

HB 4067 A -A4, -A5 STAFF MEASURE SUMMARY

Senate Committee On Environment and Natural Resources

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Meeting Dates: 2/20

WHAT THE MEASURE DOES:

Requires the Public Utility Commission (PUC) to provide for a comprehensive classification of service that may take into account the 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. Allows financial assistance to be provided to organizations that represent the interests of low-income residential customers or residential customers who are members of environmental justice communities. Directs the PUC to establish a public process, which includes consultation with other agencies, to investigate ways to mitigate differential energy burdens and other inequities of affordability and environmental justice. Directs the PUC to incorporate findings from public process into the report it is required to provide to the Environmental Justice Task Force and Governor's office in 2021. Repeals public process reporting requirement effective January 2, 2022.

No subsequent referral

Has minimal fiscal impact

No revenue impact

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-A4 Modifies type of organization that a public utility may enter into an agreement with to represent customer interest in regulatory proceedings conducted by Public Utility Commission.

-A5 Modifies type of organization that a public utility may enter into an agreement with to represent customer interest in regulatory proceedings conducted by Public Utility Commission (PUC). Adds requirement that PUC Investigate and make recommendations for rates or rate schedules that minimize the shifting of costs to ratepayers that do not qualify for low-income assistance or that would not be subject to a low-income rate classification.

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 its 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.

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House Bill 4067-A would allow the PUC to consider differential energy burden and other inequities of affordability in rates. The Act would authorize the PUC to enter into agreements to provide financial assistance for organizations to represent interests of low-income residential customers and residential customers who are members of environmental justice communities in regulatory proceedings before the PUC. House Bill 4067-A would direct the PUC to establish a public process for investigating equity strategies.