

SB 1588 STAFF MEASURE SUMMARY

Senate Committee On Energy and Environment

Prepared By: Beth Reiley, LPRO Analyst

Meeting Dates: 2/9, 2/11

WHAT THE MEASURE DOES:

The measure requires electric companies, with the exception of consumer owned utilities, to develop and file for approval of an inclusive utility investment program (program) with the Public Utility Commission (PUC) that would pay upfront costs for qualifying energy efficiency and renewable energy projects and recover costs through customer bills. The Act requires that if the program is approved by the PUC, the program must be available to customers by January 1, 2028.

Detailed Summary:

Outlines the types of projects that would be eligible. Establishes that participation in program is voluntary and available to customer owning the property site or a tenant with permission from property owner. Requires that program to provide customer with immediate and ongoing savings and stipulates that the financing charge must be less than estimated savings. Requires that program be accessible to low-income customers and environmental justice communities, ensures customers use all other available financial incentives, and includes customer protection standards.

Requires electric company in developing the program to address how they will secure capital or work with third-party lenders. Requires electric company to coordinate and consult with entity tasked with administering public purpose charge moneys and integrate program with existing planning requirements. Authorizes the PUC to take certain actions associated with Act. Establishes that electric company can recover prudent costs incurred in program development and implementation.

Requires electric company in developing the program to review existing programs, including “Pay As You Save” system and consult with the Department of Energy and utility equity advisory groups.

Requires electric company to file for approval the proposed program with the PUC in the next distribution system planning docket after the effective date of Act. Stipulates if PUC approves program, it must be available to customers no later than January 1, 2028.

REVENUE: May have revenue impact, but no statement yet issued

FISCAL: May have fiscal impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Energy efficiency is the second largest energy resource in the state of Oregon according to the 2024 Biennial Energy Report (2024 BER). The Northwest Power & Conservation Council reports that since 1978, the Pacific Northwest has provided about 7,678 average megawatts of savings through efficiency programs and improvements. The 2024 BER stated that 69 percent of the electricity generated in Oregon in 2022 came from non-greenhouse gas emitting resources.

According to the 2024 BER, the amount of renewable electricity generated in Oregon has grown due to customer demand, reductions in costs, and clean energy policies, like the Renewable Portfolio Standard and the 100 percent clean electricity by 2040 target set by HB 2021 (2021).

In 1999, the Oregon Legislative Assembly adopted Senate Bill 1149 which directed Portland General Electric (PGE) and Pacific Power to collect three percent of their revenues for a public purpose charge (PPC) to fund new cost-effective energy conservation, new market transformation efforts, above-market costs of new renewable energy resources, and new low-income weatherization. Energy Trust was designated by the Public Utility Commission to administer the conservation and renewable energy resource components of the PPC.

PRELIMINARY