



Senate Committee on Energy and Environment
Oregon State Capitol
900 Court St. NE
Salem Oregon 97301

March 10, 2025

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

The Oregon Solar + Storage Industries Association (OSSIA) is a trade association founded in 1981 to promote clean, renewable, solar technologies. OSSIA members include businesses, non-profit groups, and other solar and storage industry stakeholders. We provide a unified voice of the solar industry and focus exclusively on the solar and storage value chains; from workforce development to permitting, advocacy, policy, and regulation for manufacturing, residential, commercial, community, and utility scale solar and storage projects on the local, state, and regional level.

OSSIA urges this committee to pass SB 688, to move Oregon toward a performance-based rate making. Our system is broken and performance-based ratemaking is the only way to ensure that investor-owned utilities are putting customers first and complying with Oregon's laws in the fastest and most cost-effective way.

While monopoly utilities have served the public good in many ways, basing their rate of return on their owned assets, instead of their performance, unintentionally prioritizes the wrong outcomes and can get in the way of reducing rates.

Since utilities "rate-base" or charge utility customers for their assets, they are incentivized to build and own infrastructure, instead of purchase cheaper electricity, perform maintenance, or explore creative new technologies that are cheaper and faster ways to procure clean energy.

One great example is virtual power plants. Virtual power plants take customers' existing resources – solar, battery storage, smart thermostats and water heaters – and manage them to reduce demand and draw on battery storage during peak times. Next to energy efficiency, this is the cheapest form of power. However, PGE has been in the pilot phase of their virtual power plant program for six years – there is no incentive for them to fully scale this program, since the program doesn't include PGE owning many assets. Since utilities have no incentive to make these programs a reality, the Legislature must step in and create requirements, like in HB 3609 to create virtual power plants.



One of the reasons for large rate increases recently are deferred maintenance. PGE and PacifiCorp have utility poles that are almost 100 years old. PGE learned that several of its feeders in the mid-Willamette Valley were reaching capacity in 2020 and needed upgrades, but they determined that upgrading those feeders were “not a good investment,” despite the demand for solar in the area. Those feeders have still not been upgraded. PacifiCorp does not have basic communication and data analysis technology – called SCADA – at all its feeders, leaving rural areas at risk of longer outages.

There are countless examples in the solar industry of utilities not taking the best route for the customer, due to the lack of inherent incentives. When the utility doesn’t own the solar, as is the case with PURPA, net metering/rooftop solar, and community solar, there is no reason to move quickly to get projects up and running and every reason to delay projects. For some PURPA projects, utilities require “gold-plating” or more expensive equipment than is technologically necessary. In the community solar program projects are regularly delayed and some have sat fully built for over a year without being turned on.

All this anti-competitive behavior could change with performance-based ratemaking. Instead of rewarding utilities for what they own, we should be rewarding them for how quickly they meet their clean energy goals, how resilient they are in preventing outages and setting up microgrids, how fast they connect projects, how well they can support low-income ratepayers and how much they can take advantage of public-private partnerships like rooftop solar.

In order to take us into an energy future with minimal outages and maximum clean energy resilience, the Oregon legislature must pass performance-based ratemaking. OSSIA urges this committee to support SB 688.

Sincerely,

A handwritten signature in black ink that reads "Angela Crowley-Koch".

Angela Crowley-Koch
Executive Director