

House Committee on Energy and Environment  
Chair Pam Marsh  
900 Court St. NE  
Salem, OR 97301

February 19, 2021

Dear Chair Marsh and Members of the Committee,

Thank you for the opportunity to provide public testimony on HB 3141, which would make changes to the Public Purpose Charge originally established in SB 1149. Cascade Policy Institute is a nonpartisan, nonprofit research and education organization that is committed to protecting Oregon ratepayers from excessive electricity rates. Cascade Policy Institute opposes HB 3141.

The Public Purpose Charge was designed as a temporary, 10-year program. Over the last 20 years, however, that surcharge has been expanded to include most natural gas customers as well. Moreover, it has grown from the initial 3% to significantly higher levels for many customers; and its expiration date has been moved from 2012 to 2026.

While the program has grown, its cost-effectiveness has not. Since the 2003-04 biennium, expenditures per MBTU have risen by around 73%.

#### **Trends in Cost-Effectiveness for Energy Trust, OHCS and Schools**

<b>Years</b>	<b>PPC Expenditures</b>	<b>Claimed savings (MBTU)</b>	<b>Expenditure per MBTU</b>
2003-04	\$91,396,476	1,710,364	53.4
2005-06	\$121,070,476	2,021,518	60.3
2007-08	\$142,413,417	4,355,773	32.7
2009-10	\$176,725,248	1,751,822	100.8
2011-12	\$179,486,773	1,816,407	98.8
2013-14	\$157,980,241	1,914,424	82.5
2015-16	\$188,633,413	1,762,673	107.0
7/17-6/19	\$159,277,693	1,724,103	92.4

Since 2014, ETO has sought and received dozens of waivers from the Public Utility Commission for energy efficiency measures that were not cost-effective, demonstrating that this program is

no longer a good deal for ratepayers. HB 3141 would further expand the Public Purpose Charge's charter by allowing funds to now be used for small renewable projects like battery technology and expanding the alleged temporary program until January 1, 2036. Members of the committee should ask themselves why continued expansion is necessary.

Cascade Policy Institute did an extensive analysis of the Public Purpose Charge, which can be found here: [https://cascadepolicy.org/wp-content/uploads/2020/12/2020-11-Oregons\\_Public\\_Purpose\\_Energy\\_Tax\\_Mission\\_Accomplished\\_or\\_Mission\\_Creep.pdf](https://cascadepolicy.org/wp-content/uploads/2020/12/2020-11-Oregons_Public_Purpose_Energy_Tax_Mission_Accomplished_or_Mission_Creep.pdf).

We respectfully request that members of the committee reject HB 3141.

Sincerely,

Rachel Dawson  
Cascade Policy Institute