

HB 4067 A STAFF MEASURE SUMMARY
House Committee On Energy and Environment

Carrier: Rep. Power

Action Date: 02/11/20

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 6-3-0-0

Yeas: 6 - Helm, Power, Salinas, Schouten, Sollman, Wilde

Nays: 3 - Bonham, Reschke, Smith DB

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

Prepared By: Beth Reiley, LPRO Analyst

Meeting Dates: 2/4, 2/11

WHAT THE MEASURE DOES:

Requires the Public Utility Commission (PUC) to provide for a comprehensive classification of service that may take into account the differential energy burdens on low-income customers and other economic, social equity, or environmental justice factors that affect affordability for certain classes of utility customers. Allows financial assistance to be provided to organizations that represent the interests of low-income residential customers or residential customers who are members of environmental justice communities. Directs the PUC to establish a public process, which includes consultation with other agencies, to investigate ways to mitigate differential energy burdens and other inequities of affordability and environmental justice. Directs the PUC to incorporate findings from public process into the report it is required to provide to the Environmental Justice Task Force and Governor's office in 2021. Repeals public process reporting requirement effective January 2, 2022.

ISSUES DISCUSSED:

- Current use of intervenor funding
- Potential strategies for identifying eligibility
- Defining environmental justice communities to reflect communities throughout state

EFFECT OF AMENDMENT:

Specifies environmental justice communities include rural, frontier, and coastal communities. Stipulates environmental justice communities are communities traditionally adversely harmed by environmental and health hazards. Stipulates that financial assistance may be provided to organizations that represent the broad interests of retail customers. Requires the Public Utilities Commission to consult with other relevant state agencies in establishing a public process to investigate equity strategies.

BACKGROUND:

The Oregon Public Utility Commission (PUC) regulates investor-owned utilities and is responsible for ensuring utility customers have access to safe, reliable, and high quality utility services at just and reasonable rates. The scope and mandate of the PUC is determined by the legislature, which requires the PUC to balance the interests of customers and utility companies by ensuring that rates are both fair and provide adequate revenue for utilities to be financially sound (ORS 756.040).

Senate Bill 978 (2017) directed the PUC to use a public process to consider how their role as regulator of Oregon's investor-owned utilities might evolve, given changes in the energy industry and in energy policy. The PUC gathered input from stakeholders and compiled results into a report that was submitted to the legislature on September 14, 2018. One key recommendation was to authorize the PUC to improve equitable and affordable access to energy services by considering not only the broad interests of customers, but specific needs of low-income customers and environmental justice communities.

HB 4067 A STAFF MEASURE SUMMARY

House Bill 4067-A would allow the PUC to consider differential energy burden and other inequities of affordability in rates. The Act would authorize the PUC to enter into agreements to provide financial assistance for organizations to represent interests of low-income residential customers and residential customers who are members of environmental justice communities in regulatory proceedings before the PUC. House Bill 4067-A would direct the PUC to establish a public process for investigating equity strategies.