

DRAFT

SUMMARY

Authorizes Public Utility Commission to consider differential energy burden and other inequities of affordability in rates.

Authorizes public utilities to enter into agreements to provide financial assistance for organizations to represent in regulatory proceedings before commission interests of low-income residential customers and residential customers that are members of environmental justice communities.

Directs commission to establish public process for investigating ways to address and mitigate, through nonbypassable means, differential energy burdens on classes of public utility customers and other inequities of affordability and environmental justice. Requires commission to incorporate findings into commission's 2021 report to Environmental Justice Task Force and Governor. Sunsets public process January 2, 2022.

A BILL FOR AN ACT

Relating to public utilities; creating new provisions; and amending ORS 756.010, 757.072 and 757.230.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 756.010 is amended to read:

756.010. As used in ORS chapters 756, 757, 758 and 759, except as otherwise specifically provided or unless the context requires otherwise:

(1) "Commission" means the Public Utility Commission of Oregon.

(2) "Commissioner" means a member of the Public Utility Commission of Oregon.

(3) "Customer" includes the patrons, passengers, shippers, subscribers, users of the service and consumers of the product of a public utility or telecommunications utility.

(4) "**Environmental justice**" means equal protection from environ-

1 **mental and health hazards and meaningful public participation in de-**
2 **cisions that affect the environment in which people live, work, learn,**
3 **practice spirituality and play.**

4 (5) **“Environmental justice communities” includes communities of**
5 **color, communities experiencing lower incomes, tribal communities**
6 **and other communities traditionally underrepresented in public pro-**
7 **cesses, including but not limited to seniors, youth and persons with**
8 **disabilities.**

9 [(4)] (6) **“Municipality” means any city, municipal corporation or quasi-**
10 **municipal corporation.**

11 [(5)] (7) **“Person” includes individuals, joint ventures, partnerships, cor-**
12 **porations and associations or their officers, employees, agents, lessees,**
13 **assignees, trustees or receivers.**

14 [(6)] (8) **“Public utility” has the meaning given that term in ORS 757.005.**

15 [(7)] (9) **“Rate” means any fare, charge, joint rate, schedule or groups of**
16 **rates or other remuneration or compensation for service.**

17 [(8)] (10) **“Service” is used in its broadest and most inclusive sense and**
18 **includes equipment and facilities related to providing the service or the**
19 **product served.**

20 [(9)] (11) **“Telecommunications utility” has the meaning given that term**
21 **in ORS 759.005.**

22 **SECTION 2. ORS 757.230 is amended to read:**

23 757.230. (1) The Public Utility Commission shall provide for a compre-
24 hensive classification of service for each public utility, and such classifica-
25 tion may take into account the quantity used, the time when used, the
26 purpose for which used, the existence of price competition or a service al-
27 ternative, the services being provided, the conditions of service, **differential**
28 **energy burdens on low-income customers and other economic, social**
29 **equity or environmental justice factors that affect affordability for**
30 **certain classes of utility customers,** and any other reasonable consider-
31 ation. Based on such considerations the commission may authorize classi-

fications or schedules of rates applicable to individual customers or groups of customers. The service classifications and schedule forms shall be designed consistently with the requirements of ORS 469.010. Each public utility is required to conform its schedules of rates to such classification. If the commission determines that a tariff filing under ORS 757.205 results in a rate classification primarily related to price competition or a service alternative, the commission, at a minimum, shall consider the following:

(a) Whether the rate generates revenues at least sufficient to cover relevant short and long run costs of the utility during the term of the rates;

(b) Whether the rate generates revenues sufficient to insure that just and reasonable rates are established for remaining customers of the utility;

(c) For electric and natural gas utilities:

(A) Whether it is appropriate to incorporate interruption of service in the utility's rate agreement with the customer; and

(B) Whether the rate agreement requires the utility to acquire new resources to serve the load; and

(d) For electric utilities, for service to load not previously served, the effect of the rate on the utility's average system cost through the residential exchange provision of the Pacific Northwest Electric Power Planning and Conservation Act of 1980, Public Law 96-501, as amended.

(2) The commission may prescribe such changes in the form in which the schedules are issued by any public utility as may be found to be expedient. The commission shall adopt rules which allow any person who requests notice of tariff filings described under subsection (1) of this section to receive such notice.

SECTION 3. ORS 757.072 is amended to read:

757.072. (1) A public utility providing electricity or natural gas may enter into a written agreement with an organization that represents broad customer interests in regulatory proceedings conducted by the Public Utility Commission relating to public utilities that provide electricity or natural gas. The agreement shall govern the manner in which financial assistance

may be provided to the organization. The agreement may provide for financial assistance to other organizations found by the commission to be qualified under subsection (2) of this section. More than one public utility or organization may join in a single agreement. Any agreement entered into under this section must be approved by the commission before any financial assistance is provided under the agreement.

(2)(a) Financial assistance under an agreement entered into under this section may be provided only to organizations that represent [*broad customer*] interests in regulatory proceedings before the commission relating to public utilities that provide electricity or natural gas **that are:**

(A) The broad interests of customers; or

(B) The interests of low-income residential customers or residential customers that are members of environmental justice communities.

(b) The commission by rule shall establish such qualifications as the commission deems appropriate for determining which organizations are eligible for financial assistance under an agreement entered into under this section.

(3) In administering an agreement entered into under this section, the commission by rule or order may determine:

(a) The amount of financial assistance that may be provided to any organization;

(b) The manner in which the financial assistance will be distributed;

(c) The manner in which the financial assistance will be recovered in the rates of the public utility under subsection (4) of this section; and

(d) Other matters necessary to administer the agreement.

(4) The commission shall allow a public utility that provides financial assistance under this section to recover the amounts so provided in rates. The commission shall allow a public utility to defer inclusion of those amounts in rates as provided in ORS 757.259 if the public utility so elects. An agreement under this section may not provide for payment of any amounts to the commission.

SECTION 4. (1) The Public Utility Commission shall establish a public process for the purpose of investigating ways to address and mitigate, through nonbypassable means, differential energy burdens on classes of public utility customers and other inequities of affordability and environmental justice. As part of the public process established under this subsection, the commission shall:

(a) Investigate the potential for demand response, weatherization and other programs to reduce energy burdens and energy bills;

(b) Investigate the potential for mitigation of energy burdens through bill reduction measures or programs that may include, but need not be limited to, establishing a bill credit program, a low-income rate classification or a multifamily rate classification; and

(c) Study best practices from around the country for delivery of programs and creation of systems that mitigate differential energy burdens.

(2) As part of the public process established under subsection (1) of this section, the commission shall provide the public with an opportunity to comment.

(3) The commission shall incorporate the findings of the public process established under subsection (1) of this section into the commission's report for the year 2021 that the commission is required to provide to the Environmental Justice Task Force and to the Governor under ORS 182.550.

SECTION 5. Section 4 of this 2020 Act is repealed on January 2, 2022.