



Approaches to Addressing Energy Burden in Ratemaking

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PUC Mission and Reach



Ensure Oregon utility customers have access to safe, reliable, and high-quality utility services at just and reasonable rates.

Electric

- PGE, PacifiCorp, Idaho Power
- 1,405,946 customers

Natural Gas

- NW Natural, Avista, Cascade Natural Gas
- 772,512 customers

Telecom

- About 373 companies
- 822,181 customers

Water

- About 80 small water utilities
- 31,000 customers

Total revenue collected by these utilities is ~\$4.9 billion annually

Energy Burden



TEN-YEAR PLAN

Reducing the Energy Burden in Oregon Affordable Housing



Energy burden refers to the percentage of household income spent on energy-related expenditures. The federal government defines energy burden as paying greater than six percent of household income in energy costs (severe energy burden equates to paying more than 10 percent).



Oregon Energy Assistance Program

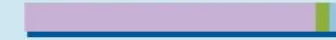
Ratepayers currently fund \$20 million per year for emergency bill assistance for low income ratepayers. This is through a per meter charge for residential ratepayers and capped per kilowatt hour charge for industrial and commercial ratepayers

Ever wonder what your UTILITY BILL pays for?

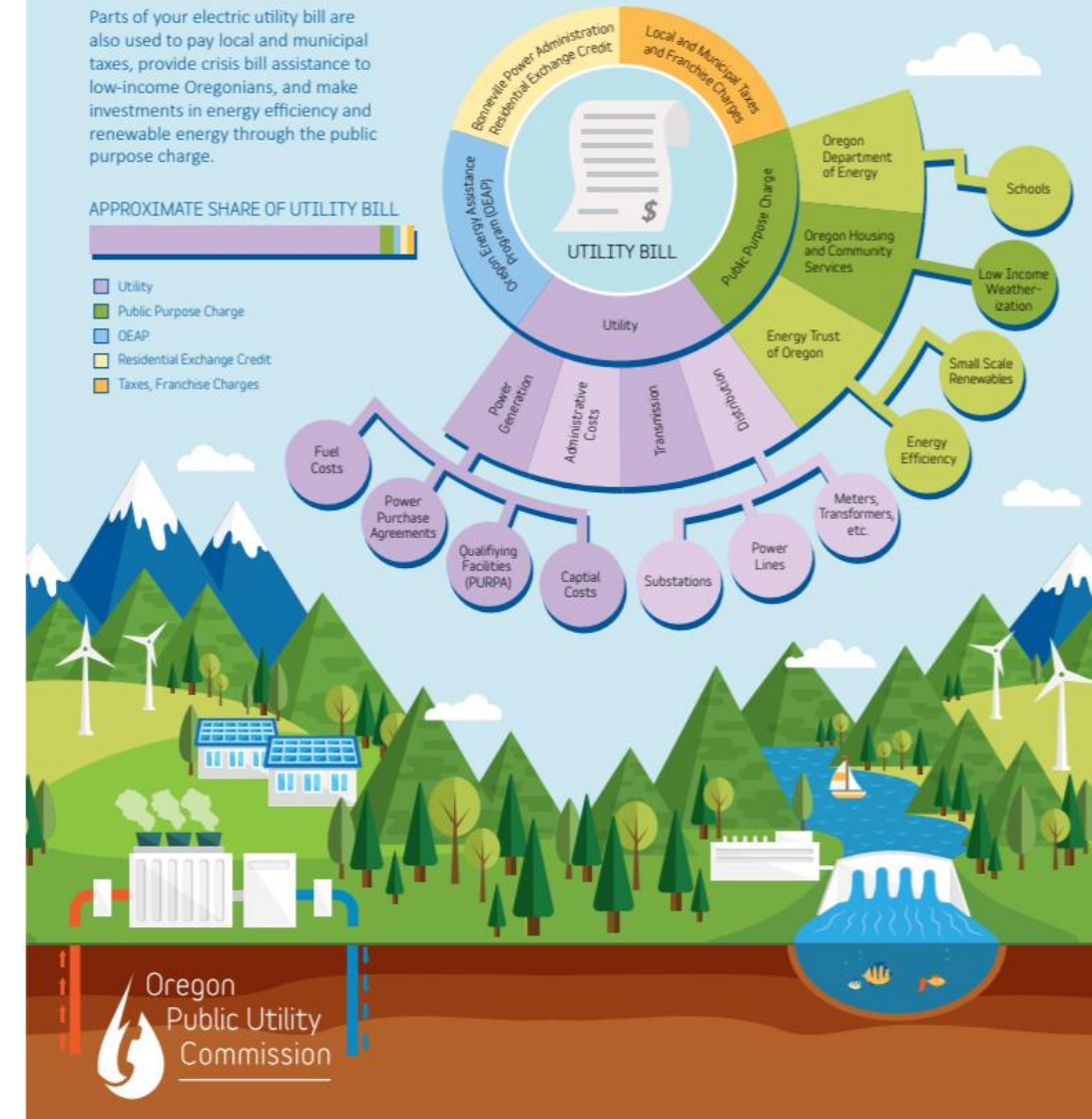
The **Public Utility Commission of Oregon** regulates the rates of the state's electric investor-owned utilities and determines what rates they can charge Oregon customers. When you pay your utility bill, these funds are used for a wide variety of things like the electricity used to power your lights, but also the transmission and distribution that is needed to bring electricity to your home or business from a power generation facility.

Parts of your electric utility bill are also used to pay local and municipal taxes, provide crisis bill assistance to low-income Oregonians, and make investments in energy efficiency and renewable energy through the public purpose charge.

APPROXIMATE SHARE OF UTILITY BILL



- Utility
- Public Purpose Charge
- DEAP
- Residential Exchange Credit
- Taxes, Franchise Charges



Commission's SB 978 Report



SB 978

ACTIVELY ADAPTING
TO THE CHANGING
ELECTRICITY SECTOR

September 2018

- ▶ **Affordability, Equity and Environmental Justice**—The Legislature should consider ways to improve equitable and affordable access to energy services. The PUC can and will take some steps without legislative action, but approaches used successfully elsewhere, such as rate discounts, may not be possible within the PUC's current authority.



Other state approaches:



Percentage of Income Payment Program

- Participants pay a percentage of their income for energy costs
- Can include natural gas and electric
- Can accommodate energy efficiency investments
- States: Colorado, Ohio

Bill Discounts

- Participants pay a discounted rate for electricity service
- Generally, there is a capped amount of enrollees
- States: California, Washington



See more: <https://www.oregon.gov/puc/utilities/Documents/LIUPWG-2018-Final-Report.pdf>

Other Resources:

- Built Environment Energy Working Group's 10 Year Plan:
<https://www.oregon.gov/energy/Get-Involved/Documents/2018-BEEWG-Ten-Year-Plan-Energy-Burden.pdf>
- Low Income Utility Program Working Group Report (2018):
<https://www.oregon.gov/puc/utilities/Documents/LIUPWG-2018-Final-Report.pdf>
- Oregon Housing and Community Services, Affordable Housing Energy Assessment,
<https://olis.leg.state.or.us/liz/2019R1/Downloads/CommitteeMeetingDocument/170711>

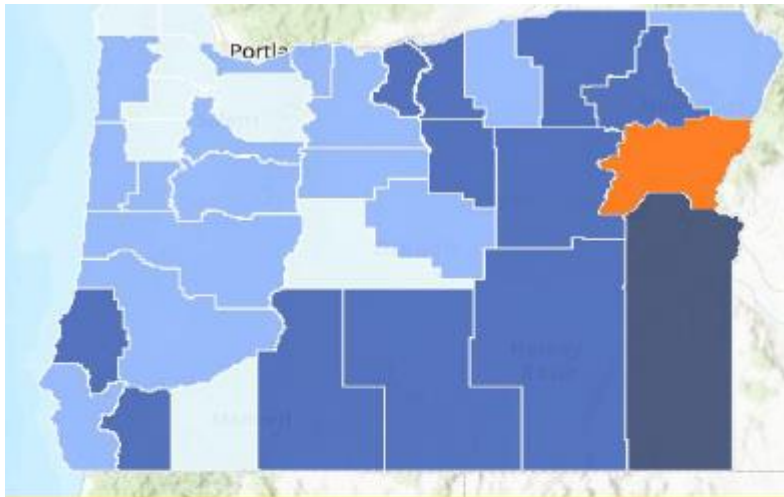
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County by County Data on Need



Baker County

Baker County scored the highest on the high priority area index, 2.5 out of 4. The following graphics provide summary statistics for Baker County that are accessible through the assessment.

Energy Savings Potential



\$625,849

Total dollar savings potential from energy efficiency improvements in low-income housing



4,688,555 kWh

Total electric energy savings in low-income housing



82,955 therms

Total gas energy savings in low-income housing

Energy Affordability Gap



\$763

Average gap for energy burdened households < 200% FPL

\$2,001,841

Total gap for energy burdened households < 200% FPL

<https://olis.leg.state.or.us/liz/2019R1/Downloads/CommitteeMeetingDocument/170711>