

February 18, 2025

Position on Bills at 2025 Session of Oregon Legislature:



SB 47: Oppose

The Independent Party of Oregon opposes SB 47, because it would eliminate the state entity Oregon Community Power. Nine of the bill's 15.2 pages consist of that elimination.

The Oregon Legislature first passed a bill to create Oregon Community Power in 2005 as a vehicle to purchase Portland General Electric Co. (PGE) from its owner, Enron Corporation, as Enron was in bankruptcy. But Governor Kulongoski vetoed the bill. The Oregon Legislature in 2007 then passed it again with overwhelming votes, and Governor Kulongoski signed it.

The Staff Measure Summary in 2007 stated:

In 2005, Congress repealed the Public Utility Holding Company Act (PUHCA), which limited who could invest in utilities. Repeal of PUHCA made it more likely that outside investors could purchase interest in local utilities. Proposals for acquisitions or large-scale mergers increased, including some involving non-utility investment firms. An example is Texas Pacific Group's proposed purchase Portland General Electric in 2005, which was turned down by the Oregon Public Utility Commission (PUC). The stated intent of Senate Bill 443-A is not to prevent private acquisition of an investor-owned utility, but to have a mechanism in place to evaluate purchase proposals and the authority to proceed with negotiations for public acquisition and bond issuance if that is deemed by ratepayers, the utility, the PUC, and the public purchaser to be the best option for ratepayers and the public. No action would result from passage of Senate Bill 443-A, but the measure creates a framework and details a process in the event of a proposed public purchase of an investor-owned utility.

Oregon Community Power was carefully crafted, with the approval of many of public interest groups and support from the public. Considering the current volatility of the electric utility industry, Oregon Community Power may well be

needed in the future. Pacific Power & Light Co. (PP&L) is currently facing wildfire liabilities that could result in insolvency, as occurred in California to Pacific Gas & Electric Co. In May 2024, Reuters reported that the owner of PP&L, Berkshire Hathaway, might order PP&L to stop making investments in transmission and generation:

Though analysts do not foresee a bankruptcy [of PP&L], Berkshire could decide it might not be worth investing in generating and transmission assets if it were forced to foot several years of big legal bills.

Transition to a climate-stabilizing energy system will require investment in renewable generation and particularly transmission.

Further, would not be shocking if the Trump Administration's dismantling of the federal government were to include selling the assets of the Bonneville Power Administration or the hydroelectric generation facilities of the Army Corps of Engineers and/or the Bureau of Reclamation. The State of Oregon needs to be ready for that. If Oregon Community Power is abolished, the Oregon Legislature would need to recreate it.

Independent Party of Oregon

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