

## **SB 784 STAFF MEASURE SUMMARY**

### **Senate Committee On Energy and Environment**

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**Meeting Dates:** 3/9

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#### **WHAT THE MEASURE DOES:**

Authorizes a public utility to seek rate recovery for operating expenses and capital costs associated with resiliency measures. Authorizes Public Utility Commission (PUC) to allow rate recovery for resilience measures that: increase ability of essential public facility or public service to continue to operate; provide distribution system efficiencies and grid services, such as flexible load programs, demand management programs or dispatchable standby capacity; provide service during emergencies in microgrids or at centrally located community facilities; modify existing programs, like tree trimming, in areas more likely to be subject to fire or other emergencies to improve reliability; involve different business models; or seek to address needs of potentially affected communities. Requires PUC to consider certain factors when considering the prudence of an investment in resiliency measure. Authorizes electric company to include as part of portfolio of rate options, program of rates or charges reflecting costs of serving retail electricity consumers within boundaries of local governments with electricity derived from renewable energy sources or paired with unbundled renewable energy certificates. Requires Public Utility Commission to allow recovery of certain social and environmental costs from retail electricity consumers receiving electricity from electricity service suppliers. Modifies certain laws related to competitive retail market for electricity. Requires responsible contractor labor standards for large-scale renewable energy generation or storage facilities.

#### **ISSUES DISCUSSED:**

##### **EFFECT OF AMENDMENT:**

No amendment.

##### **BACKGROUND:**

The Oregon Public Utility Commission (PUC) regulates investor-owned electric and natural gas utilities providing service to ensure they offer safe and reliable energy at reasonable rates. All regulated electric and natural gas utilities must seek PUC approval for all rate and service schedules, or tariffs. Under Oregon law, a regulated utility may propose to change rates for service with the PUC at any time. This filing must clearly define the effects and justification for the proposed change. For a general rate proceeding (that proposes a change in all rates), the PUC will conduct up to a year-long investigation into the filing to determine if any changes in rates are warranted by evaluating many components of the proposed cost – such as the cost of labor, purchased energy, and the cost of capital. When deciding whether to approve a proposed rate adjustment, The PUC must ensure the change is fair and reasonable for utility customers while also allowing the utility service provider the opportunity to recover reasonable costs and earn a reasonable return on its investments.