

Testimony of John A. Charles, Jr.
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Regarding HB 2242
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My name is John A. Charles, Jr. and I am President of Cascade Policy Institute. Cascade is a non-profit policy research organization based in Portland.

The primary flaw with HB 2242 is that there is no workable definition for the terms “environmental justice”, “environmental justice factors”, or “environmental justice communities.” The legislature has an obligation to provide clear direction to administrative agencies. Unless you can define these terms, the bill should not be moved out of committee.

Perhaps more importantly, if the goal is to provide rate relief to low income residents, there are easier ways to do so. For instance, since 2002 customers of PGE and Pacific Power have been forced to pay the legislatively-mandated Public Purpose Charge (PPC), which was originally a 3% sales tax that was supposed to last for 10 years. In 2007, the legislature authorized an add-on tax (which varies by year), and extended the PPC to 2026. Natural gas utilities, which were originally not included in the PPC mandate of SB 1149, were gradually brought in through stipulation of the PUC.

As a result, many ratepayers are now paying monthly surcharges of over 8% for their energy, if they use both natural gas and electricity, as noted below:

Public Purpose Charge Rates*
2016-2019

	PGE	Pacific Power	NW Natural	Cascade Natural Gas	Avista
2016	5.7%	5.5%	2.5%	4.4%	N/A
2017	7.1%	5.9%	3.2%	4.3%	1.1%
2018	7.1%	5.5%	4.0%	4.3%	1.1%
2019	5.9%	6.0%	3.9%	5.8%	2.3%

**Includes surcharges for schools, low-income weatherization, Housing Trust Fund, and Energy Trust of Oregon for electric utility customers.*

These funds have disproportionately benefited homeowners and upper income renters, since lower income families do not install heavily subsidized rooftop solar panels or buy lots of expensive washers, dryers, and freezers that qualify for ETO rebates.

The PPC was supposed to last 10 years; it’s now in its 17th year. The quickest way you could provide rate relief to families living at or near the poverty level would be to either repeal the PPC entirely, or allow ratepayers to opt out.