

HB 3546 A STAFF MEASURE SUMMARY**Carrier:** Rep. Marsh**House Committee On Climate, Energy, and Environment****Action Date:** 04/08/25**Action:** Do pass with amendments. (Printed A-Eng.)**Vote:** 11-1-0-0**Yeas:** 11 - Andersen, Edwards, Gamba, Helm, Levy B, Levy E, Lively, Marsh, Neron, Osborne, Owens**Nays:** 1 - Wallan**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Erin Pischke, LPRO Analyst**Meeting Dates:** 3/6, 4/8**WHAT THE MEASURE DOES:**

The measure requires the Oregon Public Utility Commission to provide for a classification of service for large energy use facilities.

Detailed summary:

Defines terms, including defining “large energy use facility” as a facility that uses or is able to use 20 megawatts or more and is primarily engaged in providing a service described under code 518210 of the 2022 North American Industry Classification System. Requires the Oregon Public Utility Commission (PUC) to provide for a classification of service for retail electricity consumers, separate and distinct from classifications of service for other commercial or industrial retail electricity consumers, that are large energy use facilities. Requires that classification of service for retail electricity consumers that are large energy use facilities have their own tariff schedule. Establishes tariff schedule requirements as adopted by the PUC. Requires PUC to consider certain factors when deciding whether to approve a proposed tariff schedule.

Requires PUC to require an electric company that is providing electricity service to a retail electricity consumer that is a large energy use facility to enter into a contract with the retail electricity consumer that covers the provision of the electricity service, including, as applicable, transmission, distribution, energy, capacity, or ancillary electricity services. Establishes contract requirements. Requires the electric company to provide the retail electricity consumer notice of the delay as soon as reasonably practicable if the electric company fails to begin to provide electricity service on or by the date or estimated date specified in a contract due to causes within the electric company’s reasonable control. Establishes criteria for which electric companies must meet contract requirements.

Requires PUC, no later than September 1 of each even-numbered year, to submit to the interim committees of the Legislative Assembly related to energy, a report reviewing trends in load requirements and other implications from retail electricity consumers that are large energy use facilities and other retail electricity consumers that use large amounts of electricity. Repeals study and reporting requirements on January 2, 2035. Declares an emergency, effective on passage.

ISSUES DISCUSSED:

- Reasons data centers may or may not be located in Oregon
- Examples of co-location of large energy users with power supply in other countries
- Differences in electric utility rates for various users
- Types of large energy users

EFFECT OF AMENDMENT:

This summary has not been adopted or officially endorsed by action of the committee.

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The amendment requires that classification of service for retail electricity consumers that are large energy use facilities have their own tariff schedule and requires Oregon Public Utility Commission to submit a report reviewing trends in load requirements and other implications from retail electricity consumers that are large energy use facilities and other retail electricity consumers that use large amounts of electricity.

Detailed summary:

Modifies and adds definitions. Requires that classification of service for retail electricity consumers that are large energy use facilities have their own tariff schedule. Establishes tariff schedule requirements adopted by the Oregon Public Utility Commission (PUC). Requires PUC to consider certain factors when deciding whether to approve a proposed tariff schedule. Modifies requirements PUC for requiring an electric company that is providing electricity service to a retail electricity consumer that is a large energy use facility to enter into a contract with the retail electricity consumer that covers the provision of the electricity service, including certain elements. Requires PUC, no later than September 1 of each even-numbered year, to submit to the interim committees of the Legislative Assembly related to energy, a report reviewing trends in load requirements and other implications from retail electricity consumers that are large energy use facilities and other retail electricity consumers that use large amounts of electricity. Repeals study and reporting requirements on January 2, 2035.

BACKGROUND:

The Oregon Public Utility Commission (PUC) regulates investor-owned utilities and is responsible for ensuring utility customers have access to safe, reliable, and high-quality utility services at just and reasonable rates. The scope and mandate of the PUC is determined by the Legislative Assembly, which requires the PUC to balance the interests of customers and utility companies by ensuring that rates are both fair and provide adequate revenue for utilities to be financially sound (ORS 756.040).

ORS 757.230 gives the PUC control over the classification of service for each public utility, taking into account:

- the quantity of energy used,
- the time when it was used,
- the purpose for which it is used,
- the existence of price competition or a service alternative,
- the services being provided,
- the conditions of service,
- differential energy burdens on low-income customers, and other economic, social equity, or environmental justice factors that affect affordability for certain classes of utility customers, and
- any other reasonable consideration.

Based on those considerations, statute allows the PUC to authorize classifications or schedules of rates applicable to individual customers or groups of customers.

According to the U.S. Department of Energy, data centers consume “ten to 50 times the energy per floor space of a typical commercial office building.” In 2023, data centers’ energy use accounted for approximately 4.4 percent of the total U.S. electricity use. Facilities that house cryptocurrency mining processes also use large amounts of energy. According to the U.S. Environmental Protection Agency and the Department of Energy’s ENERGY STAR program, “a single crypto transaction [consumes] more energy than that required to power six houses for a day in the U.S.” because of the computing power needed to create blockchain.