



March 25, 2025

Representative Darcia Grayber, Chair
House Committee on Labor & Workplace Standards
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

RE: **Oregon Municipal Electric Utility Association Opposition to HB 2688 and the -3 Amendment**

Dear Chair Grayber, Vice Chair Elmer, Vice Chair Munoz and Members of the House Committee on Labor & Workplace Standards Committee:

Oregon Municipal Electric Utilities Association (OMEU) is made up of eleven municipally owned and operated electric utilities that receive carbon-free hydropower from the Bonneville Power Administration. Our rates are not-for-profit and set to cover the costs of service, not to earn a rate of return for investors.

HB 2688 poses a serious threat to electric reliability and affordability. OMEU is opposed. We source a number of electrical system components from other states and all over the world. These items include things like power transformers, switches, breakers, metal-enclosed switchgear, SCADA system components, underground conductors, protective relays, insulators, etc. While the -3 amendment appears to narrow the scope of the bill to some extent, municipal electric utilities issue many public contracts that can be characterized as “construction in to serve the public interest” using “bespoke, off-site fabrication.” We are most concerned this would apply to our substation power transformers, which are constructed to spec off-site. There are an extremely limited number of manufacturers, and we have no control over whether a particular manufacturer is paying the prevailing wage in the construction of these transformers.

Since the supply chain disruptions of the COVID pandemic, our utilities have routinely been given five-year delivery dates for power transformers. HB 2688 will only exacerbate those timelines. Given the demand for transformers, the manufacturers might decide that they want to focus their efforts on supplying this critical equipment to just investor-owned utilities or other non-Oregon utilities that would not be subject to the limitations of this bill. Not-for-profit, consumer-owned municipal electric utilities should not be disadvantaged in accessing this critical equipment, nor should our ratepayers have to pay a premium that PGE and Pacific Power ratepayers would not.

We are proud of our partnership with labor, particularly the IBEW. Our line workers are critical to ensure that our communities have safe and reliable power. HB 2688 undermines reliability and affordability. As policymakers lament skyrocketing electric rates, HB 2688 is a move in the wrong direction.

Sincerely,

/s/ Jennifer Joly

Jennifer Joly, Director
Oregon Municipal Electric Utilities Association

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