A-Engrossed

House Bill 2475

Ordered by the House March 9
Including House Amendments dated March 9

Sponsored by Representatives POWER, PHAM; Representatives CAMPOS, KROPF, NOSSE, REYNOLDS, WILDE, WILLIAMS (Preession 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.

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

Authorizes public utilities to enter into agreements to provide financial assistance for organizations to represent in regulatory proceedings before commission interests of low-income residential customers and residential customers that are members of environmental justice communities. Provides that total aggregate financial assistance available to all such organizations may not exceed $500,000 annually. Requires commission to establish process for evaluating and approving agreements. Requires commission to report by September 15, 2025, to interim committees of Legislative Assembly related to energy on implementation and impacts of new authorization to provide such financial assistance.

Authorizes certain measures to address mitigation of energy burdens. Requires costs of measures to be collected in rates of electric company through charges paid by all retail electricity consumers.

A BILL FOR 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:

ORS 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.

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

LC 1501
“(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:

ORS 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:

ORS 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.

(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 appro-
priate 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 fi-
nancial 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 or-
ganization 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 de-
scribed 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, pro-
vide 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 Decem-
ber 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 polices adopted or established by the commission as necessary to im-
plement 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 organ-
ization, 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 (e) 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.