



Oregon Citizens'  
Utility Board

# Utility Consumer Protection Bill HB 3152

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# HB 3152: Protecting Gas Customers

## HB 3152 aims to protect existing gas customers

This bill aims to reduce the amount that customers pay to subsidize expansion of the gas system.

### 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



# HB 3152: NOT a gas ban

## HB 3152 is NOT a gas ban

**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.

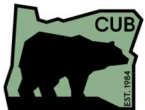


# Line Extension Allowance (LEA) Subsidies

## Customers are paying subsidies for gas expansion

- \$2400 per house (exact cost varies by utility)
- 10,000 to 12,000 new homes per year = about \$25 million
- LEAs are paid over about 50 years
- Customers also pay depreciation of past LEAs, debt financing costs, and utility profits

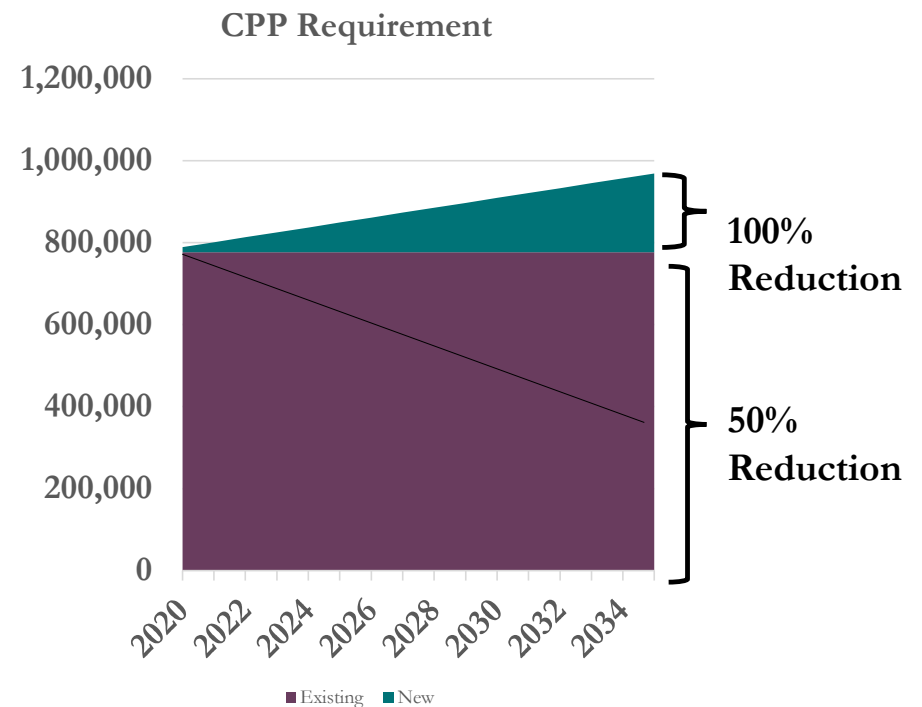
**Total Annual Cost to Ratepayers:  
\$61 million**



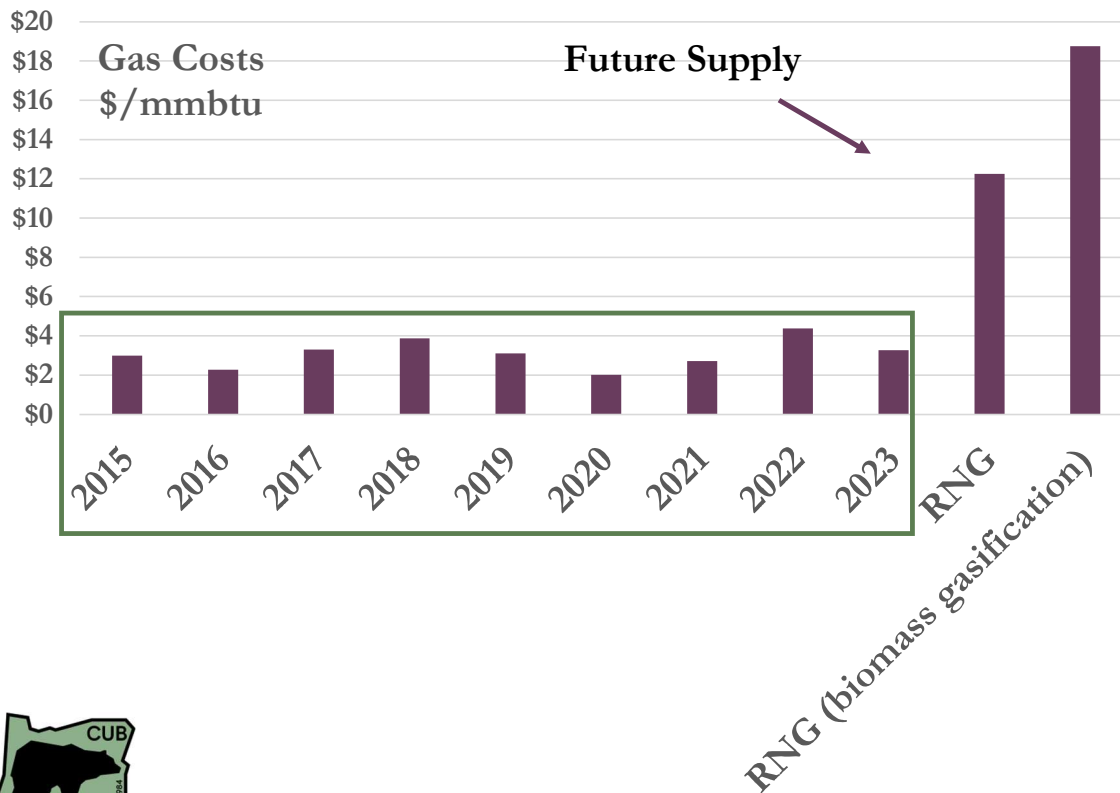
# Climate Protection Program (CPP) Requirements

## Gas utilities must reduce emissions

- 50 % Reduction from current customers
- 100% Reduction from new customers



# CPP Compliance Costs



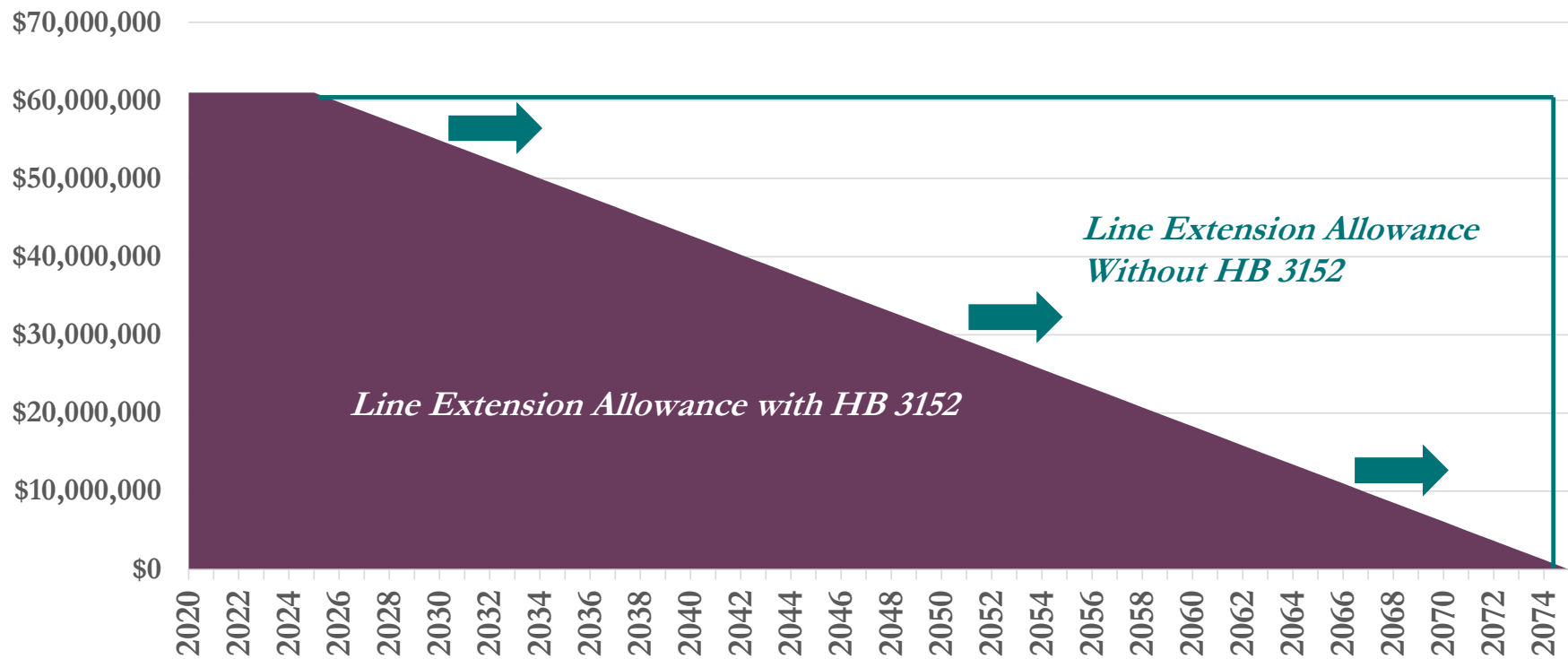
**Fossil gas**  
\$2 - \$4/mmbtu

**RNG from landfills, wastewater and feedlots**  
\$12/mmbtu (and supply will be limited)

**RNG from biomass gasification**  
\$18.5/mmbtu



# Subsidies take decades to pay



# Incentivize Customer Energy Efficiency

## Incentives are for Higher Efficiency Appliances

- Incentives are for energy efficiency, not replacing gas equipment with gas equipment

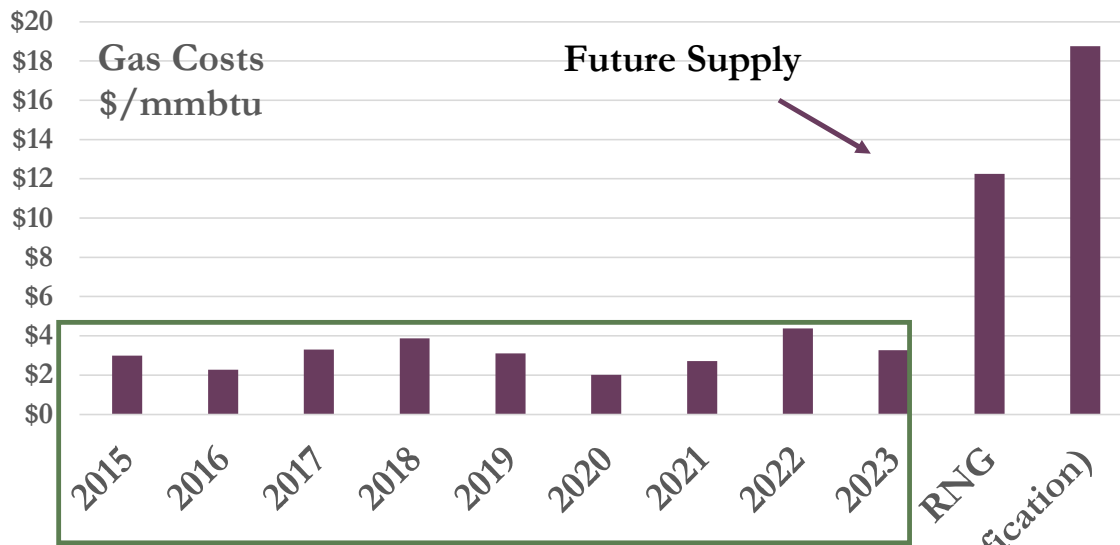
## Heat Pumps = Most Efficient

- The energy efficient investment is to move from an 80-95% efficient furnace to a 250% efficient heat pump
- Heat pumps can operate with gas furnace
- Heat pumps also provide cooling





# Gas costs are going up



## Fossil gas

\$2 - \$4/mmbtu

## RNG from landfills, wastewater and feedlots

\$12/mmbtu (and supply will be limited)

## RNG from biomass gasification

\$18.5/mmbtu



RNG (biomass gasification)

# Protect Customers From Financial Risk

## HB 3152 will:

- Protect customers by shifting financial risk of gas expansion to gas companies and their investors
- Ensure utility investments are designed to meet Oregon's emissions reduction obligations
- Customer investments should lower costs for them in the short- and long-term.
- Inflation Reduction Act funds will help low-to-moderate income customers install highly energy-efficient heat pumps and lower their heating and cooling bills.

