

March 28, 2019

House Energy and Environment Committee Members

Chair Helm	Rep. Salinas
Vice-Chair Reschke	Rep. Sollman
Vice-Chair Schouten	Rep. Wilde
Rep. Findley	Rep. Williams
	Rep. Zika

RE: HB 2855 – Modifies general powers of the Public Utility Commission

Dear Committee Members:

Thank you for the opportunity to submit testimony on HB 2855. Regulated electric companies and the OPUC have joint obligations to the public interest – the regulatory model today is a social compact that has led to (and will continue to drive) large-scale, beneficial changes that benefit Oregonians. This bill seeks to break apart this social compact and advance the interests of a few organizations who wish to further deregulate Oregon’s electricity system, despite a robust stakeholder process which found further deregulation unnecessary.

We urge you to oppose HB 2855.

Deregulation is not aligned with SB 978 recommendations to the Legislature.

The 2017 Oregon Legislative Assembly directed the Oregon Public Utility Commission (OPUC) to investigate, through a robust public process, how investor owned utilities are regulated in a world of rapidly changing trends, technologies and policy drivers, and whether changes were needed to support new technologies and policy objectives without compromising affordability, safety and reliability. The seven-month stakeholder process yielded recommendations for two areas for legislative action – 1) climate change and 2) equity, affordability and environmental justice. Further deregulation, which HB 2855 seeks to advance, was not part of the final recommendations.

The legislature is already advancing the SB 978 recommendations on climate and equity and environmental justice through HB 2020 and HB 2242.

First, HB 2020 (Oregon Climate Action Program) provides the OPUC with the ability to assess climate, outside of just economic risk, as part of their decision-making process. Decarbonizing the electric sector while keeping electricity affordable and reliable is foundational to achieving Oregon’s climate goals and we support expanding the OPUC’s authority in this manner, as exemplified by our comments in the SB 978 process and work on HB 2020.

Second, we support HB 2242, passed out of this committee to Ways & Means, which brings to life the SB 978 report recommendations to improve equitable and affordable access to energy services. As we decarbonize the energy economy, we must ensure that the transition brings everyone along equitably. HB 2242 provides the structure to help advance this imperative.

The regulatory system has an important role to play in achieving Oregonian’s electric service goals: increasingly clean power that is affordable, reliable, safe, equitable and fair for all customers.

Electricity is a vital service to our way of life, and it is becoming even more so as clean electricity is essential to achieving economy-wide deep decarbonization. It is risky to leave achieving Oregon’s goals around decarbonization, reliability, fairness, equity and a just transition to market forces.

The regulatory model has a proven track-record of driving forward policy imperatives that the free market cannot claim. Leveraging the integrated utility model, Oregon created and expanded the Renewable Portfolio Standard, set deadlines for getting coal out of our electricity supply, requires acquisition of all cost-effective energy efficiency for millions of Oregonians, and created mechanisms to provide millions annually to fund low-income bill assistance and weatherization. There is no reason to believe that in a deregulated market, electricity providers will deliver on the core tenets of the electric system or include equity and fairness in their decision-making.

Thank you for your consideration of our concerns.

