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The Honorable Janeen Sollman  
Chair, Senate Committee on Energy and Environment  
900 Court Street, NE  
Salem, OR 97301

RE: Senate Bill 1582 – Oppose

Chair Sollman and members of the committee:

Pacific Power is an investor-owned utility that provides safe and reliable electric service to more than 620,000 customers across Oregon, primarily in rural parts of the state. Pacific Power is part of PacifiCorp, which serves 2 million customers in six western states.

Pacific Power appreciates the opportunity to provide written testimony on Senate Bill (SB) 1582 and we would like to express concerns regarding the potential impact this bill could have on energy affordability, safety, and existing demand response programs.

Our concerns are as follows:

- Cost-subsidization by non-participating customers of the program.
- The proposed language regarding the disenrollment of customers who do not meet program expectations presents operational challenges. Specifically, we are concerned about being required to wait a full year before being able to disenroll a non-performing customer. This undermines the cost-effectiveness of the program.
- We have concerns about the establishment of annual targets by the Oregon Public Utility Commission (OPUC) for a customer opt-in program. This structure will expose utilities to penalties if those targets are not met. Virtual Power Plants are still in the early stages of development, and their cost-effectiveness remains uncertain.
- There needs to be explicit language requiring equipment installation on behalf of a customer to meet safety standards. The bill prohibits utilities from requiring customers to install a meter, which is the point of interconnection where safety disconnect switches are located.
- The bill's requirements are duplicative, as utilities are already working to expand and improve demand response offerings for all customer classes.
- Additionally, the potential for customers to participate in multiple programs simultaneously, particularly when those programs have overlapping objectives. For example, an irrigator participating in both a time-of-use program and a demand response program could undermine the effectiveness of both programs.
- Until these technologies are more developed, utilities need to control the roll-out of these

programs.

- The assignment of costs between customers for Virtual Power Plants should follow typical OPUC customer classification authorities and allow the OPUC to apportion costs based on costs of service.
- In 2025, the Oregon State Legislature passed House Bill 2066, which directed the OPUC to establish a microgrid regulatory framework by March 26, 2027. That rulemaking should be completed before another new small generation requirement program is added.

In conclusion, while we are fully committed to advancing and expanding demand response programs, we urge the committee to reconsider the provisions that would undermine program cost-effectiveness, safety, and operational feasibility.

Please contact me if you have questions at 971-284-6996 or reach out to Elizabeth Howe (503) 910-3270 or Shawn Miller (503) 551-7738.

Sincerely,



Annette Price

Cc: Senate Committee on Energy and Environment members