



Legislative Fiscal Office
83rd Oregon Legislative Assembly
2025 Regular Session

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Bill Title: Relating to performance-based regulation of electric utilities.

Government Unit(s) Affected: Public Utility Commission

Summary of Fiscal Impact

2025-27 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Public Utility Commission	\$ 750,000	\$ -	\$ 224,013	\$ -	\$ 974,013	1	0.75
Total Fiscal Impact	\$ 750,000	\$ -	\$ 224,013	\$ -	\$ 974,013	1	0.75
2027-29 Biennium	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Public Utility Commission	\$ -	\$ -	\$ 294,227	\$ -	\$ 294,227	1	1.00
Total Fiscal Impact	\$ -	\$ -	\$ 294,227	\$ -	\$ 294,227	1	1.00

Measure Description

The measure authorizes the Public Utility Commission (PUC) to develop and adopt a framework for performance-based regulation of electric companies, including incentives and penalties to align utility operations with public interest goals such as emissions reduction, energy efficiency, reliability, affordability, and cost savings. The framework must include performance standards, metrics, implementation methods, and reporting requirements.

The measure appropriates \$500,000 General Fund to PUC for the 2025-27 biennium to support activities related to implementing performance-based regulation.

Fiscal Analysis

The fiscal impact of the measure is estimated at \$974,013 total funds and 0.75 FTE in the 2025-27 biennium, and \$294,227 total funds and 1.00 FTE in the 2027-29 biennium.

To implement the measure, PUC would require a permanent full-time Utility Analyst 3 (0.75 FTE in the 2025-27 biennium and 1.00 FTE in the 2027-29 biennium) in the Rates and Regulatory Strategy Division. This position would manage consulting contracts, lead the public investigation to establish a performance-based ratemaking process, and support implementation through rate case proceedings.

Position costs are estimated at \$ 224,013 Other Funds in 2025-27 and \$294,227 Other Funds in 2027-29, funded through the PUC's annual fee on regulated electric, gas, telecommunications, and water/wastewater utilities. An additional \$750,000 in consulting services is estimated to support the development and adoption of the regulatory framework. The measure includes a \$500,000 General Fund appropriation in the 2025-27 biennium to PUC for related implementation activities.

Relevant Dates

The measure takes effect on January 1, 2026.