



Oregon Citizens' Utility Board

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February 27, 2025

To: Chair Lively, Vice-Chair Levy, Vice-Chair Gamba, and members of the House Climate on Climate, Energy, and Environment

From: Jennifer Hill-Hart, Policy & Program Director, Oregon Citizens' Utility Board (CUB)

Re: CUB Supports HB 3336 & HB 3628

The Oregon Citizens' Utility Board (CUB) is a statewide nonprofit consumer advocacy organization developed by citizens' initiative in 1984. CUB represents the interests of Oregon households by advocating for customers of for-profit utilities for utility regulations and policies that protect your wallet. To date, we have saved Oregon ratepayers over \$10 billion. **We ask that you support HB 3336 and HB 3628.** We submit this testimony together because these bills are two sides of the same coin—both can reduce transmission investment costs to ratepayers.

All three of Oregon's for-profit electric utilities asked for general rate increases last year. Each asked for money from ratepayers for transmission investments. According to the International Energy Association, since 2013, the cost of operating and investing in transmission and distribution infrastructure in the United States has grown by factors of 2 and 1.5, respectively.¹ With the data center boom in Oregon, transmission investments are going to be necessary and we must develop affordable strategies to meet these future energy needs.

Grid infrastructure across the U.S. is aging, with 50 year old transmission and distribution lines that need to be replaced and modernized. And while transmission capital investment and costs to consumers have increased, the reach of the transmission system has not significantly expanded.² We will need to expand grid capacity and we can do it more affordably with the help of HB 3336 and HB 3628.

CUB has heard from Oregon Legislators on both sides of the aisle that customer utility bills are becoming unmanageable. Transmission investments are going to continue to be necessary in order to meet our future grid needs and they can be very expensive. When a for-profit utility invests in new transmission lines, upgrades, or other transmission-related infrastructure, it is allowed to make a profit. These utilities have an incentive to spend as much money as possible on useful capital projects. Grid enhancing technologies are tools that reduce the need for new infrastructure and expand the grid's current capacity more affordably. By giving explicit direction to for-profit utilities to consider lower-cost transmission investment strategies, HB 3336 helps

¹ International Energy Association, *Electricity 2025: Analysis and forecast to 2027*, 95-97 (Feb. 2025), available at: <https://iea.blob.core.windows.net/assets/0f028d5f-26b1-47ca-ad2a-5ca3103d070a/Electricity2025.pdf>.

² Pierpont, Brendan, *Clean Energy Isn't Driving Power Spikes*, Energy Innovation Policy & Technology, 13-16 (July 2024).

Oregon better ensure that utilities are utilizing the most cost-effective transmission investments.

Likewise, HB 3628 creates a tool that will help lower future transmission costs. The Oregon Transmission Authority will enable greater coordination across sectors that make transmission growth decisions which will enhance grid reliability and save ratepayers money. And by providing for alternative financing mechanisms for transmission investments, Oregon utilities have another way to keep costs low.

CUB supports and urges a “yes” vote on both HB 3336 and HB 3628.