



**Testimony by City of Wilsonville Mayor Shawn O’Neil Supporting HB 3546:
*Proposed Legislation Equitably and Fairly Allocates Costs of New Power
Generation and Transmission to Industrial Customers Creating Demand***

Scheduled for public hearing on March 6, 2025, before the
House Committee On Climate, Energy, and Environment

Chair Lively, Vice-Chairs Gamba and Levy, and Members of the Committee:

I am testifying on behalf of the City of Wilsonville in strong support of HB 3546.

Media reports indicate that electrical rates have increased by 50% over the past four years primarily in order cover costs for increased electrical power generation and transmission for certain industrial customers that demand new power in enormous amounts. These high rate increases over a short period of time are detrimental to the financial health of both residents and small businesses. With 34% of our residents struggling to meet basic housing needs and support their families, it is unjust to burden them with these extraneous expenses.

Double-digit increases in electricity and natural gas rates over the past two years have led to utilities reporting that they have cut service to a record number of Oregon customers who are behind on paying monthly utility bills.

The increasing number of energy-intensive data centers is unprecedented in size and scope: the energy needs are greater than the power system has ever needed to serve and are always at peak load demand. Never has a single set of customers accounted for so much growth so quickly on the power grid system as data centers have demonstrated.

The Citizens Utility Board indicates that PGE has incurred \$210 million in local transmission upgrades to serve data center load and those costs are shared by all customers. Rates for residential customers are 19.6 cents/kWh vs. 8.2 cents/kWh for industrial customers that include data centers, a 139% difference.

Utility costs are assigned to rate classes; the proposed legislation creates a data center rate class. Precedent has already been set for power customers with unique cost implications – like irrigators and street lighting – to have their own rate class. HB 3546 allows state regulators to assign these high costs to those customers creating these new expenses.

The City appreciates your consideration and urges your support of HB 3546.

Shawn O’Neil, Mayor
City of Wilsonville