

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 (Presession 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

1
2 Relating to public utilities; creating new provisions; and amending ORS 756.010, 757.072 and 757.230.

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

4 **SECTION 1.** ORS 756.010 is amended to read:

5 756.010. As used in ORS chapters 756, 757, 758 and 759, except as otherwise specifically provided
6 or unless the context requires otherwise:

7 (1) "Commission" means the Public Utility Commission of Oregon.

8 (2) "Commissioner" means a member of the Public Utility Commission of Oregon.

9 (3) "Customer" includes the patrons, passengers, shippers, subscribers, users of the service and
10 consumers of the product of a public utility or telecommunications utility.

11 (4) **"Environmental justice" means equal protection from environmental and health haz-**
12 **ards and meaningful public participation in decisions that affect the environment in which**
13 **people live, work, learn, practice spirituality and play.**

14 (5) **"Environmental justice communities" includes communities of color, communities**
15 **experiencing lower incomes, tribal communities, rural communities, coastal communities,**
16 **communities with limited infrastructure and other communities traditionally underrepre-**
17 **sented in public processes and adversely harmed by environmental and health hazards, in-**
18 **cluding but not limited to seniors, youth and persons with disabilities.**

19 [(4)] (6) "Municipality" means any city, municipal corporation or quasi-municipal corporation.

20 [(5)] (7) "Person" includes individuals, joint ventures, partnerships, corporations and associ-
21 ations or their officers, employees, agents, lessees, assignees, trustees or receivers.

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

1 [(6)] (8) "Public utility" has the meaning given that term in ORS 757.005.

2 [(7)] (9) "Rate" means any fare, charge, joint rate, schedule or groups of rates or other
3 remuneration or compensation for service.

4 [(8)] (10) "Service" is used in its broadest and most inclusive sense and includes equipment and
5 facilities related to providing the service or the product served.

6 [(9)] (11) "Telecommunications utility" has the meaning given that term in ORS 759.005.

7 **SECTION 2.** ORS 757.230 is amended to read:

8 757.230. (1) The Public Utility Commission shall provide for a comprehensive classification of
9 service for each public utility, and such classification may take into account the quantity used, the
10 time when used, the purpose for which used, the existence of price competition or a service alter-
11 native, the services being provided, the conditions of service, **differential energy burdens on**
12 **low-income customers and other economic, social equity or environmental justice factors**
13 **that affect affordability for certain classes of utility customers**, and any other reasonable
14 consideration. Based on such considerations the commission may authorize classifications or sched-
15 ules of rates applicable to individual customers or groups of customers. The service classifications
16 and schedule forms shall be designed consistently with the requirements of ORS 469.010. Each public
17 utility is required to conform its schedules of rates to such classification. If the commission deter-
18 mines that a tariff filing under ORS 757.205 results in a rate classification primarily related to price
19 competition or a service alternative, the commission, at a minimum, shall consider the following:

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

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

24 (c) For electric and natural gas utilities:

25 (A) Whether it is appropriate to incorporate interruption of service in the utility's rate agree-
26 ment with the customer; and

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

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

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

36 **SECTION 3.** ORS 757.072 is amended to read:

37 757.072. (1) A public utility providing electricity or natural gas may enter into a written agree-
38 ment with an organization that represents broad customer interests in regulatory proceedings con-
39 ducted by the Public Utility Commission relating to public utilities that provide electricity or
40 natural gas. The agreement shall govern the manner in which financial assistance may be provided
41 to the organization. The agreement may provide for financial assistance to other organizations found
42 by the commission to be qualified under subsection (2) of this section. More than one public utility
43 or organization may join in a single agreement. Any agreement entered into under this section must
44 be approved by the commission before any financial assistance is provided under the agreement.

45 (2)(a) Financial assistance under an agreement entered into under this section may be provided

1 only to organizations that represent [*broad customer*] interests in regulatory proceedings before the
2 commission relating to public utilities that provide electricity or natural gas **that are:**

3 **(A) The broad interests of customers;**

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

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

7 **(b)** The commission by rule shall establish such qualifications as the commission deems appro-
8 priate for determining which organizations are eligible for financial assistance under an agreement
9 entered into under this section.

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

13 **(d)** **The commission shall establish a process for evaluating and approving an agreement**
14 **described in this section that includes the provision of financial assistance to organizations**
15 **that represent the interests described in paragraph (a)(B) or (C) of this subsection. The**
16 **commission must evaluate and approve an agreement described in this paragraph before fi-**
17 **ancial assistance may be provided under the agreement. The agreement described in this**
18 **paragraph shall govern the manner in which financial assistance may be provided to an or-**
19 **ganization found by the commission to be qualified under paragraph (a)(B) or (C) of this**
20 **subsection. More than one public utility or organization may join in a single agreement de-**
21 **scribed in this paragraph.**

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

24 (a) The amount of financial assistance that may be provided to any organization;

25 (b) The manner in which the financial assistance will be distributed;

26 (c) The manner in which the financial assistance will be recovered in the rates of the public
27 utility under subsection (4) of this section; and

28 (d) Other matters necessary to administer the agreement.

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

33 **SECTION 4. The Public Utility Commission shall, no later than September 15, 2025, pro-**
34 **vide a report to the interim committees of the Legislative Assembly related to energy that**
35 **discusses, for the period beginning on the effective date of this 2021 Act and ending Decem-**
36 **ber 31, 2024, the implementation and impacts of the amendments to ORS 757.072 by section**
37 **3 of this 2021 Act. The report shall include, but need not be limited to:**

38 **(1) A description of the process established under ORS 757.072 (2)(d) and any other rules,**
39 **orders, processes or polices adopted or established by the commission as necessary to im-**
40 **plement the amendments to ORS 757.072 by section 3 of this 2021 Act; and**

41 **(2) A detailed description of the organizations described in ORS 757.072 (2)(a)(B) and (C)**
42 **that received funding during the period subject to reporting that includes, for each organ-**
43 **ization, a description of:**

44 **(a) The proceedings for which the organization received financial assistance;**

45 **(b) The amount of financial assistance received by the organization for each proceeding;**

1 (c) The issues raised by the organization in each proceeding for which the organization
2 received financial assistance; and

3 (d) The outcome within each proceeding with regard to the issues described in paragraph
4 (c) of this subsection.

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

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

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

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

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