



February 9, 2026

RE: SB 1582

AWEC OPPOSES

Chair Sollman and members of the Senate Energy & Environment Committee,

The Alliance of Western Energy Consumers (AWEC) is a non-profit organization comprised of the largest, most innovative and trusted employers in the Pacific Northwest. AWEC members provide tens of thousands of highly paid technical jobs. AWEC has a large and diversified membership that represents agriculture, aeronautics, air products, metals, pulp and paper, information technology, and more. Our members are dependent on affordable and reliable energy to compete in national and global markets.

AWEC is opposed to SB 1582, the distributed power plant program requirement. As drafted, this bill would lead to increased cost pressure on our members. This should be a longer-term conversation and not something moving forward without time for robust industry input.

Today, a utility could propose a distributed power plant program. Legislation is not necessary to do this and the terms of the program would be determined by the PUC.

AWEC has specific concerns with this bill that we believe could lead to cost-shifting among rate classes and higher energy costs for our members that provide jobs and pay taxes in Oregon. We ask that this bill be tabled for the short session. AWEC should be a key stakeholder in any discussions around this concept.

Specific observations and concerns from AWEC members include:

- There are no requirements that the grid devices authorized under this program be cost-effective.
- Language around a “standard offer, open access tariff for grid services” is unclear. AWEC is uncertain what this language means. If the provision requires utilities to offer open access distribution service to retail customers, this is a complicated matter that should be discussed by impacted stakeholders.
- The bill requires an upfront payment of an indeterminate amount for enrolled customers. Legislation does not give a clear indication of the cost of the upfront payment. It is also in addition to “performance compensation.” The basis for the upfront payment is unclear.

- SB 1582, Section 3(9) allows for a “higher upfront payment for a class of customers that is based on the differential energy burdens of low- and moderate-income customers. This creates a subsidy that will substantially increase costs on industrial customers. Shifting residential costs to industrial payers is something AWEC strongly opposes and something that would negatively impact competitiveness of major employers in the state.
- SB 1582 appears to allow utilities to earn “performance compensation.” The utility is not investing any capital, so there is no reason for them to earn a return.
- Furthermore, a utility cannot penalize a participant for nonperformance of their grid devices. This is another provision that would likely result in a cost shift. The point of this program is peak shaving, so if a distributed power plant device doesn’t operate when called on, the utility will need to buy high-priced market power as a replacement. This is a provision that would likely be paid for by large Oregon employers.
- Payments under the distributed power plant program are additive to any payments a customer receives under any other utility program. So, a rooftop solar customer could get paid the net metering rate, while also enrolling the solar facility in the distributed power plant program and be paid twice. Net metering alone is already a subsidy to those customers, and this would result in double payment for these customers.
- Additionally, SB 1582 requires the PUC to adopt procurement targets for distributed power plant services, and to adopt incentives to achieve those targets. This appears to direct the PUC to subsidize these projects and incentivize their adoption, rather than ensuring that utilities are acquiring the most cost-effective projects, regardless of whether they are distributed generation or something else. This provision would increase costs for ratepayers.

The concerns expressed here by the members of AWEC indicate that costs would most likely shift between rate-payer classes, and would effectively increase energy costs for large employers in Oregon - two provisions we strongly oppose. This is a very technical bill that should at the very least require stakeholder input and collaboration to advance. Given that the PUC has the current authority to do what the bill is asking for, AWEC doesn’t understand the urgency for legislation in 2026. We would furthermore appreciate the opportunity – as a key stakeholder – to take part in the work-shopping of this concept.

Respectfully submitted,

J.L. Wilson

Legislative Counsel