



Portland General Electric

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Senator Janeen Sollman, Chair
Senate Committee on Energy and Environment
900 Court St. NE
Salem, OR 97301

February 11, 2026

Re: Comments in Opposition to Senate Bill 1582

Chair Sollman, Vice Chair Brock Smith, and members of the committee,

Thank you for the opportunity to provide testimony on Senate Bill 1582 on behalf of Portland General Electric (PGE). PGE is a fully integrated electric utility that serves over 950,000 customers in seven counties and 51 incorporated cities. We power more than two-thirds of the state's commercial and industrial activity and almost half of the state's population.

PGE shares the intended goal of this bill – to accelerate distributed energy resources and deliver the benefits of a more flexible, customer-powered grid. **However, this bill creates duplication, disrupts real progress underway, and risks increasing costs for all customers.**

PGE is a leader in Distributed (or Virtual) Power Plant (VPP) development. What started in 1999 with a single customer has grown to about 230,000 today, or about 25% of our customer base, which is four times the national average. Our VPP is already roughly 600 MW, the size of a large power plant. This is about 13% of our historic peak load. To put that into perspective, during summer heat events we shift enough energy away from the hottest part of the day to power a city the size of Gresham. And our goal is to double that to 25% of peak load by 2030.

Every time a customer installs a smart device and connects with PGE, the VPP gets stronger—adding flexibility to get more value from the system we already have. We offer programs for every single customer – from Smart Thermostats, to solar and storage, to our customer backup program which connects generation and batteries to increase reliability. PGE is #1 in solar installations in the Northwest (OR, WA, ID, MT) having over 35,000 customers with rooftop solar systems.

PGE orchestrates these distributed resources and flexible loads together. Importantly, our VPP keeps customers in control of their energy usage and costs. This partnership provides multiple benefits including lower costs, cleaner energy, and community resilience. PGE's VPP is reliable and available every single day. Between 2021 and 2024, we dispatched the VPP over 1,100 times, and over 500 times in 2025 alone.

Our VPP is delivering value to customers today, and PGE sees and supports the opportunity to accelerate its growth. However, we oppose this bill and the proposed amendments because it creates duplication, disrupts ongoing progress, and may lead to customers paying twice.

SB 1582 would add new, duplicative work at the OPUC.

Today, PGE already files plans like those contemplated in the bill. The plans are developed through transparent, public OPUC processes with commission and stakeholder input. These plans are where VPP

targets are set, and where progress and performance are regularly reported. The plans include our Distribution System Plan, Multi-Year Flexible Load Plan, Transportation Electrification Plan, Integrated Resource Plan, and Clean Energy Plan.

Last week, this committee heard directly from the OPUC about the work underway from legislation passed in the 2025 session—transitioning to multiyear ratemaking and performance-based regulation, as well as complex conversations about microgrids, all of which overlap with SB 1582. The heavy workload at the OPUC cannot be understated.

This bill mandates overly detailed requirements.

SB 1582 includes rigid contracting terms and even operating parameters. It specifies compensation for aggregators while being silent on protection for customers. PGE works with aggregators in our VPP today and actively manages performance to protect customers. We believe the OPUC is the right place to properly define the resource requirements and the role of aggregators through rulemaking, not through statute, and especially not rushed through a short session. Other states have seen aggregators engage in fraud, leading to significant Federal and State penalties and costing customers millions of dollars.

This bill creates risk that customers pay twice.

SB 1582 conflates the costs and benefits of planning values with real-time grid needs and market pricing. PGE supports paying customers for the value that virtual power plants bring to the grid, but a statutory tariff will inflate costs and disconnect compensation from actual system needs. These details matter, as they have impact on all customers and customer affordability, and have larger regional and federal ramifications by decoupling payment from performance. Additionally, the bill requires that VPP participation be allowed in addition to other compensation or payment, including net metering. This could lead to double payments.

Accelerating VPP deployment responsibly requires policy supporting “grid-ready” devices.

While PGE is scaling up our VPP and has mature programs in place, not every promising technology is “grid-ready” on day one. PGE pursues targeted pilot programs in collaboration with third parties, OEMs, and National Labs, like our Vehicle-2-Grid and heat pump demonstrations to help us determine what is needed to scale responsibly and use customer dollars carefully. PGE also works alongside industry partners, utilities, and regulators from across the country to shape VPP policy – from the Department of Energy VPP Liftoff Report to the Rocky Mountain Institute STAR Accelerator Project to the VPP Convergence Project being discussed at the National Association of Regulatory Utility Commissioners (NARUC) this week. Working together, we can ensure that public dollars and incentives help customers adopt devices that are “grid ready” so the dollars go further and support reliability.

While we have had recent conversations with bill proponents about our concerns with the legislation, they did not consult with PGE prior to drafting or bringing this bill forward for the 2026 session. **We oppose SB 1582 and the proposed amendments and urge the legislature not to rush this complex policy through a short session.** We stand ready to work with legislators, the OPUC, and all interested stakeholders in identifying how Oregon can further accelerate VPPs, build on our current progress, and maintain critical customer protections.

Thank you for your consideration,

Greg Alderson
Director, Government Affairs