

Requested by Representative LEIF

**PROPOSED AMENDMENTS TO
HOUSE BILL 2739**

1 In line 2 of the printed bill, after “assistance” insert “; creating new
2 provisions; and amending ORS 456.587 and 757.612.”.

3 Delete lines 4 through 27 and insert:

4 **“SECTION 1. Sections 2 and 3 of this 2021 Act are added to and
5 made a part of ORS chapter 757.**

6 **“SECTION 2. (1) An electric company, as defined in ORS 757.600,
7 or Oregon Community Power shall collect funds for low-income elec-
8 tric bill payment and crisis assistance in an amount determined by the
9 Public Utility Commission. The commission shall:**

10 **“(a) Establish the amount to be collected and rates to be charged
11 by each electric company from its customers, including customers re-
12 ceiving electricity from other sources, such that the forecasted col-
13 lection by all electric companies in a calendar year is at least \$20
14 million.**

15 **“(b) Adjust the rates if forecasted collections or actual collections
16 are less than \$20 million in any calendar year but shall not otherwise
17 adjust the rates once set.**

18 **“(c) Ensure that no customer pays more than \$500 per month per
19 customer site for low-income electric bill payment and crisis assist-
20 ance.**

21 **“(2) Funds collected by an electric company or Oregon Community**

1 **Power under this section must be:**

2 **“(a) Paid into the Housing and Community Services Department**
3 **Low-Income Electric Bill Payment Assistance Fund established by**
4 **ORS 456.587 (2);**

5 **“(b) Used by the Housing and Community Services Department**
6 **solely for purposes related to low-income electric bill payment and**
7 **crisis assistance and for the Housing and Community Services**
8 **Department’s cost of administering this section; and**

9 **“(c) Expended in the service area of the electric company or Oregon**
10 **Community Power from which the funds are collected.**

11 **“(3) The Housing and Community Services Department shall deter-**
12 **mine the manner in which funds collected under this section are al-**
13 **located by the department to energy assistance program providers for**
14 **the purpose of providing low-income electric bill payment and crisis**
15 **assistance. However, the department shall:**

16 **“(a) In consultation with electric companies, investigate and may**
17 **implement alternative delivery models to effectively reduce service**
18 **disconnections and related costs to customers and electric companies;**
19 **and**

20 **“(b) Direct priority assistance to low-income customers who are in**
21 **danger of having their electricity service disconnected.**

22 **“(4) The department shall maintain records and provide those re-**
23 **ords upon request to an electric company, Oregon Community Power**
24 **and the Citizens’ Utility Board established under ORS chapter 774 on**
25 **a quarterly basis. Records maintained must include the numbers of**
26 **low-income customers served, the average amounts paid and the type**
27 **of assistance provided. Electric companies and Oregon Community**
28 **Power shall, if requested, provide the department with aggregate data**
29 **relating to low-income customers served on a quarterly basis to sup-**
30 **port program development.**

1 “(5) Interest on moneys deposited in the Housing and Community
2 Services Department Low-Income Electric Bill Payment Assistance
3 Fund established by ORS 456.587 (2) may be used to provide bill pay-
4 ment and crisis assistance to customers whose primary source of heat
5 is not electricity.

6 “(6) Notwithstanding ORS 757.310, the commission may allow an
7 electric company or Oregon Community Power to provide reduced
8 rates or other bill payment or crisis assistance or low-income program
9 assistance to a low-income household eligible for assistance under the
10 federal Low Income Home Energy Assistance Act of 1981, as amended
11 and in effect on July 23, 1999.

12 “SECTION 3. (1) In addition to the funds collected pursuant to
13 section 2 (1) of this 2021 Act and subject to the limitation set forth in
14 section 2 (1)(c) of this 2021 Act, the Public Utility Commission shall
15 provide for, through rates charged to all customers of electric com-
16 panies, as defined in ORS 757.600, collection of \$10 million per calendar
17 year for low-income electric bill payment and crisis assistance.

18 “(2) Notwithstanding section 2 (1) of this 2021 Act, the rates estab-
19 lished by the commission for low-income electric bill payment and
20 crisis assistance may not be less than the rates in effect on the effec-
21 tive date of this 2021 Act.

22 “(3) Notwithstanding section 2 (3) of this 2021 Act, for purposes of
23 the additional amounts collected pursuant to this section, the Housing
24 and Community Services Department shall:

25 “(a) Ensure that the additional amounts collected respond to and
26 are delivered to customers of electric companies who have lost income
27 due to circumstances arising from the disease caused by the severe
28 acute respiratory syndrome coronavirus 2 (SARS-CoV-2);

29 “(b) Design delivery of the additional amounts in alignment with
30 existing energy assistance programs but broaden income eligibility and

1 **benefit levels such that:**

2 **“(A) Income eligibility is expanded to households at or below 80**
3 **percent of area median income;**

4 **“(B) Standard household benefit levels may be increased to account**
5 **for utility arrearages directly related to employment, income or health**
6 **effects of SARS-CoV-2; and**

7 **“(C) Persons already enrolled in or receiving state-administered,**
8 **low-income assistance from programs determined by the department,**
9 **including but not limited to through the federal Low Income Home**
10 **Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.), are automat-**
11 **ically eligible for low-income electric bill payment and crisis assist-**
12 **ance.**

13 **“SECTION 4. Section 3 of this 2021 Act is repealed on January 2,**
14 **2024.**

15 **“SECTION 5. ORS 757.612 is amended to read:**

16 **“757.612. (1) There is established an annual public purpose expenditure**
17 **standard for electric companies and Oregon Community Power to fund new**
18 **cost-effective energy conservation, new market transformation efforts, the**
19 **above-market costs of new renewable energy resources and new low-income**
20 **weatherization. The public purpose expenditure standard shall be funded by**
21 **the public purpose charge described in subsection (2) of this section.**

22 **“(2)(a) Beginning on the date an electric company or Oregon Community**
23 **Power offers direct access to retail electricity consumers, except residential**
24 **electricity consumers, the electric company or Oregon Community Power**
25 **shall collect a public purpose charge from all of the retail electricity con-**
26 **sumers located within the electric company’s or Oregon Community Power’s**
27 **service area until January 1, 2026. Except as provided in paragraph (b) of**
28 **this subsection, the public purpose charge shall be equal to three percent of**
29 **the total revenues collected by the electric company, Oregon Community**
30 **Power or the electricity service supplier from retail electricity consumers for**

1 electricity services, distribution services, ancillary services, metering and
2 billing, transition charges and other types of costs included in electric rates
3 on July 23, 1999.

4 “(b) For an aluminum plant that averages more than 100 average mega-
5 watts of electricity use per year, the electric company or Oregon Community
6 Power, whichever serves territory that abuts the greatest percentage of the
7 site of the aluminum plant, shall collect from the aluminum company a
8 public purpose charge equal to one percent of the total revenue from the sale
9 of electricity services to the aluminum plant from any source.

10 “(3)(a) The Public Utility Commission shall establish rules implementing
11 the provisions of this section relating to electric companies and Oregon
12 Community Power.

13 “(b) Except as provided in paragraph (e) of this subsection, funds collected
14 through public purpose charges under subsection (2) of this section shall be
15 allocated as follows:

16 “(A) Sixty-three percent for new cost-effective energy conservation and
17 new market transformation efforts.

18 “(B) Nineteen percent for the above-market costs of constructing and op-
19 erating new renewable energy resources with a nominal electric generating
20 capacity, as defined in ORS 469.300, of 20 megawatts or less.

21 “(C) Thirteen percent for new low-income weatherization.

22 “(D) Five percent for deposit in the Housing and Community Services
23 Department Electricity Public Purpose Charge Fund established by ORS
24 456.587 (1) for the purpose of providing grants as described in ORS 458.625
25 (2).

26 “(c) The costs of administering subsections (1) to (6) of this section for
27 an electric company or Oregon Community Power shall be paid out of the
28 funds collected through public purpose charges. The commission may require
29 an electric company or Oregon Community Power to direct funds collected
30 through public purpose charges to state agencies responsible for implement-

1 ing subsections (1) to (6) of this section in order to pay the costs of admin-
2 istering subsections (1) to (6) of this section.

3 “(d) The commission shall direct the manner in which public purpose
4 charges are collected and spent by an electric company or Oregon Commu-
5 nity Power and may require an electric company or Oregon Community
6 Power to expend funds through competitive bids or other means designed to
7 encourage competition, except that funds dedicated for new low-income
8 weatherization shall be directed to the Housing and Community Services
9 Department for purposes related to new low-income weatherization. The
10 commission may also require funds collected through public purpose charges
11 to be paid to a nongovernmental entity for investment in public purposes
12 described in subsection (1) of this section. Notwithstanding any other pro-
13 vision of this subsection:

14 “(A) If an electric company collected the funds, at least 80 percent of the
15 funds allocated for new cost-effective energy conservation shall be spent
16 within the service area of the electric company; or

17 “(B) If Oregon Community Power collected the funds, at least 80 percent
18 of the funds allocated for new cost-effective energy conservation shall be
19 spent within the service area of Oregon Community Power.

20 “(e)(A) The first 10 percent of funds collected each year by an electric
21 company or Oregon Community Power under subsection (2) of this section
22 shall be distributed to school districts that are located in the service terri-
23 tory of the electric company or Oregon Community Power. The funds shall
24 be distributed to individual school districts according to the weighted aver-
25 age daily membership (ADMw) of each school district for the prior fiscal
26 year as calculated under ORS 327.013. The commission shall establish by rule
27 a methodology for distributing a proportionate share of funds under this
28 paragraph to school districts that are only partially located in the service
29 territory of the electric company or Oregon Community Power.

30 “(B) A school district that receives funds under this paragraph shall use

1 the funds first to pay for energy audits for schools located within the school
2 district or for a fleet audit for the school district. To the extent practicable,
3 a school district shall coordinate with the State Department of Energy and
4 incorporate federal funding in complying with this paragraph. Following
5 completion of an audit, the school district may expend funds received under
6 this paragraph to implement the audit.

7 “(C) Once an energy audit has been conducted and completely imple-
8 mented for each school within the school district, the school district may
9 expend funds received under this paragraph for any of the following pur-
10 poses:

11 “(i) Conducting additional energy audits. A school district shall conduct
12 an energy audit prior to expending funds on any other purpose authorized
13 under this paragraph unless the school district has performed an energy au-
14 dit within the three years immediately prior to receiving the funds.

15 “(ii) Weatherizing school district facilities and upgrading the energy ef-
16 ficiency of school district facilities.

17 “(iii) Energy conservation education programs.

18 “(iv) Purchasing electricity from environmentally focused sources.

19 “(v) Investing in renewable energy resources.

20 “(D) Once a fleet audit has been conducted for the school district, the
21 school district may expend funds received under this paragraph for any of
22 the following purposes:

23 “(i) Purchasing or leasing zero-emission vehicles, as defined in ORS
24 283.398, including buses.

25 “(ii) Purchasing or installing electric vehicle charging stations to provide
26 electricity to zero-emission vehicles.

27 “(f) The commission may not establish a different public purpose charge
28 than the public purpose charge described in subsection (2) of this section.

29 “(g) If the commission requires funds collected through public purpose
30 charges to be paid to a nongovernmental entity, the entity shall:

1 “(A) Include on the entity’s board of directors an ex officio member des-
2 ignated by the commission, who shall also serve on the entity’s nominating
3 committee for filling board vacancies.

4 “(B) Require the entity’s officers and directors to provide an annual dis-
5 closure of economic interest to be filed with the commission on or prior to
6 April 15 of each calendar year for public review in a form similar to the
7 statement of economic interest required for public officials under ORS
8 244.060.

9 “(C) Require the entity’s officers and directors to declare actual and po-
10 tential conflicts of interest at regular meetings of the entity’s governing body
11 when such conflicts arise, and require an officer or director to abstain from
12 participating in any discussion or voting on any item where that officer or
13 director has an actual conflict of interest. For the purposes of this subpara-
14 graph, ‘actual conflict of interest’ and ‘potential conflict of interest’ have the
15 meanings given those terms in ORS 244.020.

16 “(D) Annually, arrange for an independent auditor to audit the entity’s
17 financial statements, and direct the auditor to file an audit opinion with the
18 commission for public review.

19 “(E) Annually file with the commission the entity’s budget, action plan
20 and quarterly and annual reports for public review.

21 “(F) At least once every five years, contract for an independent manage-
22 ment evaluation to review the entity’s operations, efficiency and effective-
23 ness, and direct the independent reviewer to file a report with the
24 commission for public review.

25 “(h) The commission may remove from the board of directors of a non-
26 governmental entity an officer or director who fails to provide an annual
27 disclosure of economic interest, or who fails to declare an actual or potential
28 conflict of interest, as described in paragraph (g)(B) and (C) of this sub-
29 section, if the failure is connected to the allocation or expenditure of funds
30 collected through public purpose charges and paid to the entity.

1 “(4)(a) An electric company that satisfies its obligations under this sec-
2 tion:

3 “(A) Has no further obligation to invest in new cost-effective energy
4 conservation, new market transformation or new low-income weatherization,
5 or to provide a commercial energy conservation services program; and

6 “(B) Is not subject to ORS 469.631 to 469.645 and 469.860 to 469.900.

7 “(b) Oregon Community Power, for any period during which Oregon
8 Community Power collects a public purpose charge under subsection (2) of
9 this section:

10 “(A) Has no further obligation to invest in new cost-effective energy
11 conservation, new market transformation or new low-income weatherization,
12 or to provide a commercial energy conservation services program; and

13 “(B) Is not subject to ORS 469.631 to 469.645 and 469.860 to 469.900.

14 “(5)(a) A retail electricity consumer that uses more than one average
15 megawatt of electricity at any site in the prior year shall receive a credit
16 against public purpose charges billed by an electric company or Oregon
17 Community Power for that site. The amount of the credit shall be equal to
18 the total amount of qualifying expenditures for new cost-effective energy
19 conservation, not to exceed 68 percent of the annual public purpose charges,
20 and the above-market costs of new renewable energy resources incurred by
21 the retail electricity consumer, not to exceed 19 percent of the annual public
22 purpose charges, less administration costs incurred under this paragraph and
23 paragraphs (b) and (c) of this subsection. The credit may not exceed, on an
24 annual basis, the lesser of:

25 “(A) The amount of the retail electricity consumer’s qualifying expendi-
26 tures; or

27 “(B) The portion of the public purpose charge billed to the retail elec-
28 tricity consumer that is dedicated to new cost-effective energy conservation,
29 new market transformation or the above-market costs of new renewable en-
30 ergy resources.

1 “(b) To obtain a credit under paragraph (a) of this subsection, a retail
2 electricity consumer shall file with the State Department of Energy a de-
3 scription of the proposed conservation project or new renewable energy re-
4 source and a declaration that the retail electricity consumer plans to incur
5 the qualifying expenditure. The State Department of Energy shall issue a
6 notice of precertification within 30 days of receipt of the filing, if such filing
7 is consistent with paragraph (a) of this subsection. The credit may be taken
8 after a retail electricity consumer provides a letter from a certified public
9 accountant to the State Department of Energy verifying that the precertified
10 qualifying expenditure has been made.

11 “(c) Credits earned by a retail electricity consumer as a result of quali-
12 fying expenditures that are not used in one year may be carried forward for
13 use in subsequent years.

14 “(d)(A) A retail electricity consumer that uses more than one average
15 megawatt of electricity at any site in the prior year may request that the
16 State Department of Energy hire an independent auditor to assess the po-
17 tential for conservation investments at the site. If the independent auditor
18 determines there is no available conservation measure at the site that would
19 have a simple payback of one to 10 years, the retail electricity consumer
20 shall be relieved of 54 percent of its payment obligation for public purpose
21 charges related to the site. If the independent auditor determines that there
22 are potential conservation measures available at the site, the retail elec-
23 tricity consumer shall be entitled to a credit against public purpose charges
24 related to the site equal to 54 percent of the public purpose charges less the
25 estimated cost of available conservation measures.

26 “(B) A retail electricity consumer shall be entitled each year to the credit
27 described in this paragraph unless a subsequent independent audit deter-
28 mines that new conservation investment opportunities are available. The
29 State Department of Energy may require that a new independent audit be
30 performed on the site to determine whether new conservation measures are

1 available, provided that the independent audits occur no more than once
2 every two years.

3 “(C) The retail electricity consumer shall pay the cost of the independent
4 audits described in this paragraph.

5 “(6) Electric utilities and retail electricity consumers shall receive a fair
6 and reasonable credit for the public purpose expenditures of their energy
7 suppliers. The State Department of Energy shall adopt rules to determine
8 eligible expenditures and the method by which such credits are accounted for
9 and used. The State Department of Energy also shall adopt methods to ac-
10 count for eligible public purpose expenditures made through consortia or
11 collaborative projects.

12 “[7](a) *In addition to the public purpose charge provided under subsection*
13 *(2) of this section, an electric company or Oregon Community Power shall*
14 *collect funds for low-income electric bill payment assistance in an amount de-*
15 *termined under paragraph (b) of this subsection.]*

16 “[b) *The commission shall establish the amount to be collected by each*
17 *electric company from retail electricity consumers, and the rates to be charged*
18 *by each electric company to retail electricity consumers, so that the forecasted*
19 *collection by all electric companies in calendar year 2018 is \$20 million. In*
20 *subsequent calendar years, the commission may not decrease the rates below*
21 *those established for calendar year 2018. The commission may temporarily ad-*
22 *just the rates if forecasted collections or actual collections are less than \$20*
23 *million in any calendar year. A retail electricity consumer may not be required*
24 *to pay more than \$500 per month per site for low-income electric bill payment*
25 *assistance.]*

26 “[c) *Funds collected through the low-income electric bill payment assist-*
27 *ance charge shall be paid into the Housing and Community Services Depart-*
28 *ment Low-Income Electric Bill Payment Assistance Fund established by ORS*
29 *456.587 (2). Moneys deposited in the fund under this paragraph shall be used*
30 *by the Housing and Community Services Department solely for purposes re-*

1 *lated to low-income electric bill payment assistance and for the Housing and*
2 *Community Services Department's cost of administering this subsection. Funds*
3 *collected by an electric company or Oregon Community Power under this sub-*
4 *section shall be expended in the service area of the electric company or Oregon*
5 *Community Power from which the funds are collected.]*

6 *“(d)(A) The Housing and Community Services Department shall determine*
7 *the manner in which funds collected under this subsection will be allocated*
8 *by the Housing and Community Services Department to energy assistance*
9 *program providers for the purpose of providing low-income bill payment and*
10 *crisis assistance.]*

11 *“(B) The Housing and Community Services Department, in consultation*
12 *with electric companies, shall investigate and may implement alternative de-*
13 *livery models to effectively reduce service disconnections and related costs to*
14 *retail electricity consumers and electric utilities.]*

15 *“(C) Priority assistance shall be directed to low-income electricity con-*
16 *sumers who are in danger of having their electricity service disconnected.]*

17 *“(D) The Housing and Community Services Department shall maintain*
18 *records and provide those records upon request to an electric company, Oregon*
19 *Community Power and the Citizens' Utility Board established under ORS*
20 *chapter 774 on a quarterly basis. Records maintained must include the num-*
21 *bers of low-income electricity consumers served, the average amounts paid to*
22 *low-income electricity consumers and the type of assistance provided to low-*
23 *income electricity consumers. Electric companies and Oregon Community*
24 *Power shall, if requested, provide the Housing and Community Services De-*
25 *partment with aggregate data relating to low-income electricity consumers*
26 *served on a quarterly basis to support program development.]*

27 *“(e) Interest on moneys deposited in the Housing and Community Services*
28 *Department Low-Income Electric Bill Payment Assistance Fund established*
29 *by ORS 456.587 (2) may be used to provide bill payment and crisis assistance*
30 *to electricity consumers whose primary source of heat is not electricity.]*

1 “*[(f) Notwithstanding ORS 757.310, the commission may allow an electric*
2 *company or Oregon Community Power to provide reduced rates or other bill*
3 *payment or crisis assistance or low-income program assistance to a low-income*
4 *household eligible for assistance under the federal Low Income Home Energy*
5 *Assistance Act of 1981, as amended and in effect on July 23, 1999.]*”

6 “~~[(8)]~~ (7) For purposes of this section, ‘retail electricity consumers’ in-
7 cludes any direct service industrial consumer that purchases electricity
8 without purchasing distribution services from the electric utility.

9 “~~[(9)]~~ (8) For purposes of this section, funds collected by Oregon Com-
10 munity Power through public purpose charges are not considered moneys
11 received from electric utility operations.

12 “**SECTION 6.** ORS 456.587 is amended to read:

13 “456.587. (1) The Housing and Community Services Department Electricity
14 Public Purpose Charge Fund is established in the State Treasury, separate
15 and distinct from the General Fund. Interest earned by the Housing and
16 Community Services Department Electricity Public Purpose Charge Fund
17 shall be credited to the fund. Moneys in the fund are continuously appro-
18 priated to the Housing and Community Services Department to be used for
19 purposes specified in ORS 757.612 (3)(b)(D).

20 “(2) The Housing and Community Services Department Low-Income Elec-
21 tric Bill Payment Assistance Fund is established in the State Treasury, sep-
22 arate and distinct from the General Fund. Interest earned by the Housing
23 and Community Services Department Low-Income Electric Bill Payment As-
24 sistance Fund shall be credited to the fund. Moneys in the fund are contin-
25 uously appropriated to the Housing and Community Services Department for
26 purposes described in [*ORS 757.612 (7)*] **section 2 of this 2021 Act.**”

27