

February 2, 2021

Oregon Progressive Party Independent Party of Oregon

Position on Bill at 2021 Session of Oregon Legislature:

HB 2476: Oppose

Dear Committee:

The Oregon Progressive Party (OPP) and Independent Party of Oregon (IPO) oppose this bill, which unnecessarily perpetuates an anticompetitive monopoly on charging stations by allowing electric utilities to charge to ratepayers the cost of establishing and operating such stations (for electricity, hydrogen, or other alternative fuels).

The creation and operation of such stations is not a natural monopoly, any more than creation and operation of gas stations. We do not have, and do not need, gasoline stations that are involuntarily subsidized by a group of consumers (ratepayers), whether or not they use the stations. HB 2476 would perpetuate a government-established monopoly on charging/fueling stations, creating the ultimate harms of anticompetitive commerce: higher prices and worse service. It would both subsidize such monopoly and protect it from financial risk.

Some say this bill would promote the purchase and use of electric and hydrogen vehicles by creating more charging stations sooner than would otherwise occur. That may be correct. If so, then the utilities should be required to auction off each such station to the highest bidder in order to establish a competitive environment for charging/fueling services.

HB 2476 also does not ensure that utility ratepayers will not be harmed. It allows the Oregon Public Utility Commission to authorize utilities to charge the cost of building and operating charging/fueling stations to ratepayers, without recovering those costs from the users of the charging/fueling stations. The bill does not require the utilities to ever reimburse ratepayers for those costs.

We second the concerns of the Pacific Propane Gas Association:

The PPGA is opposed to HB 2476 as the legislation give utilities an unfair advantage in the alternative fuels marketplace by allowing utilities to charge all retail ratepayers for infrastructure many of these ratepayers will be unlikely to utilize. HB 2476 will likely result in schools, businesses and municipalities that have chosen propane Autogas to pay increased electric and natural gas rates to fund vehicle infrastructure they will not utilize. Additionally, our members who are often retail utility customers will have to pay higher rates to fund infrastructure they directly compete against.

In comparison the propane industry must work with customers who will utilize the benefits of propane Autogas to pay for the associated costs of infrastructure. We cannot, nor should we be able to, spread infrastructure costs of one retail customer to all our other retail customers. This market-based system works. For example, Oregon has the largest percentage school buses that run on clean burning propane Autogas of any state in the country.

PPGA supports the adoption of electric vehicle infrastructure and alternative fuel infrastructure but believes policies to achieve increased adoption of alternative fuel vehicles should be fair and fuel agnostic. Policies that give one energy source an unfair advantage over other energy sources inadvertently jeopardizes the economic viability of other fuel sources that have made investments to promote adoption of other clean fuels.

Oregon Progressive Party

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