

Oregon Public Utility Commission Regulatory Changes

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House Energy and Environment Committee
January 24, 2019

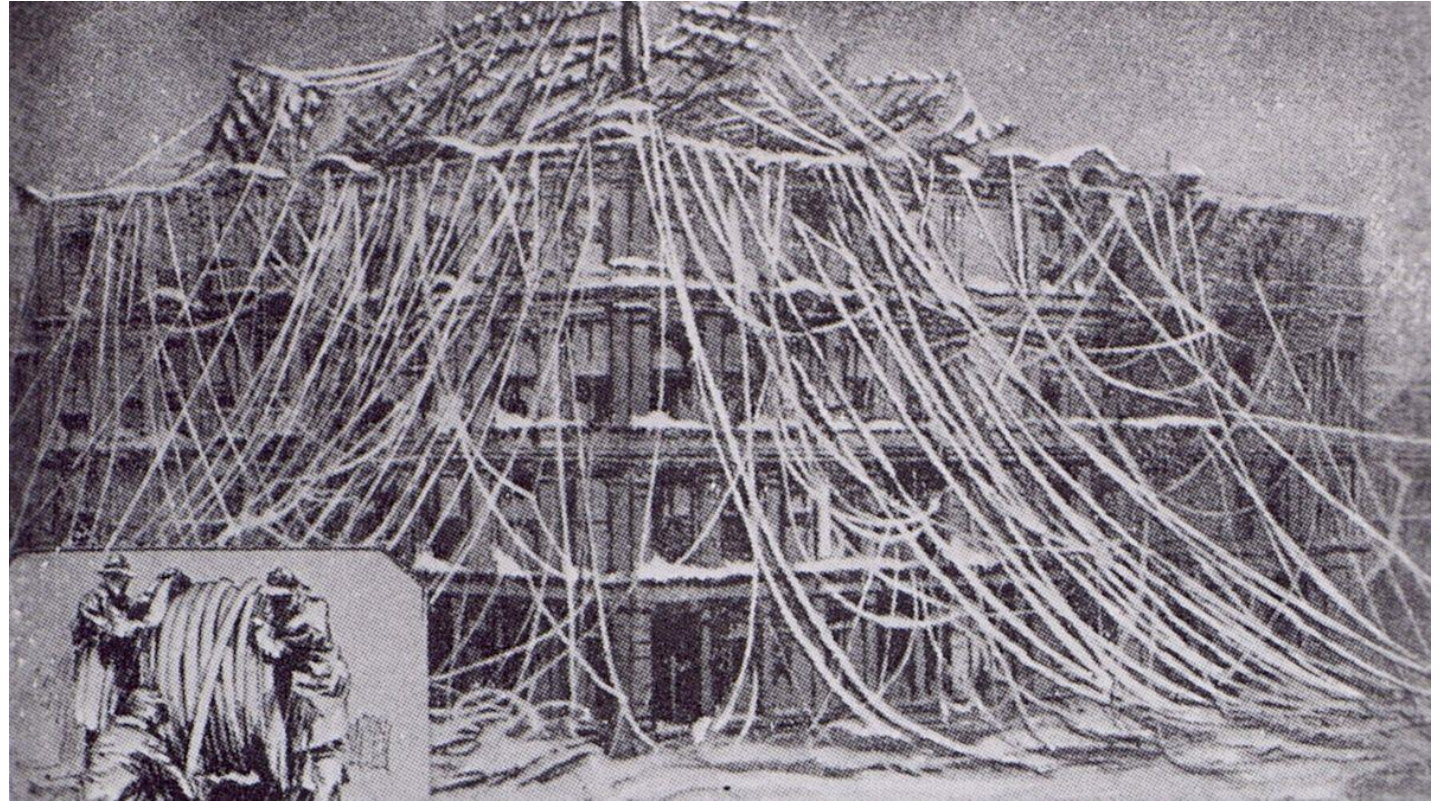
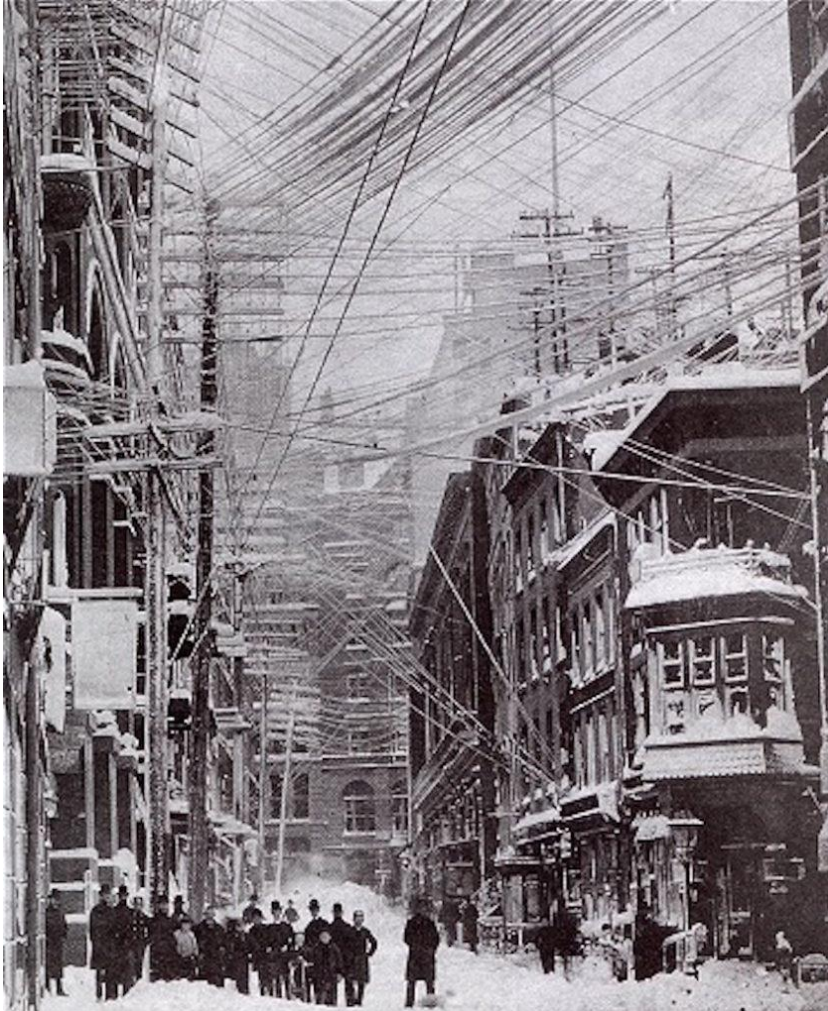


Agenda



- A brief history of public utility regulation in the energy sector
 - Application of Regulatory Principles
 - The Regulatory Compact
 - Structural Market changes
- The Evolution of Regulation: Changing Policy and Technology

Why regulate?



Regulatory History



- Oregon Public Utility Commission has been regulating electricity service for more than 100 years
- The structure of utility regulation is based on three basic principles:

Service should
be available to
everyone

Customers
should pay for
the cost of
service

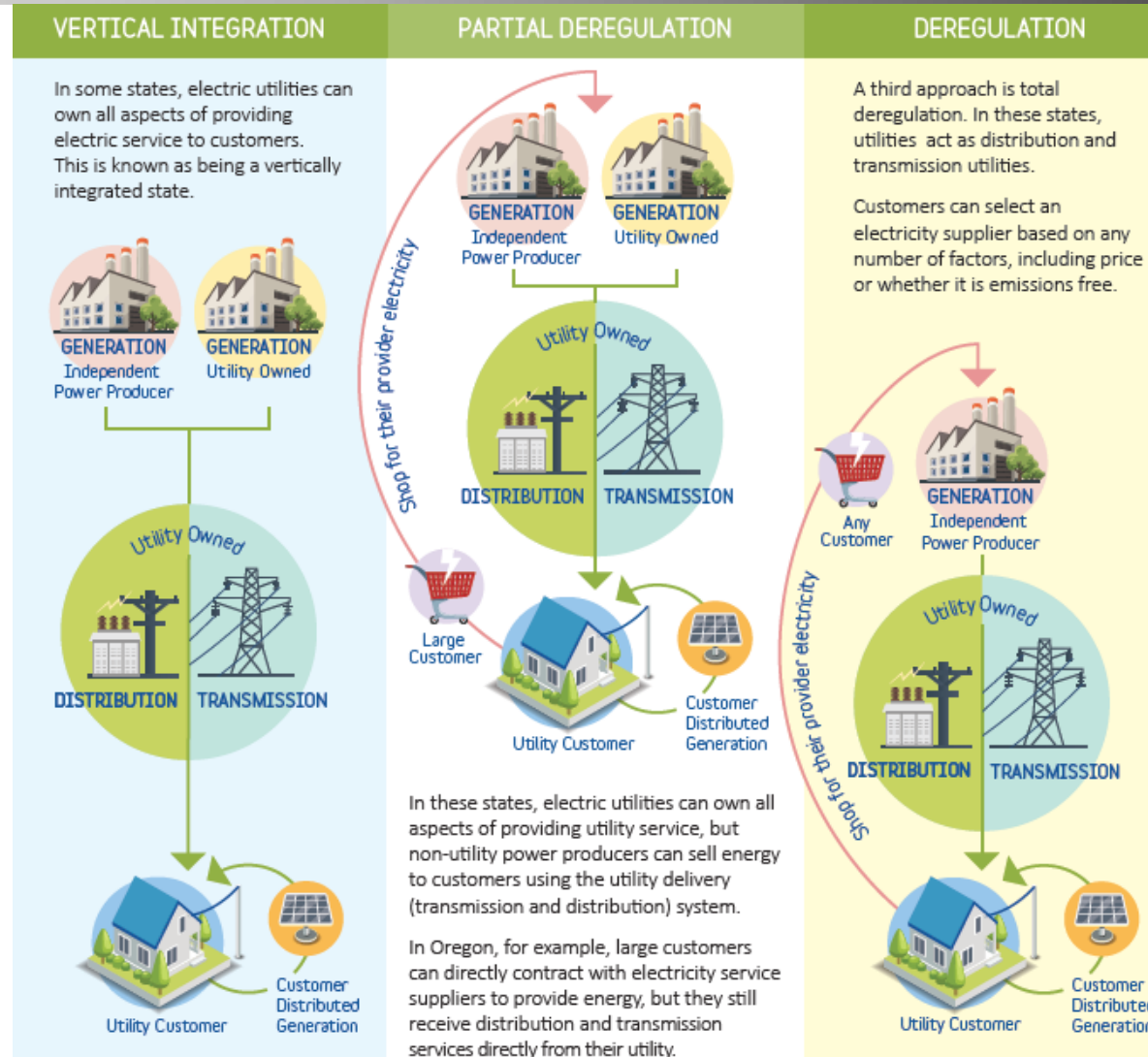
Service should
be reliable and
safe, at just
and
reasonable
rates

Regulatory Compact



Utilities	↔	Customers
Service territory (Geographic Monopoly)		Entitled to service
Opportunity to recover cost <u>and</u> opportunity to earn rate of return on investments		Reasonable rates Reliable service

Market Structures



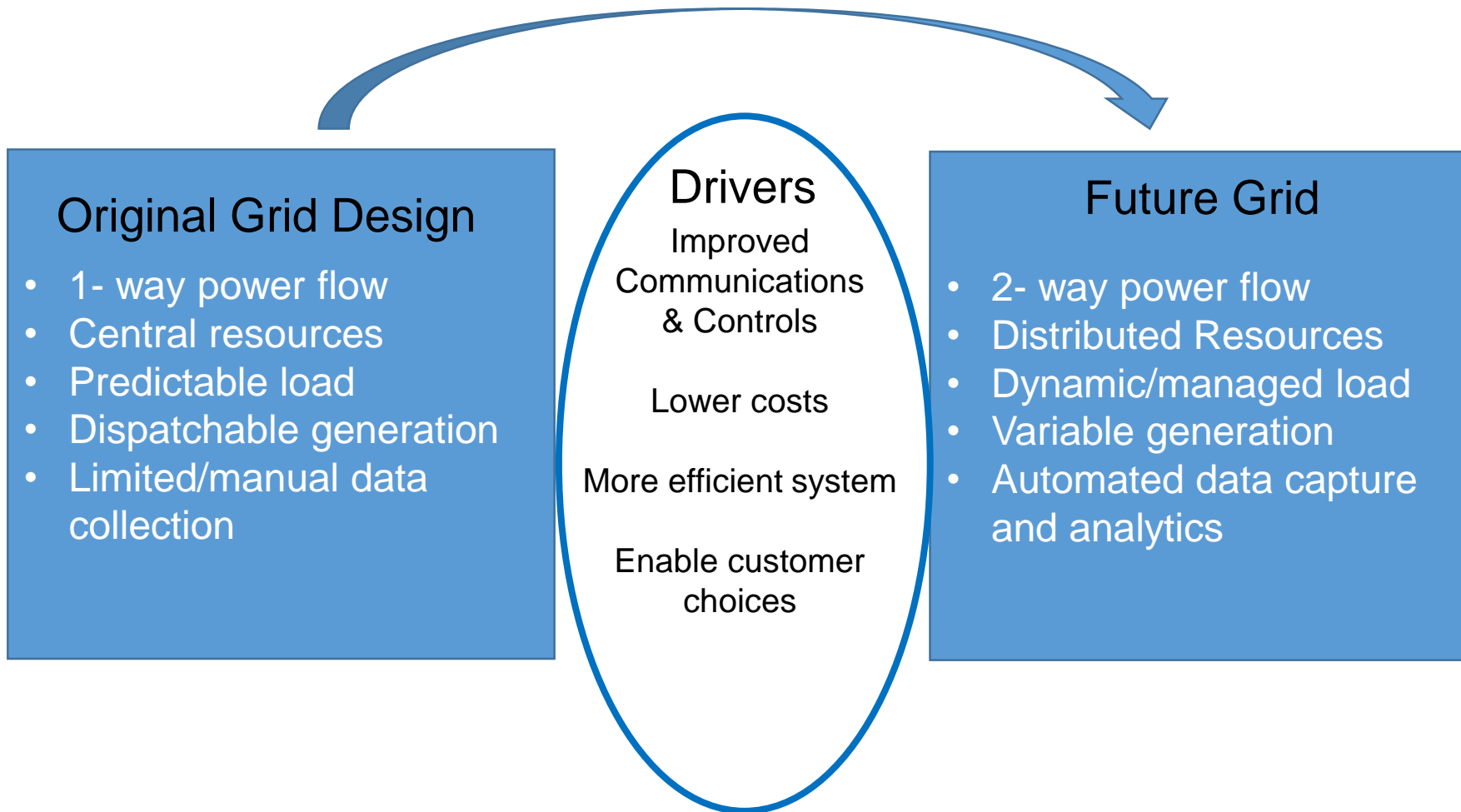
What's Changed?



1. Societal goals are evolving and changing
2. The speed of technology change is rapidly accelerating
3. Customer's desire for individual and community choice in all markets is increasing
4. The ability for competitors to supply energy is increasing



New Grid Operations



Questions



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Your Utility Bill

Parts of your electric utility bill are also used to pay local and municipal taxes, provide crisis bill assistance to low-income Oregonians, and make investments in energy efficiency and renewable energy through the public purpose charge.

APPROXIMATE SHARE OF UTILITY BILL



- Utility
- Public Purpose Charge
- OEAP
- Residential Exchange Credit
- Taxes, Franchise Charges

