

Senate Bill 1588

Sponsored by Senators GOLDEN, NERON MISLIN; Senators FREDERICK, GELSER BLOUIN, JAMA, MANNING JR, PATTERSON, PHAM K, PROZANSKI, Representatives ANDERSEN, CHOTZEN, EVANS, GAMBA, GOMBERG, MARSH, MCDONALD, NATHANSON, NELSON, PHAM H (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: Tells each power company to make a program to help pay for energy projects that reduce customers' costs. Sets out program standards. (Flesch Readability Score: 64.9).

Requires each electric company to develop an inclusive utility investment program to provide financing for customers' energy efficiency upgrades or renewable energy projects. Requires an inclusive utility investment program to provide savings reflected in the reduction in a customer's electricity or energy utility costs. Allows the Public Utility Commission to establish minimum financial savings standards and adopt and provide electric companies with performance incentives.

A BILL FOR AN ACT

1
2 Relating to inclusive utility investment programs.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2026 Act is added to and made a part of ORS chapter 757.**

5 **SECTION 2. (1) As used in this section:**

6 (a) **"Electric company" has the meaning given that term in ORS 757.600.**

7 (b) **"Program" means, unless the context requires otherwise, an electric company's pro-**
8 **posed or approved inclusive utility investment program.**

9 (c) **"Project" includes energy efficiency upgrades, renewable energy projects or any**
10 **combination thereof.**

11 (2) **Each electric company shall develop and file with the Public Utility Commission an**
12 **inclusive utility investment program that is consistent with the provisions of this section.**
13 **Under an inclusive utility investment program, an electric company shall offer to pay for**
14 **qualifying energy efficiency upgrades or renewable energy projects at the property sites of**
15 **the electric company's customers. In return, the electric company shall be entitled to re-**
16 **cover the purchase and installation costs for a project at a customer's property site through**
17 **an additional fixed, site-specific charge on the customer's utility bill.**

18 (3) **The types of energy efficiency upgrades or renewable energy projects that qualify for**
19 **financing under an inclusive utility investment program must include, but are not limited to,**
20 **the following:**

21 (a) **Energy efficiency upgrades that are not related to the use of fossil fuels;**

22 (b) **Electric heat pumps;**

23 (c) **Energy storage systems;**

24 (d) **Demand response equipment;**

25 (e) **Solar photovoltaic energy systems;**

26 (f) **Solar thermal energy systems; and**

27 (g) **Any ancillary equipment or upgrades necessary to complete the installation of a**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **qualifying project.**

2 **(4) A customer's participation in an inclusive utility investment program is voluntary.**
 3 **Any customer who owns a property site or is a tenant and has permission from the owner**
 4 **of the property site to participate in the program shall be allowed to participate in the pro-**
 5 **gram.**

6 **(5)(a) An inclusive utility investment program must provide a participating customer**
 7 **with immediate and ongoing savings relative to the customer's baseline electricity or energy**
 8 **utility costs. The amount charged for financing energy efficiency upgrades or renewable**
 9 **energy projects at a customer's property site must be less than the estimated savings re-**
 10 **flected in the reduction in the customer's electricity or energy utility costs.**

11 **(b) A participating customer may not be required to make an upfront payment. However,**
 12 **a customer may pay down the costs of a project if by paying down the costs, the project**
 13 **qualifies for financing through the estimated savings reflected in the reduction in the**
 14 **customer's electricity or energy utility costs. Any payments made by a customer to pay**
 15 **down the costs of a project must be made to the installing contractor.**

16 **(c) A participating customer may pay for a project through an additional fixed, site-**
 17 **specific charge on the customer's utility bill or by using a third-party structured payment**
 18 **arrangement.**

19 **(6) An inclusive utility investment program must:**

20 **(a) Be accessible to low-income customers and environmental justice communities;**

21 **(b) Ensure that participating customers use to the greatest extent possible all other**
 22 **available financial incentives; and**

23 **(c) Include customer protection standards that are based on best practices.**

24 **(7) An inclusive utility investment program may:**

25 **(a) Connect participating customers with project vendors; and**

26 **(b) Prioritize project vendors that have a history of material compliance with state laws**
 27 **and regulations or that participate in an apprenticeship program registered with the State**
 28 **Apprenticeship and Training Council.**

29 **(8) In developing an inclusive utility investment program, an electric company shall:**

30 **(a) Address how the electric company plans to secure capital to fund qualifying projects.**
 31 **An electric company may raise capital on its own or work with third-party lenders to secure**
 32 **capital for participating customers. However, the electric company shall use a market**
 33 **mechanism to identify the least costly source of capital funds for the purpose of passing on**
 34 **the maximum amount of savings to participating customers.**

35 **(b) Guarantee that a program's conservative estimates of financial savings will imme-**
 36 **diately exceed program costs for participating customers.**

37 **(9) In implementing an inclusive utility investment program, an electric company shall:**

38 **(a) Coordinate with the entity designated by the commission to administer moneys col-**
 39 **lected by an electric company through the public purpose charge described under ORS 757.612**
 40 **and other energy efficiency incentives and program providers; and**

41 **(b) Integrate the electric company's program with planning requirements that the elec-**
 42 **tric company is required to carry out and other energy efficiency incentives and programs.**

43 **(10) The commission may:**

44 **(a) Establish minimum financial savings standards that must be realized relative to an**
 45 **electric company's program costs.**

1 **(b) Adopt and provide performance incentives based on the number and type of custom-**
2 **ers served or the number and type of projects completed by an electric company's program.**

3 **(11) An electric company may recover prudent costs incurred in developing or imple-**
4 **menting an inclusive utility investment program that is approved by the commission.**

5 **SECTION 3. (1) In developing an inclusive utility investment program under section 2 of**
6 **this 2026 Act, an electric company shall:**

7 **(a) Review existing models and programs, including the Pay As You Save system devel-**
8 **oped by the Energy Efficiency Institute, Inc.**

9 **(b) Consult with the State Department of Energy, the entity designated by the Public**
10 **Utility Commission to administer moneys collected by an electric company through the**
11 **public purpose charge described under ORS 757.612 and utility equity advisory groups.**

12 **(2)(a) An electric company shall first file with the commission for the commission's ap-**
13 **proval a proposed inclusive utility investment program under section 2 of this 2026 Act in the**
14 **next distribution system planning docket that commences after the effective date of this 2026**
15 **Act.**

16 **(b) If the commission approves an electric company's proposed inclusive utility invest-**
17 **ment program, the program must be available to the electric company's customers no later**
18 **than January 1, 2028.**

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