

HB 2242 A STAFF MEASURE SUMMARY
House Committee On Energy and Environment

Action Date: 02/26/19

Action: Do pass with amendments
and be referred to Ways and Means by prior reference. (Printed A-Eng.)

Vote: 6-3-0-0

Yeas: 6 - Helm, Salinas, Schouten, Sollman, Wilde, Williams

Nays: 3 - Findley, Reschke, Zika

Fiscal: Fiscal impact issued

Revenue: Revenue impact issued

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Meeting Dates: 1/31, 2/26

WHAT THE MEASURE DOES:

Defines environmental justice as equal protection from environmental and health hazards and meaningful public participation in decisions that affect the environment in which people live, work, learn, practice spirituality, and play. Defines environmental justice communities as including communities of color, communities experiencing lower incomes, and tribal communities and other communities traditionally underrepresented in public processes, including but not limited to seniors, youth, and people with disabilities. Establishes that the Public Utility Commission (PUC) may authorize classifications or schedules of rates based on considerations of differential energy burdens on low-income customers and other economic, social equity, or environmental justice factors that affect affordability for certain classes of utility customers. Clarifies that financial assistance may be provided to organizations that represent broad interests of customers or the interests of low-income residential customers or residential customers that are members of environmental justice communities. Establishes the Office of the Low-Income and Environmental Justice Advocate (Office) and requires the PUC to appoint the Low-Income and Environmental Justice Advocate (Advocate) to oversee the Office and represent low-income and environmental justice communities in proceedings of the PUC. Requires the Office to be organized as a separate and independent division of the PUC, be separately budgeted, and avoid conflicts of interest. Requires the PUC to consult with members of low-income and environmental justice communities and the chair or chair's designee from the Environmental Justice Task Force prior to appointing the Advocate. Stipulates that the Advocate must have experience working in low-income and environmental justice communities, with an emphasis on evaluating energy burdens on such communities, and have experience in proceedings before the PUC or a similar forum. Directs the Advocate to convene an advisory group to the Office. Authorizes the Advocate to request legal assistance from the Attorney General as needed. Requires the Office to submit a report to the interim committees of the Legislative Assembly that describes the work of the Office, including any major milestones, and that recommends changes to the form and function of the Office by December 1, 2021. Repeals reporting requirement on work of the Office effective January 2, 2022. Directs the PUC to carry out a public process to investigate ways to mitigate differential energy burdens and other inequities of affordability and environmental justice. Directs the PUC to incorporate findings of the public process into the 2020 report the PUC is required to provide the Environmental Justice Task Force and Governor's office. Repeals public process reporting requirement effective January 2, 2021.

ISSUES DISCUSSED:

- Public Utility Commission Senate Bill 978 public process and report
- Differential energy burden
- Definition of environmental justice
- Customer classifications and rate schedules for electricity

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EFFECT OF AMENDMENT:

Defines environmental justice and environmental justice communities. Establishes that the Public Utility Commission (PUC) may authorize classifications or schedules of rates based on considerations of differential energy burdens on low-income customers and other economic, social equity, or environmental justice factors that affect affordability for certain classes of utility customers. Removes amendments to ORS 756.040, general powers of the PUC. Clarifies that financial assistance may be provided to organizations that represent broad interests of customers or the interests of low-income residential customers or residential customers that are members of environmental justice communities. Requires the Office of the Low-Income and Environmental Justice Advocate (Office) be organized as a separate and independent division of the PUC, be separately budgeted, and avoid conflicts of interest. Requires the PUC to consult with members of low-income and environmental justice communities and the chair or chair's designee from the Environmental Justice Task Force prior to appointing the Low-Income and Environmental Justice Advocate (Advocate). Stipulates that the Advocate must have experience working in low-income and environmental justice communities, with an emphasis on evaluating energy burdens on such communities, and have experience in proceedings before the PUC or a similar forum. Directs the Advocate to convene an advisory group to the Office. Authorizes the Advocate to request legal assistance from the Attorney General as needed. Requires the Office to submit a report to the interim committees of the Legislative Assembly that describes the work of the Office, including any major milestones, and that recommends changes to the form and function of the Office by December 1, 2021. Repeals reporting requirement on work of the Office effective January 2, 2022. Clarifies the role of the PUC in carrying out a public process to investigate ways to mitigate differential energy burdens and other inequities of affordability and environmental justice. Removes the requirement for the PUC to submit a separate report on the results of the public process, and allows findings of the public process to be incorporated into the 2020 report the PUC is required to provide the Environmental Justice Task Force and Governor's office. Repeals public process reporting requirement effective January 2, 2021.

BACKGROUND:

The Oregon Public Utility Commission (PUC) regulates investor-owned utilities and is responsible for ensuring utility customers have access to safe, reliable, and high quality utility services at just and reasonable rates. The scope and mandate of the PUC is determined by the legislature, which requires the PUC to balance the interests of customers and utility companies by ensuring that rates are both fair and provide adequate revenue for utilities to be financially sound (ORS 756.040).

Senate Bill 978 (2017) directed the PUC to use a public process to consider how their role as regulator of Oregon's investor-owned utilities might evolve, given changes in the energy industry and in energy policy. The PUC gathered input from stakeholders and compiled results into a report that was submitted to the legislature on September 14, 2018. One key recommendation was to authorize the PUC to improve equitable and affordable access to energy services by considering not only the broad interests of customers, but specific needs of low-income customers and environmental justice communities.

House Bill 2242 A would allow the PUC to authorize classifications or schedules of rates or offer financial assistance to low-income residential customers or residential customers of environmental justice communities to address differential energy burdens or environmental justice factors that affect affordability. The bill would establish the Office of the Low-Income and Environmental Justice Advocate within the PUC and would direct the PUC to hold a public process to identify equity strategies and report findings to the legislature.