

HB 2475 B STAFF MEASURE SUMMARY
Senate Committee On Energy and Environment

Carrier: Sen. Findley
Minority Report

Action Date: 04/29/21

Action: Do pass with amendments to the A-Eng bill. (Printed B-Eng.) Minority

Fiscal: No fiscal impact

Revenue: No revenue impact

Report Signers: Sen. Lynn Findley, Sen. Art Robinson

Prepared By: Beth Reiley, LPRO Analyst

Meeting Dates: 4/22, 4/29

WHAT THE MEASURE DOES:

Requires the Public Utility Commission (PUC) to provide 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 PUC to adjust dollar limitation each calendar year. Prohibits PUC 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 PUC 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 PUC to provide a report by September 15, 2025 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:

- Disproportionate amount of income spent by low-income Oregonians on utilities
- Organizations in communities that provide assistance to low-income Oregonians
- Senate Bill 978 (2017) process and recommendations
- Other entities acting as intervenors in Public Utility Commission processes

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 Public Utility Commission (PUC) to adjust dollar limitation each calendar year. Prohibits PUC 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 PUC 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 PUC to provide a report by September 15, 2025 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:

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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 its 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 Legislative Assembly on September 14, 2018. One 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.

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