

House Bill 4027

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Rules for Representative Tina Kotek)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Modifies general powers of Public Utility Commission.

Requires electric companies to account for external cost of greenhouse gas emissions in integrated resource plans submitted to commission.

Authorizes commission to require electricity service suppliers to take actions to reduce greenhouse gas emissions consistent with state goals and make certain public disclosures.

A BILL FOR AN ACT

1
2 Relating to Public Utility Commission; creating new provisions; and amending ORS 756.040, 756.062
3 and 756.534.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 756.040 is amended to read:

6 756.040. (1) In addition to the powers and duties now or hereafter transferred to or vested in the
7 Public Utility Commission, the commission shall represent the customers of any public utility or
8 telecommunications utility and the public generally in all controversies respecting rates, valuations,
9 service and all matters of which the commission has jurisdiction. In respect thereof the commission
10 shall make use of the jurisdiction and powers of the office to protect such customers, and the public
11 generally, from unjust and unreasonable exactions and practices and to obtain for them adequate
12 service at fair and reasonable rates. The commission shall balance the interests of the utility in-
13 vestor and the consumer in establishing fair and reasonable rates. Rates are fair and reasonable for
14 the purposes of this subsection if the rates provide adequate revenue both for operating expenses
15 of the public utility or telecommunications utility and for capital costs of the utility, with a return
16 to the equity holder that is:

17 (a) Commensurate with the return on investments in other enterprises having corresponding
18 risks; and

19 (b) Sufficient to ensure confidence in the financial integrity of the utility, allowing the utility
20 to maintain its credit and attract capital.

21 **(2) In addition to the duties and powers described in subsection (1) of this section, the**
22 **commission shall serve the public interest when deciding or deliberating toward a decision**
23 **by:**

24 **(a) Developing and implementing policies and rules that encourage the enhancement of**
25 **the environment, greenhouse gas emissions reductions, the fulfillment of the state's energy**
26 **and climate policies and the health of the state's economy; and**

27 **(b) Considering the external cost of greenhouse gas emissions in all controversies re-**
28 **specting rates, valuations, service and all matters of which the commission has jurisdiction.**

29 [(2)] (3) The commission is vested with power and jurisdiction to supervise and regulate every

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 public utility and telecommunications utility in this state, and to do all things necessary and con-
 2 venient in the exercise of such power and jurisdiction.

3 [(3)] (4) The commission may participate in any proceeding before any public officer, commission
 4 or body of the United States or any state for the purpose of representing the public generally and
 5 the customers of the services of any public utility or telecommunications utility operating or pro-
 6 viding service to or within this state.

7 [(4)] (5) The commission may make joint investigations, hold joint hearings within or without
 8 this state and issue concurrent orders in conjunction or concurrence with any official, board, com-
 9 mission or agency of any state or of the United States.

10 **SECTION 2. Sections 3 and 4 of this 2020 Act are added to and made a part of ORS**
 11 **chapter 757.**

12 **SECTION 3. The Public Utility commission shall require an electric company, as defined**
 13 **in ORS 757.600, to account for the external cost of greenhouse gas emissions in any plan**
 14 **submitted to the commission that proposes an integrated, least-cost combination of re-**
 15 **sources that meets the expected needs of the electric company’s customers. For purposes**
 16 **of this section, the State Department of Energy shall establish the external cost of**
 17 **greenhouse gas emissions by rule, taking into account any information on the social cost of**
 18 **carbon as determined by the United States Environmental Protection Agency.**

19 **SECTION 4. (1) As used in this section, the term “electricity service supplier” has the**
 20 **meaning given that term in ORS 757.600.**

21 **(2) The Public Utility Commission may by rule require electricity service suppliers to:**

22 **(a) Reduce greenhouse gas emissions consistent with this state’s greenhouse gas re-**
 23 **duction goals set forth in ORS 468A.205 through requirements that may include, but need**
 24 **not be limited to, requirements for electricity service suppliers to take actions consistent**
 25 **with actions required of electric companies under ORS 757.518; or**

26 **(b) Submit to the commission public disclosures necessary for the commission to enforce**
 27 **rules adopted under this section.**

28 **SECTION 5. ORS 756.062 is amended to read:**

29 756.062. (1) A substantial compliance with the requirements of the laws administered by the
 30 Public Utility Commission is sufficient to give effect to all the rules, orders, acts and regulations
 31 of the commission and they shall not be declared inoperative, illegal or void for any omission of a
 32 technical nature in respect thereto.

33 (2) The provisions of such laws shall be liberally construed in a manner consistent with the di-
 34 rectives of ORS 756.040 (1) **and (2)** to promote the public welfare, efficient facilities and substantial
 35 justice between customers and public and telecommunications utilities.

36 **SECTION 6. ORS 756.534 is amended to read:**

37 756.534. Except as provided in ORS 756.040 [(4)] (5), the hearing may be held at any place des-
 38 ignated by the Public Utility Commission within this state, or different parts of the hearing may be
 39 held at different places in this state, as shall be designated by the commission. The hearing may be
 40 continued from time to time and place to place as ordered and fixed by the commission.