

# House Bill 2242

Sponsored by Representatives HOLVEY, HELM; Representatives KENY-GUYER, POWER, Senators DEMBROW, TAYLOR (Pre-session filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

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

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

Establishes Office of the Low-Income and Environmental Justice Advocate within commission. Authorizes office to intervene in certain proceedings.

Directs commission to establish public process for investigating ways to address and mitigate differential energy burdens on classes of electric company customers and other inequities of affordability. Requires commission to report findings to interim committees of Legislative Assembly related to energy and business no later than September 15, 2020. Sunsets public process January 2, 2021.

## A BILL FOR AN ACT

1  
2 Relating to public utilities; creating new provisions; and amending ORS 756.040, 756.062, 756.534 and  
3 757.072.

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

5 **SECTION 1.** ORS 756.040 is amended to read:

6 756.040. (1) In addition to the powers and duties now or hereafter transferred to or vested in the  
7 Public Utility Commission, the commission shall represent the customers of any public utility or  
8 telecommunications utility and the public generally in all controversies respecting rates, valuations,  
9 service and all matters of which the commission has jurisdiction. In respect thereof the commission  
10 shall make use of the jurisdiction and powers of the office to protect such customers, and the public  
11 generally, from unjust and unreasonable exactions and practices and to obtain for them adequate  
12 service at fair and reasonable rates. The commission shall balance the interests of the utility in-  
13 vestor and the consumer in establishing fair and reasonable rates. Rates are fair and reasonable for  
14 the purposes of this subsection if the rates provide adequate revenue both for operating expenses  
15 of the public utility or telecommunications utility and for capital costs of the utility, with a return  
16 to the equity holder that is:

17 (a) Commensurate with the return on investments in other enterprises having corresponding  
18 risks; and

19 (b) Sufficient to ensure confidence in the financial integrity of the utility, allowing the utility  
20 to maintain its credit and attract capital.

21 **(2) In addition to the powers and duties described in subsection (1) of this section and in**  
22 **balancing the interests of the utility investor and the consumer in establishing fair and**  
23 **reasonable rates, the commission may consider differential energy burdens on low-income**  
24 **consumers and other economic, social equity or environmental justice factors that affect**  
25 **affordability for certain classes of a utility's customers.**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1        [(2)] (3) The commission is vested with power and jurisdiction to supervise and regulate every  
 2 public utility and telecommunications utility in this state, and to do all things necessary and con-  
 3 venient in the exercise of such power and jurisdiction.

4        [(3)] (4) The commission may participate in any proceeding before any public officer, commission  
 5 or body of the United States or any state for the purpose of representing the public generally and  
 6 the customers of the services of any public utility or telecommunications utility operating or pro-  
 7 viding service to or within this state.

8        [(4)] (5) The commission may make joint investigations, hold joint hearings within or without  
 9 this state and issue concurrent orders in conjunction or concurrence with any official, board, com-  
 10 mission or agency of any state or of the United States.

11        **SECTION 2.** ORS 756.062 is amended to read:

12        756.062. (1) A substantial compliance with the requirements of the laws administered by the  
 13 Public Utility Commission is sufficient to give effect to all the rules, orders, acts and regulations  
 14 of the commission and they shall not be declared inoperative, illegal or void for any omission of a  
 15 technical nature in respect thereto.

16        (2) The provisions of such laws shall be liberally construed in a manner consistent with the di-  
 17 rectives of ORS 756.040 (1) **and (2)** to promote the public welfare, efficient facilities and substantial  
 18 justice between customers and public and telecommunications utilities.

19        **SECTION 3.** ORS 756.534 is amended to read:

20        756.534. Except as provided in ORS 756.040 [(4)] (5), the hearing may be held at any place des-  
 21 ignated by the Public Utility Commission within this state, or different parts of the hearing may be  
 22 held at different places in this state, as shall be designated by the commission. The hearing may be  
 23 continued from time to time and place to place as ordered and fixed by the commission.

24        **SECTION 4.** ORS 757.072 is amended to read:

25        757.072. (1) A public utility providing electricity or natural gas may enter into a written agree-  
 26 ment with an organization that represents [*broad*] customer interests in regulatory proceedings  
 27 conducted by the Public Utility Commission relating to public utilities that provide electricity or  
 28 natural gas. The agreement shall govern the manner in which financial assistance may be provided  
 29 to the organization. The agreement may provide for financial assistance to other organizations found  
 30 by the commission to be qualified under subsection (2) of this section. More than one public utility  
 31 or organization may join in a single agreement. Any agreement entered into under this section must  
 32 be approved by the commission before any financial assistance is provided under the agreement.

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

36        **(A) The broad interests of customers; or**

37        **(B) The interests of low-income customers or customers that are members of environ-**  
 38 **mental justice communities.**

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

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

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

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

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

3 (d) Other matters necessary to administer the agreement.

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

8 **SECTION 5. (1) The Office of the Low-Income and Environmental Justice Advocate is**  
9 **established in the Public Utility Commission. The office is under the supervision and control**  
10 **of the Low-Income and Environmental Justice Advocate, who is responsible for the per-**  
11 **formance of the duties, functions and powers of the office. With the concurrence of the**  
12 **Governor, the Public Utility Commission shall appoint the Low-Income and Environmental**  
13 **Justice Advocate and may terminate the Low-Income and Environmental Justice Advocate.**

14 (2) Subject to available funds and the applicable provisions of ORS chapter 240, the Low-  
15 Income and Environmental Justice Advocate may hire staff to carry out the duties, functions  
16 and powers of the office and shall prescribe their duties and fix their compensation.

17 (3) The Low-Income and Environmental Justice Advocate shall be a person who has  
18 background and experience in:

19 (a) Proceedings before the Public Utility Commission; and

20 (b) Energy burden impacts to low-income and environmental justice communities.

21 (4) Whenever the office determines that any commission proceeding may affect the in-  
22 terests of utility consumers from low-income or environmental justice communities, the Of-  
23 fice of the Low-Income and Environmental Justice Advocate may intervene as of right as  
24 an interested party or otherwise participate in the proceeding.

25 **SECTION 6. (1) The Public Utility Commission shall establish a public process for the**  
26 **purpose of investigating ways to address and mitigate differential energy burdens on classes**  
27 **of electric company customers and other inequities of affordability. As part of the public**  
28 **process established under this section, the commission shall investigate the potential for**  
29 **establishing a low-income rate classification or a multifamily rate classification.**

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

32 (3) The commission shall submit a report on the findings of the public process established  
33 under subsection (1) of this section in the manner provided by ORS 192.245 to the interim  
34 committees of the Legislative Assembly related to energy and business no later than Sep-  
35 tember 15, 2020. The commission may include, as part of the commission's report, recom-  
36 mendations for legislation.

37 **SECTION 7. Section 6 of this 2019 Act is repealed on January 2, 2021.**

38