



Oregon Citizens' Utility Board

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From: Samuel Pastrick

**Regarding: HB 2475 - Oregon Energy Affordability Act
Before the Senate Committee on Energy & Environment**

HB 2475 -A11 Amendment: Counterproductive and Harmful to New and Broad Customer Groups

The HB 2475 -A11 amendment is counterproductive and harmful by restricting intervenors - both new and those representing broad customer interests - ability to recover costs for engaging in dockets before the Oregon Public Utility Commission (PUC) where past involvement from Oregon Citizens' Utility Board (CUB) resulted in significant benefits for all customers. In short: The limitation contemplated by the -A11 amendment would harm all energy utility customers.

Below are just *some* specific examples of PUC proceedings where CUB's advocacy either benefitted or would benefit all energy utility customers:

Integrated Resource Plans (IRPs): IRPs are the primary administrative venue through which regulated energy utilities create action plans, sometimes with more than \$1 billion in investment. They do not deal directly with rates and conditions of service. The closure of the Boardman coal plant through an IRP saved PGE customers \$200 million. CUB's intervention, as an eligible advocate for broad residential customers' interests, would not have been allowable. This was a planning docket, and while the resulting utility plans affected rates, rates were not set, and were not an issue in the proceeding. The benefit to customers ultimately came from avoiding a costly plant retrofit, which would have required a rate case to raise rates in order for PGE to recover that investment. **Large industrial customers benefited from CUB's work in that docket.**

Pension Investigation: The PUC, over a handful of years, conducted a pension investigation into the ratemaking treatment of energy utility pensions. Yet this was not a docket to set rates. Had the energy utilities overcame CUB's advocacy, which was only facilitated by the ability to recover intervention costs, it would have triggered rate cases to implement rate increases under the policy that eventually resulted from the docket. Once again, this was not a proceeding that concerned rates and conditions of service. This was a policy docket. Put another way: The rate setting was

an entirely separate proceeding than the one focused on the policy. **Large industrial customers benefited from CUB's intervention in that docket.**

Community Solar: The community solar proceeding born out of SB 1547 was in regard to implementing a state law that included a specific carveout for low-income communities. It was not a docket that in any way concerned rates and conditions of service; that discussion came later when the utilities filed separate cases to implement the community solar program.

Legislative Implementation: If HB 2021 (and/or future emissions reductions policy) passes, the PUC rulemaking to implement the law will certainly not be a docket to set rates and conditions of service. If HB 2475 passes, the PUC would likely begin implementation by first conducting an investigation to examine the range of options for ratemaking, including but not limited to percent of income payment plans, discount programs, and other approaches to reduce energy burden. But this proceeding would not directly affect rates and conditions of service. To implicate rates and conditions of service, utilities would need to file rate cases to implement the investigation results. Those later rate cases would affect rates and conditions of service after policy development.

In Summary: Were the -A11 amendment to pass, not only would new intervenors be hamstrung from recovering costs associated with intervening in critical policy dockets, so too would CUB and other representatives of broad customer interests, including those advocating on behalf of industrial and small commercial interests. In short, the -A11 amendment to HB 2475 is not just **counterproductive in terms of limiting opportunities for new intervenors, the amendment concept would be harmful to broad customer groups and, therefore, customers themselves.**

Thank you for your consideration,

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