

**REVENUE:** Revenue statement issued

**FISCAL:** Fiscal statement issued

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**Action:** Do Pass as Amended and Be Printed Engrossed

**Vote:** 4 - 1 - 0

**Yeas:** Deckert, Monnes Anderson, Starr, Metsger

**Nays:** George L.

**Exc.:** 0

**Prepared By:** Janet Adkins, Administrator

**Meeting Dates:** 2/12, 3/7

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**WHAT THE MEASURE DOES:** Increases the total collection amount on retail investor-owned residential and commercial electric bills that goes to fund the state's low-income energy assistance program. Specifies that the total collected statewide for 2008 will be \$15 million, an increase from the current statewide total of \$10 million. Does not allow individual assessments to rise in years after 2008, but allows the total amount collected to increase based on load growth and increases in the number of customers. Declares an emergency, effective on passage.

**ISSUES DISCUSSED:**

- Collection and distribution process
- More eligible customers than can be served with existing funds
- One-time settlement funds that helped in the past
- Savings to utility and ratepayers by avoiding expensive disconnections and collections costs
- Streamlining improvements needed in distribution of funds
- Whether funds should come from ratepayers or General Fund or a voluntary program
- Compression that acts to increase rates for business customers that are under the \$500 cap

**EFFECT OF COMMITTEE AMENDMENT:** Deletes the inflation adjustment. Specifies a \$15 million statewide collection amount for 2008 and fixes each customer's assessment for following years. Allows the total fee collected to increase over \$15 million from either additional customers or load growth on commercial customers.

**BACKGROUND:** Oregon's 1999 electricity industry restructuring legislation (SB 1149) required, among other things, private electric utilities, beginning in 2001, to collect a total of \$10 million per year from their customers to fund a program to assist low-income customers in paying their electric bills. This assessment was in addition to the "Public Purpose Charge," a portion of which funds low-income weatherization. The 1999 legislation specified that the Oregon Housing and Community Services Department, which also administers a federal assistance program, administer the state assistance program (known as Oregon Energy Assistance) through local community action agencies. Income eligibility for the receipt of the federal and state funds is 60 percent of the state median income. According to the department, Oregon Energy Assistance served 22,514 households in FY 2006 with an average benefit of \$321. Maintaining service for low-income populations saves the utility money because the expense of noticing, disconnecting, and reconnecting households is avoided. Portland General Electric and PacifiCorp are the only utilities affected by this assessment requirement and the current monthly charge set by the Public Utility Commission is 33 cents for residential customers and 3 cents per kilowatt hour for businesses.

SB 461-A increases the total annual collection level from the current \$10 million to \$15 million in 2008. The measure specifies that the amount or rate for each customer will not be adjusted in following years, but that the total fee collected may increase over \$15 million from either the addition of customers or the load growth on commercial customers (who pay a rate instead of a flat fee). The Oregon Public Utility Commission determines the proportion of the total to be collected by each utility and the amount to be collected from residential and commercial customers. The bill maintains the current cap of \$500 per month per site for business customers. Public and consumer-owned utilities also offer low-income energy assistance to households in their service areas but are not affected by SB 461-A.

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*This summary has not been adopted or officially endorsed by action of the committee.*