

The League of Women Voters of Oregon, established in 1920, is a grassroots nonpartisan political organization that encourages informed and active participation in government. We envision informed Oregonians participating in a fully accessible, responsive, and transparent government to achieve the common good. LWVOR Legislative Action is based on advocacy positions formed through studies and member consensus. The League never supports or opposes any candidate or political party.

March 12, 2025

To: Chair Senator Janeen Sollman, Vice Chair Senator David Brock Smith, and

Members of the Senate Committee On Energy and Environment

Re: <u>SB 688</u> – Performance-based regulation of electric utilities – Support

The League believes that an interrelated approach to combating climate change—including through energy conservation, air pollution controls, building resilience, and promotion of renewable resources—is necessary to protect public health and defend the overall integrity of the global ecosystem.

LWVOR supports SB 688 with either amendment 1 or 2, which would authorize the Public Utility Commission (PUC) to adopt a framework for carrying out <u>performance-based regulation</u> (PBR) of electric utilities, and would make available funding (-1 \$1.5M or -2, \$500K) in general funds for the PUC to take steps in that direction.

Using PBR, the commission could create incentives and penalties to motivate utilities to align their operations more closely with the public interest. Importantly, the bill would declare that the public interest includes reducing greenhouse gas emissions; increasing energy efficiency; improving reliability and resiliency; advancing small-scale "behind-the-meter" technologies such as solar and battery storage; enhancing service to low-income customers; and improving the efficiency of utility operations so as to lower costs to ratepayers.

The performance standards that this bill envisions would enable the PUC to hold utilities accountable for service quality, reliability, and affordability. The standards would have to be based on metrics that are clear, objective, verifiable, and achievable. Rewarding utilities for better outcomes, rather than simply spending more, would help Oregon meet its clean energy goals while reducing unnecessary costs for consumers. We understand that <u>Washington and several other states</u> have successfully implemented PBR to improve utility accountability and customer outcomes.

LWVOR urges your support for SB 688. Thank you for the opportunity to discuss this legislation

Barbola Klein

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