



March 18, 2025

Representative Jason Kropf, Chair
House Committee on Judiciary
Oregon State Capitol
900 Court Street NE, Room 453
Salem, OR 97301

RE: Municipal Electric Utilities and People's Utility Districts' Support for HB 3666

Dear Chair Kropf, Vice Chair Chotzen, Vice Chair Wallan and Members of the House Committee on Judiciary:

The Oregon Municipal Electric Utilities Association (OMEU) is made up of eleven municipally owned and operated electric utilities. The Oregon People's Utility District Association (OPUDA) includes all of Oregon's six PUDs. The Eugene Water and Electric Board (EWEB) serves 200,000 residents of Eugene and the McKenzie River Valley. We are directly accountable to the people we serve through our city councils and locally elected governing boards. Our rates are not-for-profit and set to cover the costs of service, not to earn a rate of return for investors. And any benefit, risk or cost we face is also borne by our neighbors, our communities, our customers.

Consumer-owned utilities are engaged in a constant balancing act to provide safe, reliable, and affordable power in an environmentally responsible way. Historically, the Northwest had led the way on all these fronts, but this landscape has changed rapidly.

Today, utilities have many new risks to manage, including extreme weather and power supply deficits. Climate change is driving new winter ice and snowstorms causing unprecedented levels of damage and a new "second storm season" of wildfires and extreme heat. And, despite a utility's best efforts, it is impossible for utilities to reduce our risk to zero.

We are committed to safety in the maintenance and operations of our electric utility infrastructure. Both consumer-owned utilities and investor-owned utilities are subject to the same National Electric Safety Code (NESC) and Public Utility Commission (PUC) established safety regulations. For both reliability and wildfire safety, a critical standard relates to the minimum clearance requirements for vegetation from conductors. (OAR 860-024-0016)

The PUC routinely conducts electric utility system compliance audits to document observed probable violations to ensure we are accurately identifying and correcting areas of concern based on NESC standards. The Legislature should understand that these PUC field inspections are not the practice in most states and are regarded as a national model. Beyond compliance with the NESC and PUC safety requirements, we are also making unprecedented investments in

grid hardening and system resilience measures. However, as cost-based utilities we must prioritize these investments over time to ensure our rates remain affordable.

Without a proper balance between safety, reliability, and affordability, we could see bankrupt utilities, much steeper rates, and routine Public Safety Power Shutoffs.

The threat of wildfires is near constant from April – October. Utilities face different risks and liability profiles but none of us can fully mitigate them. Utilities can meet safety standards and be making significant investments in hardening and operational preparedness, yet under the wrong conditions still face liability that could decimate their ability to continue to serve their community.

HB 3666 allows COUs to demonstrate to the PUC that we are prudently and reasonably implementing our wildfire protection plans. This expert third party verification is a welcome means to substantiate our commitment to wildfire safety. The bill allows COUs to exercise local decision-making to consider their utility's specific circumstances and evaluate the potential benefits of certification relative to the administration and overhead associated with the certification process to be responsible stewards of their community's resources.

We have reviewed the -1 amendment and kindly request some clarifying language consistent with the sponsor's intent.

There are many competing narratives in this policy area, but bear in mind that electricity is essential for survival. We need policymakers to help bring the risks back into balance. HB 3666 is a fair approach that provides some added assurance that a utility is acting prudently to address wildfire risks.

Thank you.

Sincerely,

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