

HB 3143 A STAFF MEASURE SUMMARY
House Committee On Climate, Energy, and Environment

Carrier: Rep. Levy E

Action Date: 04/03/23

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

Vote: 10-0-0-0

Yeas: 10 - Andersen, Helm, Kropf, Levy B, Levy E, Marsh, Osborne, Owens, Pham K, Wallan

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

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Meeting Dates: 3/15, 4/3

WHAT THE MEASURE DOES:

Defines terms. Establishes the policy of the State of Oregon to encourage the financing of certain costs and expenses by public utilities at the lowest, reasonable, and prudent cost to public utility customers, including, but not limited to, rate recovery expenditures. Repeals ORS 757.455 and enacts sections 3 and 4 of the Act in lieu thereof. Repeals ORS 757.460 and enacts section 6 of the Act in lieu thereof. Authorizes public utility, upon approval by the Public Utility Commission (PUC), to issue bonds and securitize debt for costs and expenses incurred or to be incurred by public utility associated with events subject to federal or state declaration of emergency. Establishes criteria and procedures for PUC for approving public utility's application to designate rate recovery expenditures as bondable and establishes rate schedules to recover rate recovery expenditures. Pledges State of Oregon to not limit or alter collection of rate recovery assets or impair rate recovery bonds. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Bond securitization process
- Terms of repayment of bond
- Conditions under which bonds are necessary
- Rate recovery process
- Bonding authority

EFFECT OF AMENDMENT:

Replaces the measure with the exception of whereas clauses.

BACKGROUND:

The Oregon Public Utility Commission (PUC) regulates investor-owned electric and natural gas utilities providing service to ensure they offer safe and reliable energy at reasonable rates. All regulated electric and natural gas utilities must seek PUC approval for all rate and service schedules, or tariffs.

According to the International Monetary Fund, "securitization is the process in which certain types of assets are pooled so that they can be repackaged into interest-bearing securities."

House Bill 3143 A authorizes a public utility, upon approval by the Public Utility Commission, to issue bonds and securitize debt for costs and expenses incurred or to be incurred by a public utility associated with events subject to a federal or state declaration of emergency.