

# HB 3152: Utility Customer Protection Bill

Protect Oregon Utility Customers

## Background

Utilities are investing billions of dollars in pipelines and power plants to provide utility service. These investments will operate over the next 60 years. In this same time, there will be increasing climate regulations. **The goal of HB 3152 is to protect utility customers as climate regulation increases and consumer demand for gas decreases.**

## What HB 3152 Achieves

- Shifts the cost of expanding fossil fuel infrastructure from residential utility customers to gas companies and their investors. This bill protects customers from the financial risks of investments that will no longer be useful in the future (stranded assets).
- Directs the Oregon Public Utility Commission (OPUC) to consider climate in its decision-making. This aims to ensure that utility investments are well-designed to meet climate regulations which become increasingly stringent over time.

### This Bill Would:

- **Empower utility regulators** to be more proactive in ensuring utility investments are consistent with climate regulations and programs.
- **Protect utility customers** by shifting financial risk and cost of expanding the fossil fuel system to gas companies and their investors

### This Bill Would Not:

- Change the primary role or authority of utility regulators or burden them with new requirements.
- Prohibit homeowners or companies from owning or buying gas or other fossil fuel appliances (i.e., this is **not** a gas ban).
- Prohibit subsidies or incentives for gas service or appliances (this bill only shifts who bears the risk and cost).
- End energy efficiency programs paid by residential utility customers to weatherize and otherwise improve homes and buildings.

## Why is it necessary?

State climate regulations and new incentive programs will impact utility prices and drive down customer demand for gas. These forces will lead to further rate increases for gas utilities, which could disproportionately impact low-income gas customers, a timely concern given Oregon's need to build more affordable housing.

Oregon’s Climate Protection Plan requires major emissions reductions from current levels. Every new customer gas utilities add will need to have their emissions fully offset. As gas utilities continue to add to their systems, current customers shoulder the cost of expansion subsidies. HB 3152 would stop these subsidies from being passed on to customers in their bills. Instead, the gas companies and their investors would shoulder any financial costs and risks.

**HB 3152 will empower state utility regulators to take a proactive role in ensuring utilities meet our climate goals. It will also help protect customers from potential increases in energy burden while utilities transition away from fossil fuels.**

## Aligning with Federal Funding Opportunities Will Save Oregon Customers Money

To save customers money, Oregon needs to align our policies and programs with federal funding opportunities. The federal Inflation Reduction Act provides \$370 billion in investments to lower energy costs and accelerate the transition to clean energy, allowing Oregon to offset some of the costs of this transition.

State Climate Regulations	Federal Incentives
<p><b>Climate Protection Plan</b> Gas utilities: Reduce by 90% by 2050.</p> <p><b>HB 2021 - 100% Clean Electricity</b> Electric utilities: 100% clean energy by 2040.</p>	<p><b>Federal Inflation Reduction Act</b></p> <p>\$370 Billion in investments such as:</p> <ul style="list-style-type: none"><li>● Renewable Energy Products</li><li>● Residential Incentives (electric heat pumps, heat pump water heaters).</li></ul>

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