



Oregon Citizens' Utility Board

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May 8, 2025

To: Chair Bowman, Vice-Chair Drazan, Vice-Chair Pham, and members of the House Rules Committee

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

Re: Support HB 3179 with -8 Amendment

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 dollars. **We ask for your support of the Fairness & Accountability in Residential Energy (FAIR) Act (HB 3179 with the -8 amendment).**¹

The FAIR Act is about centering residential utility customers in for-profit utility requests for rate increases. Oregonians have experienced back-to-back requests for rate increases and the harm has been seen in growing numbers of disconnections, some reaching record levels. NW Natural's rates have increased nearly 40% since 2021 and it has filed for another rate increase this year.² PGE's rates have increased nearly 50%. Both utilities are appealing the decisions of last year's rate cases. PacifiCorp's rates have increased by 56% since 2021.³

Despite these ongoing rate increases, utilities are continuing to ask for a higher profit margin for their shareholders. And what CUB does not see is utilities cutting back on spending or opting against or at least delaying certain projects. HB 3179 offers policy solutions to incentivize the utilities to better control spending and costs. Other states are proposing similar policies because they acknowledge these cost problems too.

CUB has aggressively advocated for residential customers in these rate cases. When PGE filed its fourth general rate case in five years, CUB asked the PUC to dismiss the case as outside of the public interest, which the Commission denied.⁴ In that same case, we argued against a winter

¹ See [CUB's HB 3179](#) testimony from the first hearing.

² NW Natural has [appealed the PUC's 2024 general rate case decision](#) and is asking for more recovery from customers. The Company has also filed for another rate increase this year to address rising inflation costs and infrastructure replacement, with [1/3 of the case dedicated solely to increasing shareholder profits](#). See also: <https://www.statesmanjournal.com/story/news/local/oregon/2025/03/19/residents-push-back-on-nw-natural-rate-increase-at-hearing/82528894007/>.

³ Learn more about the cost drivers of recent rate increases here: <https://oregoncub.org/news/blog/myth-busting-why-is-clean-energy-is-not-making-energy-more-expensive/2981/>; <https://energyinnovation.org/report/clean-energy-isnt-driving-power-price-spikes/>.

⁴ See UE 435 - *In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Request for a General Rate Revision, Order No. 24-110* (April 25, 2025).

rate increase which was also denied.⁵ However, the PUC did respond to our request to lower PGE's return on equity in its last rate case. CUB has aggressively advocated for meaningful bill discount programs for utilities as part of HB 2475 (2021) implementation at the PUC. With HB 3179, we are asking the legislature to help us address energy affordability with policies we believe require a statutory solution after these experiences in recent cases.

What HB 3179 does

No more winter rate increases. Winter is the time of year that customers experience high utility bills for both electric and gas—even if residential customers have gas heat, electricity is required to power those furnaces. And we saw the impacts of these high utility bills with record disconnections after customer rates increased last winter.⁶

IOUs must do a customer economic impact analysis in each general rate case.

Under the utility regulatory model, for-profit utilities have to make the case that any costs are just and reasonable and prudently incurred. And while the Public Utility Commission (PUC) also considers the public interest, there is no requirement for a customer-impact analysis of the rate request. This bill will require the utility to do that analysis, for example, by looking at the history of rate increases and how many of its customers have been disconnections, as well as the cost impacts for commercial and industrial customers and this will be part of the Commission's consideration of the public interest when it makes its decision on the rate request.

IOUs can use lower cost financing for large capital projects, not just emergencies.

Costs for utilities are increasing and unfortunately, that trend is going to continue. The cost of steel is going up. Utility infrastructure is at the end of its useful life and needs to be upgraded for customer reliability and safety. The data center boom is adding significant strain to our electricity grid and given Oregon's prime location for these industries, the capacity needs in our state are going to rise exponentially. While the POWER Act (HB 3546) addresses some of the energy costs of data centers, HB 3179 expands Oregon law so that utilities may utilize **low-interest public bond financing for large capital projects**, instead of just emergencies.

Multi-year planning will end back-to-back requests for general rate cases and provide rate stability for *all* customers and send good market signals for utilities.

Importantly, the bill provides that for-profit utilities transition to multi-year rate plans so as to maintain some control over when utilities come in for these big rate increase asks. This is the time of year that customers experience high utility bills for both electric and gas—even if customers have gas heat, electricity is required to power those furnaces. And we saw the impacts of these high utility bills with record disconnections after customer rates increased last winter. This will not only give more predictability in rate increases, but it creates the opportunity to consider what we call single-issue rate increases that can happen throughout the year and those impacts on customers. While we transition to the multi-year plans, the bill provides that if

⁵ UE 435 – [Order 24-454](#), 14-15 (Dec. 20, 2024).

⁶ See <https://oregoncub.org/news/blog/shut-offs-surge-while-profits-soar/2994/>.

a for-profit utility comes in for a rate increase between now and then, it cannot get a rate increase for at least 18 months since its last rate increase. This section is repealed when the multi-year plan administrative rules have been put into place, or by January 1, 2027, whichever happens first. Further, multi-year plans send a signal to the market that the utilities have a steady revenue stream for the duration of the plan positively impacting their financial attractiveness in the market.

More transparency about rate increases.

Finally, the bill addresses transparency for customers, specifically about rate increases. Cost categories are established for utilities to report annually on their websites where customer money is going, this includes distribution infrastructure, wildfire mitigation, transmission infrastructure, and power costs. Utilities must indicate the percentage amount of the residential customer rates for each cost category.

It also helps customers better understand, holistically, how rates are expected to change over a given period of time - it helps ensure that all expected rate increases, not just the big general rate increases are public-facing. Single issue ratemaking makes it hard for advocates and customers to know the full weight of rate impacts expected. Electric and gas utilities must file public reports—annually, at a minimum—for reasonably known and filed rate adjustments expected within the next 12 months. The bill also provides that the utility give estimates when actuals are not yet available. PUC may ask for more frequent reporting than once a year.

What HB 3179 -8 does NOT do

- This bill does not alter the Commission’s directive to make a general rate case decision that provides for these utilities the lawful opportunity to earn a reasonable return on their prudently incurred investments. As part of negotiations on the bill, we included an amendment that provides that utilities can defer the costs of any delays in recovery in order to recover those costs at a later date.
- It does not provide cost-shifting to other customer classes. As part of our negotiations with interested parties, we included an amendment to the bill to consider the impact of energy cost on commercial and industrial customers.
- It does not take away anything from their consideration - it just allows more customer-centered factors to be considered.
- It does not ask for a cap on rate increases.

CUB, OJTA, Verde, and CEP have had many table meetings involving the utilities, the PUC, House legislators, and industrial customers to address any constitutional concerns with the bill. We have made a number of changes—hence the -8 amendment—to address these concerns, while not changing the intent of the bill which is to make sure residential customers are given *at least* equal weight as utility shareholders in a decision to raise customer rates.

Thank you for your time and consideration. Please vote yes on HB 3178 with the -8 amendment.

