

Press Release

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Governor Kulongoski Signs Renewable Portfolio Standard into Law

Legislation sets the goal of achieving 25% of energy from renewable sources by 2025

Salem – Joined by legislators, state leaders and hundreds of renewable energy supporters, Governor Ted Kulongoski today signed Senate Bill 838 into law, creating a renewable energy standard in Oregon that requires the state's largest utilities to meet 25 percent of their electric load with new renewable energy sources by 2025.

The Governor made establishing a renewable energy standard a legislative priority because of the numerous ways it will benefit Oregon.

"This bill is the most significant environmental legislation we can enact in more than 30 years that will also stimulate billions of dollars in investment – creating hundreds, if not thousands, of jobs in both urban and rural Oregon," Governor Kulongoski said. "Today we are not only setting the state on a responsible path toward 25 percent renewable energy by 2025, but we are protecting our quality of life, reducing greenhouse gas emissions, stimulating our economy—and protecting ratepayers with more stable and predictable utility rates."

The legislation creates interim targets of: 5 percent by 2011; 15 percent by 2015; 20 percent by 2020; and 25 percent by 2025. To meet the standard, electricity must come from a new renewable energy source that was in operation on or after January 1, 1995. Sources of energy that count toward the standard include wind, solar, wave, geothermal, biomass, new hydro or efficiency upgrades to existing hydro facilities.

The legislation also contains protections for ratepayers, including a 4 percent cost-cap. Utilities are not required to comply with the standard if doing so will result in cost increases of more than four percent. In addition, if none of the options for compliance are cost-effective, utilities have the option to make an *Alternative Compliance Payment (ACP)* to help meet their renewable energy requirement under the standard. The money will be placed into an account that can be used at a later date to acquire renewable energy, invest in conservation or, in the case of consumer-owned utilities, research and development.

Utilities that contribute less than three percent to the total state energy load are exempt from meeting 25 percent of their demand with new renewable energy source by 2025. Instead, they must meet either a five percent or 10 percent target, depending on their size. They also must comply with the large utility standard if they make new investments in coal-fired generation.

"This bill is not the end – it's just the beginning of a much broader, sustained effort to reestablish – *and maintain* – Oregon as a leader in innovative environmental and energy policies that protect our quality of life, contribute to a robust economy and combat global warming," the Governor continued. "There is still work before us this session to build on today's success. We must not leave without enacting the biofuels legislation and expanding the business energy tax credit program so we can continue to address the very real issue of climate change and create a stronger, cleaner and more energy independent Oregon."

For more information on Senate Bill 838 go to:

http://governor.oregon.gov/Gov/pdf/letters/faq_energy.pdf

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