



February 24, 2025

Chair John Lively  
Vice Chair Mark Gamba  
Vice Chair Bobby Levy  
House Committee on Climate, Energy & Environment  
900 Court Street NW  
Salem, Oregon 97301

**RE: OMEU and OPUDA Opposition to HB 3628**

Chair Lively, Vice-Chairs Gamba and Levy, and members of the committee:

The Oregon Municipal Electric Utilities Association (OMEU) is made up of eleven municipally owned and operated electric utilities. The Oregon People's Utility District Association (OPUDA) includes all of Oregon's six PUDs. We are directly accountable to the people we serve through our city councils and locally elected governing boards. Our rates are not-for-profit and set to cover the costs of service, not to earn a rate of return for investors.

While municipal electric utilities and PUDs also have concerns about limited transmission capacity which will be exacerbated by exponential load growth from datacenters and chip manufacturing, we are not convinced that the Oregon Transmission Authority, as described in HB 3628, is a solution that works for us, and we are therefore opposed. We think it would be more productive to focus on fixing Oregon (and Federal) permitting and siting bottlenecks that often stymie transmission development under existing processes.

We don't see this proposal as reducing delays or bottlenecks in the transmission development process. Rather, it appears to introduce new players and a new entity into the siting process and specifically excludes the electric utility sector from serving the Board charged with identifying "transmission corridors of statewide significance for the transmission of electricity in Oregon." Beyond mere coordination, the electric utility sector, particularly public power and BPA, should have a seat at the table in any state process for identifying and funding transmission projects.

We are unclear about how the Authority will identify and establish "transmission corridors with statewide significance" and select proposed projects. HB 3628 indicates the Authority will "develop criteria," but how? Will they take public input? Will the criteria for selection be a subject of rulemaking?

We do not support the funding mechanism identified in HB 3628 for the Authority, which would be imposed on large industrial customers—including existing customers with transmission service and no expansion plans. The proposed "transmission authority charge" would effectively mean that existing industrial customers are paying for newcomers requiring additional transmission capacity that might be developed by the Authority.

Additionally, we do not support the open-ended budget setting powers that the Authority would have to bill industrial customers. (p. 10, line 18-21). The development of transmission is expensive. As an "independent public corporation with statewide purposes and without territorial boundaries" will the Authority's budget be subject to Legislative appropriation and approval?

In most cases, COUs are working with BPA to develop the necessary transmission to serve our loads. Section 10 of HB 3628 provides that the Transmission Authority may not undertake a transmission project that another entity, including BPA or an electric utility “is undertaking or reasonably planning to undertake.” What does “reasonably planning to undertake” mean? Would this language allow a COU to jump into a faster, cheaper transmission development line via the Oregon Transmission Authority if they are unsatisfied with BPA’s timelines to interconnect a new large single load?

Given the very recent introduction of HB 3628 we have not had an opportunity to conduct a thorough analysis of this proposal; these questions and concerns are just illustrative. We would love to hear more about whether public power customers have benefited from state transmission authorities in other states. However, without more evidence, we are not sure a state-led process is the right solution for identifying transmission corridors given the existing multi-state effort of WestTEC, which already includes the State of Oregon and Renewable Northwest. The Authority seems like it would compete with that effort and could be duplicative. Perhaps state bonding authority could be used in furtherance of that effort to speed up projects serving Oregon load?

Thank you.

Sincerely,

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