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# *SYMPOSIUM*\*

BILL BRADBURY\*\*

## **Keynote Address**

### **Energy Policy and Oregon's Future**

I am quite honored to join you today in your exploration of the limitations of this finite earth that we live on. We are certainly living in interesting times, although unlike the Chinese proverb, I am not sure whether that is a blessing or a curse. But I am quite certain that I wish these times were not quite as interesting as they have been in the last few weeks.

Making any kind of economic projection these days is pretty . . . pretty . . . well, pretty dumb I guess is the right way to say it. We have entered very perilous economic times and making any kind of estimate on our future business climate may be a bit uncertain at best.

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\* The following keynote address was delivered by Oregon Secretary of State Bill Bradbury at the *Journal of Environmental Law and Litigation's* symposium, *Living on a Finite Earth: Energy Law and Policy for a New Era*, held in Eugene, Oregon, on October 10, 2008. JELL wishes to thank Secretary Bradbury and all of the other participants and attendees of this year's symposium. We would also like to thank the University of Oregon Environmental and Natural Resources Law Program, particularly Professor Adell Amos, Heather Brinton, and Jill Forcier for their support and advice.

The article and note following this keynote address were not presented during this symposium but are included here because they contain material relevant to the topic.

\*\* Bill Bradbury was elected Oregon's secretary of state twice, serving from 1999 to 2009. He currently serves on Oregon's Global Warming Advisory Commission. While secretary of state, Bill sat on the State Land Board, along with the governor and state treasurer, and was also chairman of the Oregon Sustainability Board. Bill was one of the first fifty participants in former Vice President Al Gore's climate change training sessions and has given over two hundred presentations. He has won renown as an authority on the impact of climate change on the Pacific Northwest.

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But here in Oregon there are a few things we can be sure of. And one of them is that something quite incredible is going on here, and it has been happening mostly under the radar. Other states and other countries talk a lot about developing a green economy and finding ways to take advantage of the changing scientific and economic circumstances that we are in. But in Oregon, we have some real accomplishments and a real reason to believe that we are ready for the new environmental and economic realities that the future is preparing for us.

Our efforts here are not new. Remember all those hippies who moved here from California in the 1970s? Everyone thought they were commies, or socialists, or something. It turns out they were capitalists! Who knew? Well, maybe even they did not know it then. In those days, they called it “alternative lifestyles.” They developed organic farming and alternative energy and rejected the existing business ethics and practices of the day.

Today, four decades later, we are left with a legacy of alternative energy and organic farming practices that at last, here in the twenty-first century, meshes with the nation’s economic climate.

We are asking a lot. We need industries that will energize our jobs base, reduce our dependence on foreign oil, keep our air clean, help stop global warming, and make a lot of money; all at the same time.

The green economy is here. It is no longer theory, some far-off dream for the future, but something that is playing out right in front of us today, with clean energy, manufacturing plants, jobs, and a promise of more.

Now, if we have learned anything in the last few weeks, it is that we must be very wary of financial projections. This is a very volatile time; anything can happen. But where we are coming from might help us understand where we are going.

For most of our modern history, Oregon’s rural and urban areas shared a natural connection. The rural areas did what rural areas have always done: they grew crops, cut down trees, and fished the ocean. And the urban areas did what urban areas traditionally do: they milled the logs, processed the crops, and ate the fish.

The urban and rural areas knew each other and depended on each other. You could find Democrats in the rural areas and Republicans in the city. Today, the resource industries, fish and timber in particular, are a shadow of their former dominance in rural Oregon, while high tech dominates the jobs picture in the Portland area.

That mutual dependence that bound us together in the past is gone and so is a lot of the urban-rural communication. Aggravating that disconnect is how our urban areas have become largely Democratic with rural Oregon largely Republican.

But Oregon is lucky that we have an abundance of the greatest natural resources of all: the sun, the wind, and the ocean. And that is where we can find our economic and energy future.

### SUN

Let us talk first about the sun. The sun is the greatest and most abundant of our natural resources, but we are only now beginning to tap its potential. And it is here. It is not under the control of tyrants or dictators. You do not have to mine it or drill for it. It gets here all on its own.

Most of the time, anyway, we think of Oregon as rainy and gloomy, and there is a lot of truth in that image. Well, maybe not gloomy. But eastern and southern Oregon receive roughly the same solar energy as northern Florida.

Already we are attracting such companies as:

- SolarWorld, a German company and one of the largest solar energy companies in the world, which is opening its plant in Hillsboro this month. By the end of the year, it will have several hundred employees manufacturing photovoltaic cells.
- Solaicx, which opened a new facility in Portland last year. At full capacity, the plant will employ more than 180 skilled workers and turn out silicon ingots and wafers that have the potential to produce 180 megawatts in the first year.
- SpectraWatt, an Intel startup, which will be making photovoltaic cells in Hillsboro.
- Sanyo, which is planning an \$80 million solar cell production plant in Salem with two hundred new jobs.
- And Peak Sun Silicon, which broke ground this year on a polysilicon manufacturing plant in Millersburg, north of Albany. The company is based here in Oregon, in Salem, and has plans to raise \$718 million and create five hundred jobs by the end of 2011. They are working on a low-energy system to produce high-quality polysilicon for solar cells. If the pilot project now underway is successful, it could be a major economic game-changer for Oregon.

This all was not an accident. Oregon's loan program gave them loans, and Oregon's tax credit program gave them tax credits.

Clearly, as the demand for solar energy increases around the country and around the world, more and more people will be doing business with the Oregon solar industry.

It is awfully hard to project such things, especially today, but sometime in the next seven or eight years, all of these new solar businesses could mean \$3 billion in sales—that is about where the timber industry is today—and maybe as many as four or five thousand new jobs.

We may really become the Solar Forest, although we may have to come up with a better nickname than Solar Forest.

### WIND

Here in Oregon, as the sun shines, so does the wind blow. We cannot really say wind energy is older than electricity itself, even though it predates Benjamin Franklin and his kite.

Wind energy has only recently started to flourish as an economic powerhouse, and it too is poised to bring major benefits, especially to rural Oregon. Yes, these benefits include clean energy, and yes, this will mean new jobs.

But more than that, we have also found out that wind farms mean additional revenue for the farmers and other property owners whose lands are home to these giant turbines. They mean new property tax revenues for local governments that are already choking on reductions in revenue from other sources. They mean new spending in rural communities, the multiplier effect, because of new payrolls.

And they mean new libraries and help for schools under the Strategic Investment Program. This was a special tax break designed to spur the high-tech industry in the mid-1990s, and it worked very well. The Intel Retention Program you might also call it because it really helped keep Intel in Oregon. But Intel is in the suburbs and now that tax break is being used in a big way by these wind farms with big capital startup costs and that has brought benefits to the local governments.

We are not talking about little windmills helping to run the family farm, but big multi-megawatt wind farms with giant propellers. Oregon now has ten such farms with another seven under construction. Eight other farms have been approved and seven more are in the review stage. That means we may soon have no fewer than

thirty-two wind farms in the state. These certainly are not the kind of operations you can squeeze into a block in the Pearl District. We find them in our wide-open spaces, the Columbia Plateau mostly, but now some are headed for Union and Harney counties in eastern and southeastern Oregon as well.

Already these wind farms are screaming for technicians, and Columbia Gorge Community College in The Dalles has more students than it can handle for its renewable energy technology degrees. Students are finding jobs even before they graduate.

### WAVE

We know less about the potential for wave energy. But we do know the Oregon Coast is one of the most promising sites in North America for wave energy generation. We do know Oregon State University is a world leader in studying wave energy. They have some terrific work going on there. And we do know that we are going to learn more in the years ahead.

Last month, the U.S. Department of Energy awarded a \$6.25 million grant to OSU for an ocean energy research center in Newport. It is going to be called the Northwest National Marine Renewable Energy Center and will help bridge the gap between university research and commercial development.

We could see a tremendously exciting new energy source develop right here on our shores with all the spin offs and related development that could bring.

This will not be without some controversy. Some fishermen worry that these wave energy buoys might harm their fishing grounds. But we have a track record of solving these kinds of conflicts.

We had a similar problem when it came time to run fiber optic cable across the Pacific. Some Oregon fishermen worried about the impact on their ability to work the fishing grounds. But we created a special fiber optic undersea cable commission, and we addressed their concerns. And now we have not one but three trans-Pacific fiber optic cables that arrive at North America here in Oregon.

We can work the same process with wave energy. If there are concerns over the fishing grounds, we can bring everyone together and make it work. We will make sure this exciting new industry will not devastate an existing industry.

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We have accomplished a lot. The legislature has made us a leader in offering tax breaks and other incentives to lure these new industries here, and their work is starting to pay off. But we cannot let up now.

We have had weeks of bad news out there in the world but let us finish this on an upbeat note. A report just this week from Clean Edge and Climate Solutions said:

- Solar power could bring more than twenty-two thousand jobs to Oregon and Washington in the next two decades;
- six thousand new jobs in wind power;
- seventeen thousand new jobs in green buildings design;
- ten thousand new jobs in bio energy;
- and seven thousand new jobs in smart grid technologies.

Oregon can help lead the nation in addressing problems related to global warming. These challenges also offer us a rare opportunity to lead the nation in developing new energy sources, stimulating our green economy, and invigorating the twenty-first-century jobs base in both rural and urban Oregon.

We have already been real leaders. This is a chance we cannot let slip away.