



OMEU

OREGON MUNICIPAL ELECTRIC UTILITIES ASSOCIATION

*submitted
2/2/16
Other Business*

January 28, 2016

Dear [Insert legislator's name] ,

We urge your opposition to HB 4036 due to issues with city annexations and the provision of municipal electric utility services. The Oregon Municipal Electric Utilities Association (OMEU) has taken a position to oppose HB 4036 unless it is amended to remove offending annexation language.

As written currently, HB 4036 would:

- impose punitive measures to eliminate competition for investor owned utilities (IOUs) and
- require OMEU utilities to “green” hydropower and increase costs as they would have to:
 - buy more power than they need
 - purchase more Renewable Energy Credits (RECs) or
 - attempt to alter their contract with BPA to purchase less hydropower and replace it with other higher cost renewables.

This may be better illustrated with the following example. If an IOU does not provide consent for a city to provide electric services in an annexed area and the city resorts to condemnation they city must:

- have the entire city meet the IOU’s renewable portfolio standard (RPS) requirement (i.e. 50%) and
- “green” their power from BPA (as noted above) which is virtually emission free and renewable.

Please note that with the annexation language, HB 4036 reverses a principle of the RPS statute negotiated in 2007. The annexation issue is separate from renewables.

We request removal of the annexation portion of HB 4036 and to keep current law regarding municipal electric utilities and annexations.

Please do not hesitate to contact Beth Vargas Duncan, OMEU's Executive Director, at the phone or email indicated below, with any questions.

Sincerely,

[Insert Name], Mayor

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