

SB 926 A STAFF MEASURE SUMMARY

House Committee On Judiciary

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Meeting Dates: 5/12, 5/13, 5/15, 5/20

WHAT THE MEASURE DOES:

This measure prohibits an electric company from recovering from ratepayers the costs and expenses arising from wildfire liability and modifies a wildfire plaintiff's measure of recovery from an electric company.

Detailed Summary

- Defines an “electric company” to mean a company that is not consumer-owned and provides electricity to 25,000 or more Oregon customers.
- Prohibits an electric company from recovering from its customers:
 - Costs associated with fines or penalties based on allegations of negligence or misconduct that resulted in a wildfire;
 - Costs associated with a judgment or settlement of a civil action based on allegations of negligence or misconduct that resulted in a wildfire;
 - Wildfire litigation costs, and
 - Costs to repair or replace infrastructure damaged through the electric company's own fault.
- Prohibits electric companies indebted by a wildfire-related judgment from distributing dividends, income, interest, profits, or other value to those with an ownership interest in the electric company or a related company.
- Directs the court to award a prevailing wildfire plaintiff 9 percent interest from the time of wildfire ignition and damages without offset of recovery from other sources.
- Applies the above provisions to all wildfires ignited after January 1, 2020.
- Requires an electric company with an outstanding wildfire judgment, issued between January 1, 2020, and January 1, 2025, and not satisfied by January 1, 2026, to pay all taxes owed by the prevailing party at the time of the electric company's satisfaction of judgment.

SENATE FLOOR: Ayes, 22; Nays, 6.

FISCAL: Has minimal fiscal impact

REVENUE: Has minimal revenue impact

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Utility companies in Oregon must apply with the Public Utilities Commission (PUC) before raising consumer prices or rates. When deciding whether to approve a requested rate adjustment, the PUC must ensure the change is fair and reasonable for utility customers while also allowing the utility service provider to recover reasonable costs and earn a reasonable return on its investments. The PUC uses a quasi-judicial investigation to examine a utility's operating expenses, investments, and capital costs and thereby determine the extent to which these costs can be passed along to consumers through increased rates.