

HB 2475 A STAFF MEASURE SUMMARY
House Committee On Energy and Environment

Carrier: Rep. Smith DB
Minority Report

Action Date: 03/03/21

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

Fiscal: No fiscal impact

Revenue: No revenue impact

Report Signers: Rep. Mark Owens, Rep. David Brock Smith

Prepared By: Erin Pischke, LPRO Analyst

Meeting Dates: 2/1, 2/3, 3/3

WHAT THE MEASURE DOES:

Requires the Public Utility Commission (Commission) 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 relating to the rates and terms and conditions of service of public utilities that provide electricity or natural gas to be provided to organizations that represent the interests of low-income residential customers or small commercial customers. Limits annual amount of financial assistance to organizations to \$500,000 and requires the Commission to adjust dollar limitation each calendar year. Prohibits Commission from allowing public utility to recover in rates the amount of financial assistance provided to organizations that represent the interests of low-income residential customers from anyone other than residential customers. Prohibits Commission from allowing public utility to recover in rates the amount of financial assistance provided to organizations that represent the interests of small commercial customers from anyone other than small commercial customers. Requires Commission to provide a report by certain date to the interim committees of the Legislative Assembly related to energy on, but not limited to, the types of organization receiving financial assistance, amount received, and issues raised by organization. Sunsets report requirement on January 2, 2026.

ISSUES DISCUSSED:

- Impacts on customers
- Rates and conditions
- Sideboards

EFFECT OF AMENDMENT:

Allows financial assistance relating to the rates and terms and conditions of service of public utilities that provide electricity or natural gas to be provided to organizations that represent the interests of low-income residential customers or small commercial customers. Limits annual amount of financial assistance to organizations to \$500,000 and requires the Commission to adjust dollar limitation each calendar year. Prohibits Commission from allowing public utility to recover in rates the amount of financial assistance provided to organizations that represent the interests of low-income residential customers from anyone other than residential customers. Prohibits Commission from allowing public utility to recover in rates the amount of financial assistance provided to organizations that represent the interests of small commercial customers from anyone other than small commercial customers. Requires Commission to provide a report by certain date to the interim committees of the Legislative Assembly related to energy on, but not limited to, the types of organization receiving financial assistance, amount received, and issues raised by organization. Sunsets report requirement on January 2, 2026.

BACKGROUND:

The Oregon Public Utility Commission (Commission) 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

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rates. The scope and mandate of the commission is determined by the legislature, which requires the commission 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).

House Bill 2475 MRA would allow the Commission to consider differential energy burden and other inequities of affordability in rates. The bill would authorize the Commission to enter into agreements to provide limited annual financial assistance for organizations that represent interests of low-income residential customers or small commercial customers.