dollars leave the state's economy each year to import coal and natural gas. Oregon has excellent wind potential and even the cloudiest areas receive more sunlight than Germany, a world leader in solar power. The state also has abundant biomass and geothermal resources, and areas off the Oregon coast offer some of the world's best wave energy potential.

### ECONOMIC BENEFITS

Using renewable resources keeps jobs and money in our communities. A Renewable Energy Standard will bring billions of dollars of new economic activity to the state and the region. Wind projects built in the Northwest since October 2005 have already brought \$1.38 billion in new capital investment to the region and created nearly 1,400 jobs. These projects will also generate up to \$3 million in annual royalty payments to rural landowners and up to \$6.8 million each year in property tax revenues. For example, the new property taxes from the relatively small 24 megawatt (MW) Klondike I Wind Farm in Sherman County have increased the county's tax base by 10%. The recent 75 MW expansion is expected increase the county's tax base by an additional 20%, or roughly \$750,000 annually.

### PROTECTING PUBLIC HEALTH & THE ENVIRONMENT

Global warming has emerged as the most significant threat facing Oregon's environment. Northwest climate experts have already linked global warming to declining snow pack in the Cascades, decreased summer stream flows, rising

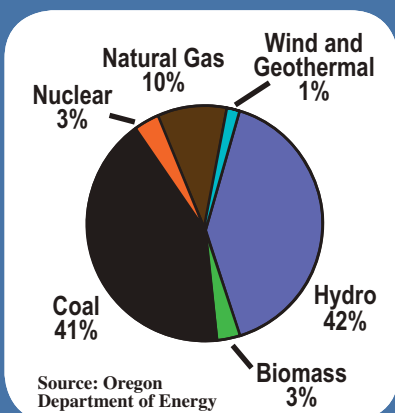
sea levels on the Oregon coast, and increased incidence of wildfires. A Renewable Energy Standard would be Oregon's most significant step yet to rein in global warming pollution. Renewable energy also generates clean electricity free of the smog, acid rain and mercury emissions that spew from fossil fuel power plants.

### STABLE, AFFORDABLE POWER

The price of electricity from renewable resources is stable and reliable because the fuel is free and the cost is predictable – like a dependable 30-year mortgage. In contrast, fuel prices for natural gas more than tripled since 1999 and the price of coal increased 20% between 2003 and 2005.<sup>1</sup> These rising fuel costs cause regular rate increases for utility customers.

Utilities are increasingly reporting significant cost savings from renewable energy. Puget Sound Energy, Washington's largest utility, reports that their investment in two Northwest wind farms will save \$170 million over the next 20 years compared to the next cheapest resource.<sup>2</sup> Xcel Energy reports that in 2004 and 2005, the utility saved its Colorado customers \$14 million by investing in wind power.<sup>3</sup>

#### 2005 Oregon Electricity Consumption Mix



For information call: Jesse Jenkins, Renewable Northwest Project (503-223-4544) • Jeremiah Baumann, Environment Oregon (503-936-3200) • Jeff Bissonnette, Fair & Clean Energy Coalition (503-516-1636)

## HOW IT WORKS...

A Renewable Energy Standard is a proven, flexible policy mechanism that will guarantee a growing percentage of Oregon's electricity comes from new renewable resources. The policy requires utilities to gradually increase the amount of new renewable energy in their electricity supply until 25% of the electricity they sell in Oregon in 2025 comes from new renewable energy sources. It also provides flexibility to electric utilities by allowing them to choose the combination of resources that makes the most sense for their system and their customers.

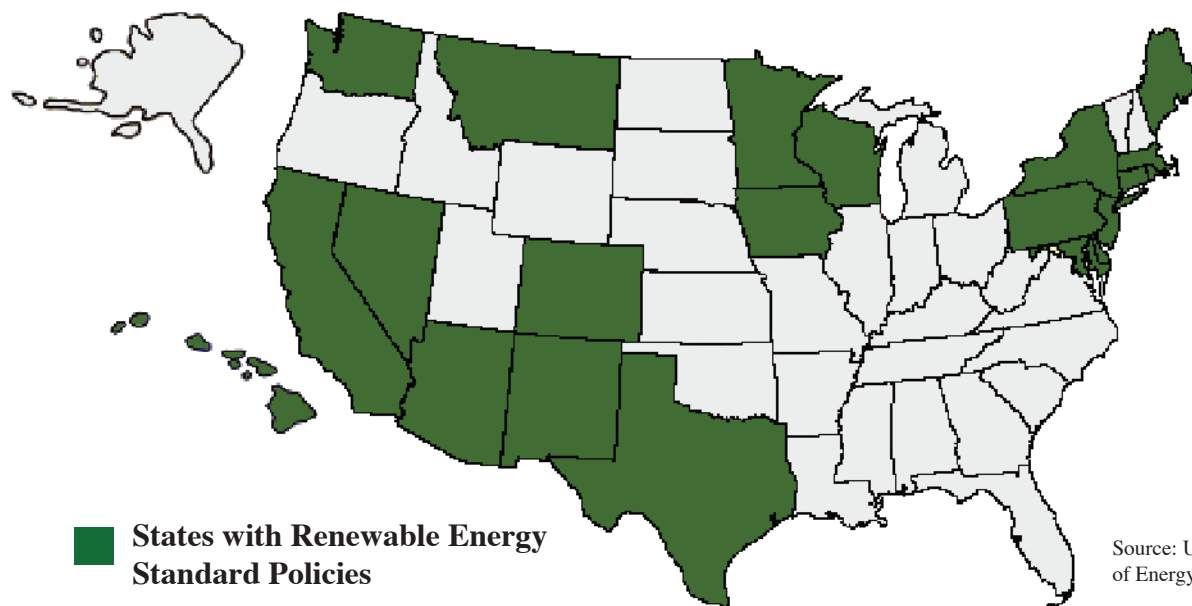


## EFFECTIVE. PROVEN. NECESSARY.

According to the U.S. Department of Energy, a Renewable Energy Standard is "the most powerful tool a state can use" to promote renewable energy.<sup>4</sup> Experts at Lawrence Berkeley National Laboratory report that these policies are expected to have minimal impacts on electricity rates – generally plus or minus one percent.<sup>5</sup> As a result of Renewable Energy Standards, Texas developed 700 MW of wind power in 2005 alone and Colorado has nearly 800 MW currently under negotiation. By comparison, it has taken nearly a decade to get more than 400 MW installed in Oregon.

## DON'T LET OREGON GET LEFT BEHIND

Twenty-one states have enacted Renewable Energy Standards and developers are already exploring renewable energy sites in Oregon to meet other states' requirements. With the right policy, Oregon will benefit significantly from its abundant renewable energy resources. We can't afford to lose this opportunity for greater energy independence, a stronger economy and stable, affordable electricity prices.



1. "Behind the Rise in Prices," *Electric Perspectives* (July/August 2006). [http://www.eei.org/magazine/editorial\\_content/2006-07-01-RisingPrices.pdf](http://www.eei.org/magazine/editorial_content/2006-07-01-RisingPrices.pdf)
2. "2005 Annual Report." Puget Sound Energy (March 2006). <http://www.pugetenergy.com/financialreports.html>
3. "Xcel Reports Huge Savings from Wind," *Windpower Monthly*, Vol 22, No. 5. (May 2006).
4. "Policies and Market Factors Driving Wind Power Development in the United States." National Renewable Energy Laboratory (July 2003).
5. "Weighing the Costs and Benefits of Renewables Portfolio Standards." Lawrence Berkeley National Laboratory (January 2007).

October 10th, 2007