

February 2, 2021

Oregon Progressive Party Independent Party of Oregon

Position on Bill at 2021 Session of Oregon Legislature:

SB 314: Oppose

Dear Committee:

The Oregon Progressive Party (OPP) and Independent Party of Oregon (IPO) oppose this bill, which unnecessarily perpetuates an anticompetitive monopoly on charging stations by allowing electric utilities to charge to ratepayers the cost of establishing and operating such stations (for electricity, hydrogen, or other alternative fuels).

The creation and operation of such stations is not a natural monopoly, any more than creation and operation of gas stations. We do not have, and do not need, gasoline stations that are involuntarily subsidized by a group of consumers (ratepayers), whether or not they use the stations. SB 314 would perpetuate a government-established monopoly on charging/fueling stations, creating the ultimate harms of anticompetitive commerce: higher prices and worse service. It would both subsidize such monopoly and protect it from financial risk.

Some say this bill would promote the purchase and use of electric and hydrogen vehicles by creating more charging stations sooner than would otherwise occur. That may be correct. If so, then the utilities should be required to auction off each such station to the highest bidder in order to establish a competitive environment for charging/fueling services.

SB 314 also does not ensure that utility ratepayers will not be harmed. It allows the Oregon Public Utility Commission to authorize utilities to charge the cost of building and operating charging/fueling stations to ratepayers, without recovering those costs from the users of the charging/fueling stations. The bill does not require the utilities to ever reimburse ratepayers for those costs.

All of these problems also infect Section 3 of the bill, which authorizes natural gas utilities to charge their ratepayers for investments and expenses relating to transportation vehicles powered, presumably, by natural gas. Again, natural gas "gas stations" are not a natural monopoly, and the gas utilities should not be subsidized by ratepayers for creating them, unless the utilities are required to auction off those stations so that a competitive market is established.

We second the concerns of the Pacific Propane Gas Association:

While we appreciate the narrow scope of the legislation, in general PPGA is concerned this legislation gives electric and natural gas utilities an unfair advantage in the alternative fuels marketplace by allowing utilities to charge all retail ratepayers for infrastructure many of these ratepayers will be unlikely to utilize. For example, this legislation could result in the companies and municipalities that have chosen propane Autogas to now have to pay increased electric or natural gas rates to fund vehicle infrastructure they will not utilize. Additionally, our members who are often retail utility customers may have to pay higher rates for to fund infrastructure they directly compete against.

In comparison the propane industry must work with customers who will utilize the benefits of propane Autogas to pay for the associated costs of infrastructure. We cannot, nor should we be able to, spread infrastructure costs of one retail customer to all our other retail customers.

Oregon Progressive Party

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