

HB 3152 -1 STAFF MEASURE SUMMARY

House Committee On Climate, Energy, and Environment

Prepared By: Erin Pischke, LPRO Analyst

Meeting Dates: 3/1

WHAT THE MEASURE DOES:

Requires Public Utility Commission (PUC) to: 1) exercise all authority and discretion vested in PUC by law to facilitate the achievement of the state’s greenhouse gas (GHG) emissions–reduction goals established by statute or executive order; and 2) to the full extent allowed by law, consider and integrate climate change, climate change impacts, and the state’s GHG emissions–reduction goals into PUC’s decisions on planning, budgets, investments, and policymaking. Authorizes PUC to institute one or more proceedings to ensure PUC’s regulations, rules, and orders, and programs overseen by PUC, align with GHG emissions–reduction requirements and targets established by statute or executive order, do not impede or delay timely and equitable implementation of GHG emissions–reduction requirements and targets, and mitigate energy burden and risks of stranded assets for residential utility customers. Establishes that the policy of Oregon is to protect residential utility customers from risks of stranded fossil fuel assets and potential increases in energy burden while achieving state’s GHG emissions–reduction goals. Prohibits, on or after January 1, 2026, use of funding from ratepayers to provide: 1) incentives or subsidies for the purchase or installation of gas appliances or devices for use by residential utility customers; or 2) line extension allowances for new gas line extensions that support the use of gas in residential buildings. Defines terms.

- *FISCAL: May have fiscal impact, but no statement issued yet*
- *REVENUE: May have revenue impact, but no statement issued yet*

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Requires Public Utility Commission (PUC) to exercise all authority and discretion vested in PUC by law to facilitate the achievement of reducing the state’s greenhouse gas (GHG) emissions by at least the GHG emissions–reduction goals set forth in ORS 468A.205. Requires PUC to the full extent allowed by law, consider and integrate climate change, climate change impacts, and the state’s GHG emissions–reduction goals into PUC’s decisions on planning, budgets, investments, and policymaking. Removes PUC’s authorization to institute one or more proceedings to ensure PUC’s regulations, rules, and orders, and programs overseen by PUC align with GHG emissions–reduction requirements and targets established by statute or executive order. Requires PUC to prioritize and take such actions as necessary to advance decarbonization in the state’s utility sector and exercise the PUC’s broad authority to reduce GHG emissions, mitigate energy burden experienced by utility customers, and ensure system reliability and resource adequacy. Establishes that the policy of Oregon is to protect residential **ratepayers** from risks of stranded fossil fuel assets. Prohibits, on or after January 1, 2026, use of funding from ratepayers to provide: 1) incentives or subsidies for the purchase or installation of **natural** gas appliances or devices for use by residential **ratepayers**; or 2) line extension allowances for new **natural** gas line extensions that support the use of **natural** gas in residential buildings.

BACKGROUND:

In 2020, Governor Brown issued Executive Order 20-04 which directed state agencies to take certain actions to reduce and regulate greenhouse gas (GHG) emissions. The Executive Order “establishes science-based GHG emissions reduction goals and calls for the State of Oregon to reduce its GHG emissions (1) at least 45 percent below 1990 emissions levels by 2035; and (2) at least 80 percent below 1990 emissions levels by 2050.” In

HB 3152 -1 STAFF MEASURE SUMMARY

In addition, the Executive Order directs state agencies to take certain actions. House Bill 2021 (2021) requires electricity be generated from low- or zero-carbon emitting sources. The bill requires retail electricity providers to reduce annual GHG emissions by 80 percent below the baseline emissions level by 2030, by 90 percent below the baseline emissions level by 2035, and 100 percent below the baseline emissions level by 2040.

House Bill 3152 would require the Public Utility Commission (PUC) to the achievement of Oregon's greenhouse gas (GHG) emissions-reduction goals established by statute or executive order and establish protection of residential utility customers from risks of stranded fossil fuel assets and potential increases in energy burden while achieving state's GHG emissions-reduction goals.