



NW Energy Coalition
for a clean and affordable energy future

February 21, 2025

To: Chair Nathan Sosa and Members of the House Committee On Commerce and Consumer Protection

From: Alma Pinto, Policy Associate, NW Energy Coalition

Re: Support for HB 3179, the FAIR Energy Act

The NW Energy Coalition (NVEC) is an alliance of over 100 organizations advocating for clean, affordable, and equitable energy in the Pacific Northwest. In my role, I work closely with Public Utility Commission (PUC) staff, consumer advocates, and community organizations on energy affordability dockets. Through this work, I have seen the growing energy affordability crisis in Oregon and the need for structural changes in how utility rates are evaluated. HB 3179 is an important step toward strengthening protections for residential ratepayers by ensuring that affordability is a central factor in ratemaking, preventing frequent and compounding rate increases, prohibiting winter rate hikes, and increasing transparency in utility spending.

Over the past several years, we have seen a pattern of frequent and significant rate increases that disproportionately burden residential customers, especially those who already struggle to afford basic necessities. The utility ratemaking process has historically prioritized cost recovery for utilities and financial returns for investors while lacking a meaningful framework for assessing the impact on ratepayers. The PUC is required to ensure rates are "just and reasonable," but there is currently no clear definition of what is "reasonable" for households already struggling to pay their bills. Additionally, rate cases are evaluated in isolation, with each new request assessed on its own merits rather than in the context of past increases, so current proceedings fail to account for the cumulative impact of multiple rate increases over time. This has allowed utilities to file multiple rate increases within short timeframes, leaving ratepayers with unpredictable and unaffordable energy costs—at the same time, Portland General Electric's most recent rate hikes helped drive its 2024 profits to a record \$313 million, highlighting the urgent need for stronger consumer protections.¹ HB 3179 addresses this issue by requiring a cumulative economic impact analysis, ensuring that past rate increases are factored into future decisions.

We also support the proposed 18-month waiting period between residential rate increases, which would prevent consecutive increases that compound financial hardship for customers. Frequent and unpredictable rate hikes create financial instability for households already living on tight

¹ *Portland General Electric reports big profit jump in 2024*, Portland Business Journal, February 14, 2024. <https://www.bizjournals.com/portland/news/2025/02/14/pge-profit-was-up-85-million-in-2024.html>

budgets. Low-income households, renters, and fixed-income seniors are particularly vulnerable under the current system. **While utility assistance programs such as a bill discount program provide some essential relief, they are not a comprehensive solution to the affordability crisis. In 2024 alone, approximately 10,000 low-income households receiving energy assistance—including those enrolled in bill discount programs—have still been disconnected by the state’s three largest utilities.**² This signals the need for broader affordability protections beyond existing bill discount programs. Disconnecting customers due to unaffordable energy costs has long-term economic consequences, leading to missed rent payments, reliance on predatory lending, and even housing instability³. Addressing affordability in the ratemaking process is critical to preventing these cascading financial hardships and ensuring that energy remains accessible for all Oregonians.

Furthermore, energy costs are particularly burdensome in the winter months when heating needs are unavoidable. Prohibiting rate increases during the winter is a necessary safeguard to protect ratepayers from additional financial strain and prevent dangerous disconnections that put lives at risk in freezing temperatures.⁴ A household already struggling to afford energy should not be forced to choose between heating their home and other essential expenses simply because of a poorly timed rate hike.

Ensuring that ratepayers can keep up with their bills is not just a matter of financial stability, it is also a matter of regulatory transparency and accountability. Yet, under the current system, customers and even regulators often lack clear insight into what is driving rate increases. Utilities justify higher costs by citing infrastructure investments, operational expenses, and regulatory compliance, but these explanations are buried in technical filings that are inaccessible to the average ratepayer. HB 3179 strengthens accountability by requiring utilities to clearly disclose cost components in residential rates. This is a necessary policy change to ensure that regulators and the public can fully evaluate whether rate increases are justified and aligned with the public interest.

Another key affordability safeguard in HB 3179 that NWEA is in support of is its approach to utility financing. Large-scale utility investments in grid modernization, clean energy are necessary, but without careful financing mechanisms, in the future these costs, along with other necessary infrastructure upgrades, can result in unaffordable rate spikes for customers. By allowing necessary infrastructure to be financed through securitization, a public bonding mechanism that generally has lower interest rates than shareholder financing does, HB 3179 prevents rate shock and provides stability for households already facing financial hardship while

² *In the Matter of Energy Utility Quarterly Report of Residential Disconnections for non-payment and subsequent reconnections per OAR 860-021-0408*, Docket No. RO 12, <https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=21694>

³ *How Utility Disconnections Affect Health*, Health Affairs, May 18, 2023. <https://www.healthaffairs.org/doi/10.1377/hpb20230518.472953/>

⁴ *Ibid.*

ensuring a safe and reliable grid.

As Oregon advances its clean energy goals and modernizes its energy infrastructure, it is critical that affordability is a central consideration in ratemaking. HB 3179 introduces key reforms to strengthen consumer protections, enhance transparency, and provide greater stability for ratepayers. NWECA appreciates the opportunity to provide comments in support of HB 3179 and the -1 amendments, and urges the committee to advance this critical legislation to protect Oregon ratepayers and ensure energy affordability remains a priority.

Thank you,

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