

**76TH OREGON LEGISLATIVE ASSEMBLY
STAFF MEASURE SUMMARY
HOUSE REVENUE COMMITTEE**

**MEASURE: SB 863 A
CARRIER: Rep. Kotek**

REVENUE: Revenue Impact Issued

FISCAL: Fiscal Impact Issued

Action: Do Pass

Vote: 8-0-0

Yeas: Bailey, Bentz, Brewer, Gelsner, Read, Wand, Barnhart, Berger

Nays:

Exc.: 0

Prepared By: Mazen Malik, Economist

Meeting Dates: 6/8

WHAT THE MEASURE DOES: Requires electric company or Oregon Community Power, at request of Public Utility Commission, to collect an additional \$5 million dollars per 12-month period from residential consumers for low-income electric bill payment assistance if negative economic indicators meet certain triggers.

ISSUES DISCUSSED:

- The impact of the recession on low income families. The ability to pay.
- The conditional triggers and the likelihood of the conditions being met.
- Modest increase in rates but insures the system functioning. No shut off and collection costs borne by the rest of the customers.
- Need to pay and bad economic conditions, not exactly by choice.
- Exact match to benefits, and lowers overall cost to the system. No government programs or expenditures. Not a tax or revenue raising, system wide and users benefit.

EFFECT OF COMMITTEE AMENDMENTS:

BACKGROUND:

The measure contains a number of provisions related to the funding and administration of the Oregon Low-Income Home Energy Assistance Program (LIHEAP). Section 3 of the bill requires the PUC to collect an additional \$5 million per year for no more than two years between the passage of the bill and January 1, 2014 for the low-income bill payment assistance program if at least two of four economic conditions are met. The conditions/triggers required are: unemployment rate exceeded 10%, Oregon poverty rate exceeded 12%, and federal allocation of low-income energy assistance is 75 percent or less than previous year's allocation. Number of households in Oregon receiving supplemental nutrition assistance has exceeded 20%. It is likely that at least two of these conditions will be met for at least two years in the given time period.

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