



NW Energy Coalition
for a clean and affordable energy future

**Testimony in Support
SB 688
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representing NW Energy Coalition
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Members of the Senate Energy and Environment Committee:

Thank you for the opportunity to provide testimony in support of SB 688, a bill that would create a framework for regulators to tie private utilities' profits to their achievement of performance benchmarks. This differs from the current practice of setting an approved rate of return based on a record developed through a ratemaking process.

SB 688 aims to transform electric utility operations to better align with public interests, focusing on sustainability, affordability, and reliability. The bill outlines a comprehensive framework for performance-based regulation of electric utilities, emphasizing the reduction of greenhouse gas emissions and the enhancement of energy services for all customers, particularly low-income households.

Key provisions of SB 688 include:

- requirements for utilities to adopt distributed energy resources, community solar projects, and demand response programs.
- a direction to implement flexible payment plans to minimize electricity disconnections for vulnerable populations.
- an objective to hold utilities accountable for their operational effectiveness and environmental impact.

Oregon's for-profit electric utilities need some encouragement to make choices that reflect Oregonians' values. Between skyrocketing costs, wildfire destruction, and a mandate to reduce emissions, the existing model of cost of service-based utility regulation is proving insufficient for meeting our goals of transitioning our energy system, protecting customers, and preserving affordability.

We have the opportunity to create a new system in Oregon that creates strong financial incentives for electric utilities to adjust their priorities to ones that have social benefits as well as financial returns. Other states, like Illinois, Hawaii, and others, have already seen success with this system of utility regulation.

Thank you again for the opportunity to testify in support of SB 688. We urge you to move the legislation forward with a Do Pass recommendation.