



March 17, 2025

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

Re: SB 688-2 – SUPPORT

Dear Chair Sollman, Vice-Chair Brock Smith, and Members of the Committee,

Climate Solutions is a regional nonprofit working to accelerate clean energy solutions to the climate crisis. On behalf of our thousands of members statewide, **we urge you to support SB 688 and the -2 amendment**, which will help modernize the Public Utility Commission's ratemaking process by enabling performance-based regulation for electric utilities in Oregon.

Climate Solutions is committed to advancing policies and investments to ensure Oregon stays on track to achieve our climate goals, while promoting energy affordability, bolstering community resilience, and increasing efficiencies on our grid. Performance-based regulation is a key tool to supporting progress on all of the above. This approach has been talked about for a long time in Oregon, and many states across the U.S. have implemented PBR frameworks. It's time for Oregon to finally take this step.

By enabling the PUC to establish performance-based metrics for regulating electric utilities, SB 688 will help bring these companies' operations in line with the public interest. Most businesses and folks don't earn a profit automatically every year, but only if they meet key metrics and outcomes. That's fair and common sense. By aligning utility earnings with key metrics—including energy efficiency, decarbonization, distributed energy resources, and grid reliability and resilience—this bill will help drive needed investments to support our climate and our communities.

Aligning utility earnings with these metrics will help accelerate clean energy adoption and deployment to ensure Oregon can stay on track to achieve its 100% clean electricity target. By incentivizing electric utilities to expand the use of distributed energy resources, community solar projects, microgrids, demand response programs and energy efficiency programs, this approach will support needed upgrades to bolster resilience and efficiency on our grid.

With Oregonians facing rising energy costs and worsening climate impacts, SB 688 is an important step to ensure utility investments are aligned to support our clean energy transition while maintaining affordability and reliability for Oregonians. To maximize the benefits of performance-based ratemaking, we strongly encourage the legislature to consider future opportunities to expand this regulatory framework to include Oregon's gas utilities.

Thank you for your consideration, and we once again urge you to support SB 688 and the -2 amendment.

Nora Apter
Oregon Director
Climate Solutions