

March 2, 2025

Position on Bills at 2025 Session of Oregon Legislature:

SB 88 : Support



The Independent Party of Oregon supports SB 680, which would prohibit an electric or gas company (utility) from recovering costs or expenses incurred by a utility from ratepayers that are associated with:

- payments to a trade association that uses any portion of payments to advertise or support a political influence activity
- charitable giving
- political influence activity
- advertising or related activity
- compensation to a person to influence a decision by a federal, state or local government official
- contributions to a political candidate, political party, campaign committee, issue committee or independent expenditure committee
- litigation over an existing or proposed federal, state or local legislation, regulation or ordinance
- any product or service not regulated by the Public Utility Commission
- penalty or fine
- travel, lodging, entertainment or food and beverage for a board member or officer
- aircraft owned, leased or chartered for a board member or officer
- investor relations
- compensation above 50 percent of the annual total compensation or expense reimbursement for board member

It would also require in establishing rules PUC to consider:

- limiting amount utility may recover from ratepayers for costs and expenses for attorneys, consultants, and third-party experts
- establishing a maximum percentage of costs and expenses a utility may recover from ratepayer
- establishing a maximum amount of costs and expenses a utility may recover from ratepayer as a proportion to amount of costs incurred by Citizens' Utility Board or an intervenor for participating in contested case proceeding.

While these provisions are generally needed, the limit on charging ratepayers for executive compensation does not appear to make sense. Today the compensation to utility executives in Oregon is absurdly high. In 2023, the total compensation for Portland General Electric's (PGE) President and CEO, Maria Pope, was \$6,810,654. John Kochavatr, CIO, received \$1,401,886. James Ajello, CFO, received \$2,161,202. Angelica Espinosa, Chief Legal Officer, received \$1,458,075.

SB 88 states that the following amounts are not to be allowed in rates:

(13) Compensation above 50 percent of the annual total compensation or expense reimbursement for a member of the board of directors of the electric or gas company; a

This limit would be easily evaded by increasing the annual total compensation or expense reimbursement to members of the board of directors. Or the utility could simply declare that the board of directors consists of the CEO and certain few other executives, thus dramatically increasing the average compensation to members of the board of directors and thus the amount of executive compensation that can be charged to ratepayers.

We suggest limiting the utility executive compensation charged to ratepayers to 10 times the average salary of working Oregonians, which is \$66,706. Maria Pope in 2023 received more than 100 times the average salary of working Oregonians.

Independent Party of Oregon

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