

March 21, 2025

Position on Bills at 2025 Session of Oregon Legislature:

SB 1143: Oppose



The Consolidated Oregon Indivisible Network (COIN) is a coalition of over 50 local Indivisible groups throughout Oregon that cooperate and amplify their joint efforts to advance important federal and state legislation and engage with elected officials to promote causes for the benefit of all Oregonians.

COIN opposes SB 1143, which would direct the Public Utility Commission to establish a pilot program that allows each natural gas company to develop a utility-scale thermal energy network pilot project to provide heating and cooling services to customers.

A thermal energy network is like a high tech district heating system, which are quite common in Europe and other parts of the world. SB 1143 not only requires the PUC to authorize the gas utilities to implement a "utility-scale thermal energy network," it mandates that the PUC allow the utilities to charge the full cost of the projects to its ratepayers—including the vast bulk of whom are not receiving services from the projects.

(5) The commission shall allow a natural gas company to recover costs from all customers of the natural gas company for prudent costs or expenses related to developing and operating a thermal energy network pilot project under this section.

There is nothing stopping a gas utility or any other businesses from building such networks on their own, without ratepayer subsidies that will help the utility gain a monopoly or near-monopoly on such services. Thermal energy networks are not a natural monopoly. The Oregon Legislature should not set up subsidies, available only to gas utilities, that could allow the gas utilities to corner the market.

Note that SB 1143 states one of its purposes as:

(b) Allow each natural gas company to gain experience with using thermal energy networks to provide heating and cooling services to customers; . . .

Why gas utility ratepayers should pay the cost of a project intended to give the gas utility a large advantage over potential competitors in this field is a mystery. No doubt many other companies would like to "gain experience with using thermal energy networks to provide heating and cooling services to customers," but SB 1143 subsidizes only the gas utilities by allowing them to charge the cost of the projects to persons who are not receiving services from the projects—"all customers of the natural gas company."

If the Oregon Legislature wishes to subsidize the development of “thermal energy network” pilot projects, it should direct the Oregon Department of Energy to issue an RFP, evaluate proposals from all sources (not just from natural gas utilities) and award the funds. Yes, taxpayers would pay for it, but that would be more appropriate than charging the costs to the ratepayers of a gas utility, since the pilot project would presumably benefit the entire state by proving feasibility of such networks.

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