

HB 3143: Keeping Oregonians' energy affordable after an emergency event

Updating Oregon's securitization law to keep customer rates more affordable after extreme weather, natural disasters, and other declared emergencies

Emergencies are expensive. Unplanned, unforeseen major events like extreme weather can disrupt a utility's ability to serve its customers and may result in costly repairs and improvements.

That is where securitization comes in. Securitization is similar to refinancing your mortgage: by getting a lower interest rate when you refinance, you save money in the long run. This bill would allow a utility, with approval from the OPUC, to issue bonds with the lowest, most competitive interest rate to pay for the costs of a major emergency. This financial tool would be beneficial to customers because it would allow the costs of major emergencies to be spread over a longer period of time, in turn helping to keep PGE's rates affordable for our customers.

Questions and answers

Is this bill written for a specific emergency in the recent past, such as the COVID pandemic, Labor Day 2020 wildfires or February 2021 ice storms?

- No, while these events raised the importance of having this tool, it is written to apply generally to all declared state or federal emergencies. In all applicable cases, utilities would need to demonstrate to the OPUC that there is customer value to pursuing this option, and any authorization would be subject to OPUC approval.

How often would a utility issue bonds related to emergency costs?

- The bill is designed to apply to major emergencies. The Oregon Public Utility Commission would have discretion over whether to authorize the bond issuance.

What changes are expected in the forthcoming amendment?

- The amendment will update language to more closely align with securitization bills passed in other states. The amendment will also provide details about what needs to be included in a financing order that the PUC would issue in order to increase the chance of getting the credit rating agency support to get the lowest possible interest rate for customers.

