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February 11, 2025

Joint Committee on Ways & Means
Subcommittee on Natural Resources
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

RE: Central Lincoln concerns with SB 5518, Oregon Department of Energy (ODOE) Budget

Dear Chairs Fredrick and Levy, and members of the Committee:

As a large public power provider in Oregon, serving coastal residents from Lincoln Beach to North Bend, we have significant concerns with the ODOE proposed budget, specifically as it relates to a dramatic increase in charges for the Energy Supplier Assessment (ESA) tax.

During a time when legislators are appropriately concerned about the cost of critical electrical services for their constituents, a dramatic 18% increase in the proposed ESA tax would have an immediate and negative impact on rates for the customers we serve at Central Lincoln. It defies logic that such a proposed increase would come during a budget process where state the agency was tasked with defining modest increases that represent the current service level.

Community-owned utilities like Central Lincoln provide power to our customers at the actual cost of service, with no profit margin. That means there are no funds, other than rates, where this increased financial burden could be recouped. We are governed by an elected board that is immediately accountable to the utility's customers and constituents to make wise investments with their rate revenue.

As such, the ESA tax competes directly with critical utility functions like right-of-way clearing to reduce wildfire risk, making capital investments in upgrading and/or undergrounding infrastructure, and responding to outages in a timely fashion. While we can easily articulate the value of the services listed above for our customers, that is unfortunately not the case when it comes to ODOE's use of ESA funds. We respectfully request that this Subcommittee adjust the agency budget to reflect this.

Sincerely,

Eric Chambers, Director of Employee, Customer, and Community Services