

Enrolled
House Bill 2475

Sponsored by Representatives POWER, PHAM; Representatives ALONSO LEON, CAMPOS, DEXTER, FAHEY, HOLVEY, KROPP, NOSSE, REYNOLDS, WILDE, WILLIAMS, Senators DEMBROW, GOLDEN, JAMA, LIEBER, PATTERSON, TAYLOR (Presession filed.)

CHAPTER

AN ACT

Relating to public utilities; creating new provisions; and amending ORS 756.010, 757.072 and 757.230.

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

SECTION 1. ORS 756.010 is amended to read:

756.010. As used in ORS chapters 756, 757, 758 and 759, except as otherwise specifically provided or unless the context requires otherwise:

- (1) "Commission" means the Public Utility Commission of Oregon.
- (2) "Commissioner" means a member of the Public Utility Commission of Oregon.
- (3) "Customer" includes the patrons, passengers, shippers, subscribers, users of the service and consumers of the product of a public utility or telecommunications utility.

(4) **"Environmental justice" means 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.**

(5) **"Environmental justice communities" includes communities of color, communities experiencing lower incomes, tribal communities, rural communities, coastal communities, communities with limited infrastructure and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including but not limited to seniors, youth and persons with disabilities.**

[(4)] (6) "Municipality" means any city, municipal corporation or quasi-municipal corporation.

[(5)] (7) "Person" includes individuals, joint ventures, partnerships, corporations and associations or their officers, employees, agents, lessees, assignees, trustees or receivers.

[(6)] (8) "Public utility" has the meaning given that term in ORS 757.005.

[(7)] (9) "Rate" means any fare, charge, joint rate, schedule or groups of rates or other remuneration or compensation for service.

[(8)] (10) "Service" is used in its broadest and most inclusive sense and includes equipment and facilities related to providing the service or the product served.

[(9)] (11) "Telecommunications utility" has the meaning given that term in ORS 759.005.

SECTION 2. ORS 757.230 is amended to read:

757.230. (1) The Public Utility Commission shall provide for a comprehensive classification of service for each public utility, and such classification may take into account the quantity used, the time when used, the purpose for which used, the existence of price competition or a service alternative, the services being provided, the conditions of service, **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, and any other reasonable consideration. Based on such considerations the commission may authorize classifications or schedules of rates applicable to individual customers or groups of customers. The service classifications and schedule forms shall be designed consistently with the requirements of ORS 469.010. Each public utility is required to conform its schedules of rates to such classification. If the commission determines that a tariff filing under ORS 757.205 results in a rate classification primarily related to price competition or a service alternative, the commission, at a minimum, shall consider the following:

(a) Whether the rate generates revenues at least sufficient to cover relevant short and long run costs of the utility during the term of the rates;

(b) Whether the rate generates revenues sufficient to insure that just and reasonable rates are established for remaining customers of the utility;

(c) For electric and natural gas utilities:

(A) Whether it is appropriate to incorporate interruption of service in the utility's rate agreement with the customer; and

(B) Whether the rate agreement requires the utility to acquire new resources to serve the load; and

(d) For electric utilities, for service to load not previously served, the effect of the rate on the utility's average system cost through the residential exchange provision of the Pacific Northwest Electric Power Planning and Conservation Act of 1980, Public Law 96-501, as amended.

(2) The commission may prescribe such changes in the form in which the schedules are issued by any public utility as may be found to be expedient. The commission shall adopt rules which allow any person who requests notice of tariff filings described under subsection (1) of this section to receive such notice.

SECTION 3. ORS 757.072 is amended to read:

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

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

(A) The broad interests of customers;

(B) The interests of low-income residential customers; or

(C) The interests of residential customers that are members of environmental justice communities.

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

(c) The total aggregate financial assistance available to all organizations that represent the interests described in paragraph (a)(B) and (C) of this subsection from all public utilities providing electricity or natural gas may not exceed \$500,000 annually.

(d) The commission shall establish a process for evaluating and approving an agreement described in this section that includes the provision of financial assistance to organizations that represent the interests described in paragraph (a)(B) or (C) of this subsection. The commission must evaluate and approve an agreement described in this paragraph before financial assistance may be provided under the agreement. The agreement described in this paragraph shall govern the manner in which financial assistance may be provided to an organization found by the commission to be qualified under paragraph (a)(B) or (C) of this

subsection. More than one public utility or organization may join in a single agreement described in this paragraph.

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

- (a) The amount of financial assistance that may be provided to any organization;
- (b) The manner in which the financial assistance will be distributed;
- (c) The manner in which the financial assistance will be recovered in the rates of the public utility under subsection (4) of this section; and
- (d) Other matters necessary to administer the agreement.

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

SECTION 4. The Public Utility Commission shall, no later than September 15, 2025, provide a report to the interim committees of the Legislative Assembly related to energy that discusses, for the period beginning on the effective date of this 2021 Act and ending December 31, 2024, the implementation and impacts of the amendments to ORS 757.072 by section 3 of this 2021 Act. The report shall include, but need not be limited to:

(1) A description of the process established under ORS 757.072 (2)(d) and any other rules, orders, processes or policies adopted or established by the commission as necessary to implement the amendments to ORS 757.072 by section 3 of this 2021 Act; and

(2) A detailed description of the organizations described in ORS 757.072 (2)(a)(B) and (C) that received funding during the period subject to reporting that includes, for each organization, a description of:

- (a) The proceedings for which the organization received financial assistance;
- (b) The amount of financial assistance received by the organization for each proceeding;
- (c) The issues raised by the organization in each proceeding for which the organization received financial assistance; and
- (d) The outcome within each proceeding with regard to the issues described in paragraph (c) of this subsection.

SECTION 5. Section 4 of this 2021 Act is repealed on January 2, 2026.

SECTION 6. Section 7 of this 2021 Act is added to and made a part of ORS chapter 757.

SECTION 7. (1) In addition to comprehensive classifications, tariff schedules, rates and bill credits, the Public Utility Commission may address the mitigation of energy burdens through bill reduction measures or programs that may include, but need not be limited to, demand response or weatherization.

(2) The costs of tariff schedules, rates, bill credits or program discounts allowed pursuant to subsection (1) of this section must be collected in the rates of an electric company through charges paid by all retail electricity consumers, such that retail electricity consumers that purchase electricity from electricity service suppliers pay the same amount to address the mitigation of energy burdens as retail electricity consumers that are not served by electricity service suppliers.

Passed by House March 16, 2021

.....
Timothy G. Sekerak, Chief Clerk of House

.....
Tina Kotek, Speaker of House

Passed by Senate May 13, 2021

.....
Peter Courtney, President of Senate

Received by Governor:

.....M.,....., 2021

Approved:

.....M.,....., 2021

.....
Kate Brown, Governor

Filed in Office of Secretary of State:

.....M.,....., 2021

.....
Shemia Fagan, Secretary of State