

HB 2475 -3, -8 STAFF MEASURE SUMMARY

House Committee On Energy and Environment

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Meeting Dates: 2/1, 2/3, 3/3

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.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-3 Requires organizations that receive financial assistance to represent in regulatory proceedings before the Public Utility Commission the interests of residential customers who are low-income and members of environmental justice communities and consult with organizations that represent the interests of those residential customers.

-8 Authorizes Public Utility Commission to mitigate energy burden through bill reduction measures or programs that may, but need not be limited to, demand response or weatherization. Requires that the costs of tariff schedules, rates, bill credits or program discounts be collected in the rates paid by all retail electricity customers. Limits to \$500,000 annually the total aggregate financial assistance available to organizations representing interests of low-income residential customers or residential customers that are members of environmental justice communities. Directs the Public Utility Commission (the commission) to establish a process for evaluating and approving agreements with organizations representing interests of low-income residential customers or residential customers that are members of environmental justice communities. Allows more than one public utility or organization to join in a single agreement. Requires the commission to report on the implementation and impacts of the annual financial assistance to organizations to the interim committees of the Legislative Assembly no later than September 15, 2025. Repeals requirement for study on January 2, 2026.

- *FISCAL: Minimal fiscal impact*
- *REVENUE: No revenue impact*

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. Environmental justice communities are those that

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are traditionally underrepresented and who are adversely harmed by environmental and health hazards.

House Bill 2475 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.