



727 Center Street, NE  
Salem, Oregon 97301  
503-370-4413  
fax 503-371-4781  
[www.opuda.org](http://www.opuda.org)

**RE: OPUDA Testimony in Opposition of SB**

Chair Dembrow and Members of the Committee:

Oregon People's Utility District Association ("OPUDA") is one of three types of not-for-profit, public utilities that provides electricity to Oregon customers. OPUDA's members include six Districts (known as PUDs) which provide electric service to thousands of rural Oregonians.

SB 928 creates the Oregon Climate Authority (OCA) that will assume the role of the Oregon Department of Energy (ODOE). Under this bill the new agency is expected to grow in the number of staff without no reduction in staff or ODOE programs. While the OCA is ostensibly a "climate" agency, multiple non-climate programs (including building codes, emergency management, and nuclear safety) would remain at OCA.

Importantly for OPUDA, SB 928 provides for no reduction in current ODOE programs and staffing. It also provides no financial relief for the Energy Supplier Assessment (ESA) tax and authorizes fee authority that could include new uncapped Greenhouse Gas reporting fees for utilities. These taxes and fees are passed to customers paying electric and natural gas bills.

The ESA came into statute as a fee for nuclear siting in the 1970s and is currently used as a general fund for ODOE. It is paid by utilities and passed down to customers on their energy bills. The ESA, declared a "tax" by the Marion County Circuit Court, is currently the subject of litigation filed by 28 Oregon utilities.

Without changing the scope of the agency and reducing the ESA, the enlarged agency envisioned in SB 928 is likely to result in a substantially increased ESA tax over time. Under SB 928, payers would not only shoulder the cost for the current service level of ODOE, but additionally, the new OCA administration and new Climate Board staffing. We cannot agree to this.

Utility customers should receive value for payments that they make to state agencies. That is why SB 928 needs significant changes to ensure that under the OCA, ODOE's ongoing work is relevant and not duplicative of work done by other state agencies. In addition, the expansive new cap-and-trade program that will raise hundreds-of-millions each year, is the appropriate funding mechanism for this agency, not the ESA and new fees.

We look forward to working with the legislature on this task.