

## **Oregon Citizens' Utility Board**

610 SW Broadway, Suite 400 Portland, OR 97205 (503) 227-1984 www.oregoncub.org

March 29, 2025

To: Chair Sosa, Vice Chair Chaichi, Vice Chair Osborne, and members of the House Commerce and Consumer Protection Committee

From: Jennifer Hill-Hart, Policy and Program Director, Oregon Citizens' Utility Board (CUB)

Re: CUB Supports HB 3792

The Oregon Citizens' Utility Board (CUB) is a statewide nonprofit consumer advocacy organization developed by citizens' initiative in 1984. CUB represents the interests of Oregon households by advocating for utility regulations and policies that protect your wallet. To date, we have saved Oregon ratepayers over \$10 billion. We ask for your support on HB 3792 which will help our friends and neighbors who are struggling to keep their lights on.

The Oregon Energy Assistance Program (OEAP) was established over 25 years ago to help low-income Oregonians pay their electricity bills. While OEAP has brought much needed assistance, the amount of assistance available has not kept up with the pace of utility bill increases nor inflation. The Oregon legislature previously acknowledged the need to increase this assistance during the COVID pandemic, but that increase was temporary. Since then, PGE and Pacific Powers households' energy bills have increased by nearly 50%. In 2024, these utilities together disconnected nearly 58,000 households—the most since reporting started in 2018.

OEAP is customer funded and residential customers contribute a small amount collected in each PGE and Pacific Power electricity bill. This program is only available to low-income residential customers. Yes, this is an increase for residential customers but a small one and one in line with Oregon policies and values to help those most in need pay their utility bills. But as Oregonians get behind on energy bills, they are charged late fees and the outstanding bills plus late fees start to add up, leading to overwhelming bills and disconnections. And when people cannot pay their bills, all customers must cover those costs and the costs of attempts to collect the outstanding balances. With OEAP, a little bit can go a long way to keep bills more manageable and avoid disconnections and unpaid balances.

The Oregon Public Utility Commisison (PUC) allocates costs for programs across all customers and does so after considering all stakeholder and party comments and testimony on how those costs should be allocated. This includes the low-income bill discount programs established through the Legislature's direction in <u>HB 2475 (2021)</u>, and caps have been established for non-residential customer class contributions. This bill allows the PUC to do what it already does and determine the appropriate amount all classes of ratepayers should contribute to a program, including non-residential ratepayers (like those that provide goods and services to customers

who qualify for energy assistance). We believe this is a reasonable process and trust that the PUC will, in a public process, set a reasonable cap if they determine it should be adjusted.

We know legislators are hearing from their constituents about rising utility bills. The (PUC) heard about it from thousands of customers in for-profit utility rate cases last year, as did CUB. While the bill discount programs are helping, given the recent double-digit rate increases, they have at best prevented bills from increasing but have not meaningfully reduced customer bills. Oregonians are still being disconnected in record numbers, including those who have received energy assistance from OEAP, bill discount programs, and the federal Low Income Home Energy Assistance Program (LIHEAP).

HB 3792 is one of several energy affordability bills that CUB is supporting this session to help mitigate rising utility bills, including legislation that centers the customer in rate cases and directly address those cost factors driving recent rate increases. We need holistic efforts to not only address root causes but, in the meantime, we need harm reduction—OEAP is necessary harm reduction. Please support HB 3792 with the amendments introduced by Representative Andersen.