

Minority Report
B-Engrossed
House Bill 2475

Ordered by the Senate May 11
Including House Amendments dated March 9 and Senate Minority
Report Amendments dated May 11

Sponsored by nonconcurring members of the Senate Committee on Energy and Environment: Senators FINDLEY,
ROBINSON

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 **interests of low-income residential customers or small commercial customers** in regulatory proceedings before commission **relating to rates and terms and conditions of service of public utilities that provide electricity or natural gas** [*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, **adjusted annually to reflect any percentage increase in Consumer Price Index**. [*Requires commission to establish process for evaluating and approving agreements.*] **Prohibits certain financial assistance from being recovered in rates charged to certain customers**. 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:

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.**

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

2 [(5)] (7) "Person" includes individuals, joint ventures, partnerships, corporations and associ-
3 ations or their officers, employees, agents, lessees, assignees, trustees or receivers.

4 [(6)] (8) "Public utility" has the meaning given that term in ORS 757.005.

5 [(7)] (9) "Rate" means any fare, charge, joint rate, schedule or groups of rates or other
6 remuneration or compensation for service.

7 [(8)] (10) "Service" is used in its broadest and most inclusive sense and includes equipment and
8 facilities related to providing the service or the product served.

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

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

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

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

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

27 (c) For electric and natural gas utilities:

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

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

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

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

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

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

1 or organization may join in a single agreement. Any agreement entered into under this section must
2 be approved by the commission before any financial assistance is provided under the agreement.

3 **(2)(a) Except as provided in paragraph (b) of this subsection,** financial assistance under an
4 agreement entered into under this section may be provided only to organizations that represent
5 broad customer interests in regulatory proceedings before the commission relating to **the rates and**
6 **terms and conditions of service of public utilities that provide electricity or natural gas.**

7 **(b) In addition to the organizations described in paragraph (a) of this subsection, in reg-**
8 **ulatory proceedings before the commission relating to the rates and terms and conditions**
9 **of service of public utilities that provide electricity or natural gas, financial assistance under**
10 **an agreement entered into under this section may be provided to organizations that repre-**
11 **sent the interests of:**

12 **(A) Low-income residential customers; or**

13 **(B) Small commercial customers.**

14 (c) The commission by rule shall establish such qualifications as the commission deems appro-
15 priate for determining which organizations are eligible for financial assistance under an agreement
16 entered into under this section.

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

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

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

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

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

24 **(4)(a) Except as provided in paragraphs (b) and (c) of this subsection,** the commission shall
25 allow a public utility that provides financial assistance under this section to recover the amounts
26 so provided in rates. The commission shall allow a public utility to defer inclusion of those amounts
27 in rates as provided in ORS 757.259 if the public utility so elects. An agreement under this section
28 may not provide for payment of any amounts to the commission.

29 **(b) The amount of financial assistance to organizations described in subsection (2)(b) of**
30 **this section cumulatively recovered in the rates of all public utilities may not exceed \$500,000**
31 **annually. For each calendar year beginning on or after January 1, 2023, the commission shall**
32 **adjust the dollar amount limitation set forth in this paragraph to reflect any percentage in-**
33 **crease in the Consumer Price Index for All Urban Consumers, West Region (All Items), as**
34 **published by the Bureau of Labor Statistics of the United States Department of Labor.**

35 **(c)(A) The commission may not allow a public utility to recover in rates charged to cus-**
36 **tomers that are not residential customers the amounts of financial assistance provided under**
37 **this section to organizations described in subsection (2)(b)(A) of this section.**

38 **(B) The commission may not allow a public utility to recover in rates charged to cus-**
39 **tomers that are not small commercial customers the amounts of financial assistance pro-**
40 **vided under this section to organizations described in subsection (2)(b)(B) of this section.**

41 **SECTION 4.** The Public Utility Commission shall, no later than September 15, 2025, pro-
42 vide a report to the interim committees of the Legislative Assembly related to energy that
43 discusses, for the period beginning on the effective date of this 2021 Act and ending Decem-
44 ber 31, 2024, the implementation and impacts of the amendments to ORS 757.072 by section
45 3 of this 2021 Act. The report shall include, but need not be limited to:

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

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

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

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

9 **(c) The issues raised by the organization in each proceeding for which the organization**
10 **received financial assistance; and**

11 **(d) The outcome within each proceeding with regard to the issues described in paragraph**

12 **(c) of this subsection.**

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

14