

**SB 909 STAFF MEASURE SUMMARY**

**Senate Committee On Business and Transportation**

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**Prepared By:** Patrick Brennan, LPRO Analyst

**Meeting Dates:** 4/17

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**WHAT THE MEASURE DOES:**

Specifies that a public utility that makes sales of electricity may not establish a rate for any service that provides the public utility with a rate of return exceeding 4.5 percent. Changes the procedures by which public utilities that make sale of electricity file the rate schedules with the Public Utility Commission. Reduces the public purpose charge collected from retail electricity consumers and makes changes to agreement entered into between Commission and nongovernmental entity for purpose of expending moneys collected as part of the public purpose charge. Repeals provisions of law related to collection of surcharge for removal of Klamath River dams upon failure of relevant parties to begin dam removal. Directs PacifiCorp to credit electric bill of each customer from which PacifiCorp collected surcharge in the amount that equals the total amount paid by the customer as surcharge, plus four percent. Prohibits Commission from approving rate schedule established by a public utility that makes sales of electricity if moneys collected pursuant to imposition of those rates would be used to remediate a Superfund site. Specifies that each Public Utility Commissioner and each employee of the Commission enter into noncompetition agreement with state under which the commissioner or employee may not be subsequently employed by a public utility that makes sales of electricity for two years. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

**EFFECT OF AMENDMENT:**

No amendment.

**BACKGROUND:**

Senate Bill 1149 (2001) directed the state's two largest electric utilities, Portland General Electric and PacifiCorp, to assess a three-percent "public purpose charge" on consumer energy bills to provide funding for energy conservation, renewable resource development and low-income energy programs. Revenues generated from the public purpose are allocated to five activities: energy conservation in homes and businesses (56 percent); construction of new renewable resource power plants and other renewable resource projects (17 percent); weatherization of low-income households (12 percent); energy conservation in schools (10 percent); and rehabilitation and construction of low-income housing (five percent). The first two uses listed above are overseen by the Energy Trust of Oregon.