



Portland General Electric

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Senator Kayse Jama, Chair
Senate Committee on Rules
900 Court St. NE
Salem, OR 97301

May 7, 2025

Re: Senate Bill 88, -3 Amendment

Dear Chair Jama, Vice Chair Bonham, and members of the committee,

Thank you for the opportunity to provide testimony on Senate Bill 88 on behalf of Portland General Electric (PGE). While PGE is actively engaged in conversations about utility affordability this session, including on bills to address utility ratemaking process, large load cost allocation, and escalating wildfire costs, we regretfully oppose SB 88 and the -3 amendment.

While we appreciate the desire to provide transparency about what is and what is not included in utility rates, SB 88 and the -3 amendment significantly modify the Public Utility Commission's (OPUC) role in scrutinizing reasonable costs to serve customers and feed misconceptions about what already is, and more importantly, is not, included in utility customer rates.

The OPUC already has significant and longstanding limits in place regarding cost recovery for many of the expenses described by the bill and amendment. Many of the categories listed – like lobbying, political contributions, charitable giving, and non-utility expenses – are already excluded from customer rates, while others are reviewed in detail by the OPUC and stakeholders with the ability to request specific data and review line-item expenses.

SB 88 and the updated definitions in the -3 amendment remain inconsistent with current state and federal definitions. The definition of 'lobbying' is particularly concerning as it is extremely broad and deviates from both the established federal accounting rules and existing lobbying statutes in Oregon. PGE's costs for lobbying the Legislature are already tracked as part of compliance with Oregon Government Ethics Commission requirements and not included in the rates paid by customers.

Even with the -3 amendment, SB 88 presumes an employee's compensation is unjust and unreasonable if they engage in 'work to influence a decision by a federal, state, or local government official', even if such activities constitute only a minor part of their responsibilities. The broad definition in the amendment also does not exclude regulatory work or utility operations, which necessitate interaction with public officials.

The following examples highlight the critical work of utility employees that could be interpreted as "lobbying" to influence a decision of a public official as defined in the bill:

- **Infrastructure Planning:** PGE's long-term plans for grid improvements, renewable energy integration, and other major investments require regulatory approval and often involve input from local governments and coordination with the Bonneville Power Administration.
- **Emergency Response:** Coordination with public officials at all levels of government is vital during emergencies like severe weather events or wildfires to ensure public safety and service restoration.

Asking a local official to close a road or a similar decision could be “lobbying” under the amendment’s broad definition.

- **Policy Implementation:** PGE brings subject matter experts to inform regulators and legislators about the complex and evolving energy system, and to implement public policy effectively to serve customers.

In these and other examples, the bill and amendment would disallow much or all of an employee’s compensation and require detailed tracking, which may deter utilities from engaging subject matter experts, therefore, hindering utility operations, constructive engagement with government, and the ability of utilities to effectively serve their customers and communities.

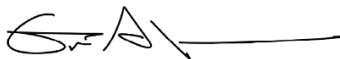
Similarly, Section 3 of the -3 amendment outlines a potential process for preemptive limits on the costs utilities can recover for engagement in major dockets at the OPUC. As we have raised previously, utilities typically bear the burden of proof in contested case proceedings such as a general rate case, Renewable Adjustment Clause (RAC) filing for the cost of renewable resources and associated batteries, Annual Update Tariff (AUT) filing on net variable power costs, or Power Cost Adjustment Mechanism (PCAM) reviewing the previous year’s power costs to determine potential customer refunds or collections.

In these complex processes, utilities must respond to and address every argument or proposal from all parties involved, while other parties can be more selective in their focus. For example, over the 11 months of the 2025 rate review process, PGE provided nearly 2,000 pages of written testimony and responded to approximately 1,120 data requests with information totaling 17 GB of responsive materials. By enabling the OPUC to restrict cost recovery for contested case participation instead of evaluating on a case-by-case basis, SB 88 and the -3 amendment could lead to rushed and inadequately prepared cases, resulting in outcomes that may not serve the best interests of customers.

Finally, the reporting requirements in Section 4 of the -3 amendment are onerous and unnecessary. The OPUC already has effective, transparent processes in place to review and scrutinize recoverable costs during rate cases and the authority to review utility books, initiate investigations, and require information.

We appreciate your consideration of our concerns and ask that you not move SB 88 with the -3 amendment. We are working with Senator Sollman and stakeholders to address the interest of bill proponents while meaningfully considering the best interests of utility customers.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Alderson", followed by a horizontal line.

Greg Alderson
Senior Manager, Government Affairs