

Submitter: Helena Birecki

On Behalf Of:

Committee: Senate Committee On Energy and Environment

Measure, Appointment or Topic: SB688

Dear Chair Sollman, Vice-Chair Brock Smith and members of the committee,

Thank you for the opportunity to comment in Support of SB 688. My name is Helena Birecki and in addition to other roles I am a Pilates teacher. I mention that now because I'm going to make an analogy between the need for performance-based regulation of utilities—the subject of SB 688—and my job responsibilities. It's my responsibility as a Pilates teacher to help my students improve their physical abilities and sense of wellbeing just as it is a utility's job to provide safe, affordable power and heating.

The thing is, if I'm not performing my job right my students' can find another teacher or another type of exercise whereas utility customers are stuck with the monopoly utility that serves their area. Enter the public utilities commission (PUC):

The Oregon PUC is charged with regulating these monopoly utilities to make sure they do their job right and “ensure Oregonians have access to safe, reliable and fairly priced services that advance state policy and promote the public interest.”\* Hooray!

Unfortunately, the cost-of-service regulation framework that the PUC is currently bound to work with is outdated— it was developed over a century ago when centralized power plants were the only source for getting electricity to the public, and so few people had power that the main imperative was to build new lines. In cost-of-service regulations, the utility earns a profit on capital expenditures but not on operating expenses.

Under the current style of regulation, utilities do not profit from maintenance activities, and utilities decrease their ability to build new infrastructure that will line their investors pockets if residences and businesses become more efficient or contribute distributed power sources to the grid.

The current style of regulation is a huge problem for safety now that nearly every existing Oregon home is already served by a power line which needs regular maintenance, and climate change is worsening risk and damage from extreme storms and wildfire. In addition, efficiency improvements and distributed generation (rooftop and community solar, batteries, demand response) save ratepayers money and improve reliability and resilience for communities, but they are at odds with utilities' profit goals under cost-of-service regulation.

Performance-based regulation would bring the PUC's regulatory framework up-to-date and allow them to fulfill their mission by tying utilities' profits to performance goals including: reducing pollution, expanding the use of distributed energy resources which enhance resilience for communities, improving affordability by reducing costs, and reducing disconnection rates to low income customers.

Please pass SB 688 to direct the Oregon PUC to adopt a framework for carrying out and make progress on using performance-based regulation of electric utilities. We need safe, reliable, affordable, clean power.

Thank you for your leadership,  
Helena Birecki  
Portland, OR

\*quoting the Oregon PUC's mission statement