

# A-Engrossed House Bill 4067

Ordered by the House February 12  
Including House Amendments dated February 12

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Energy and Environment for Representative Karin Power)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Authorizes Public Utility Commission to consider differential energy burden and other inequities of affordability in rates.

Authorizes public utilities to enter into agreements to provide financial assistance for organizations to represent in regulatory proceedings before commission interests of low-income residential customers and residential customers that are members of environmental justice communities.

Directs commission to establish public process for investigating ways to address and mitigate, through nonbypassable means, differential energy burdens on classes of public utility customers and other inequities of affordability and environmental justice. Requires commission to incorporate findings into commission's 2021 report to Environmental Justice Task Force and Governor. Sunsets public process January 2, 2022.

## A BILL FOR AN ACT

Relating to public utilities; creating new provisions; and amending ORS 756.010, 757.072 and 757.230.

**Be It Enacted by the People of the State of Oregon:**

**SECTION 1.** ORS 756.010 is amended to read:

756.010. As used in ORS chapters 756, 757, 758 and 759, except as otherwise specifically provided or unless the context requires otherwise:

(1) "Commission" means the Public Utility Commission of Oregon.

(2) "Commissioner" means a member of the Public Utility Commission of Oregon.

(3) "Customer" includes the patrons, passengers, shippers, subscribers, users of the service and consumers of the product of a public utility or telecommunications utility.

**(4) "Environmental justice" means equal protection from environmental and health hazards and meaningful public participation in decisions that affect the environment in which people live, work, learn, practice spirituality and play.**

**(5) "Environmental justice communities" includes communities of color, communities experiencing lower incomes, tribal communities, rural communities, frontier communities, coastal communities and other communities traditionally underrepresented in public processes and adversely harmed by environmental and health hazards, including but not limited to seniors, youth and persons with disabilities.**

[(4)] **(6)** "Municipality" means any city, municipal corporation or quasi-municipal corporation.

[(5)] **(7)** "Person" includes individuals, joint ventures, partnerships, corporations and associations or their officers, employees, agents, lessees, assignees, trustees or receivers.

[(6)] **(8)** "Public utility" has the meaning given that term in ORS 757.005.

[(7)] **(9)** "Rate" means any fare, charge, joint rate, schedule or groups of rates or other

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 remuneration or compensation for service.

2 [(8)] (10) "Service" is used in its broadest and most inclusive sense and includes equipment and  
3 facilities related to providing the service or the product served.

4 [(9)] (11) "Telecommunications utility" has the meaning given that term in ORS 759.005.

5 **SECTION 2.** ORS 757.230 is amended to read:

6 757.230. (1) The Public Utility Commission shall provide for a comprehensive classification of  
7 service for each public utility, and such classification may take into account the quantity used, the  
8 time when used, the purpose for which used, the existence of price competition or a service alter-  
9 native, the services being provided, the conditions of service, **differential energy burdens on**  
10 **low-income customers and other economic, social equity or environmental justice factors**  
11 **that affect affordability for certain classes of utility customers**, and any other reasonable  
12 consideration. Based on such considerations the commission may authorize classifications or sched-  
13 ules of rates applicable to individual customers or groups of customers. The service classifications  
14 and schedule forms shall be designed consistently with the requirements of ORS 469.010. Each public  
15 utility is required to conform its schedules of rates to such classification. If the commission deter-  
16 mines that a tariff filing under ORS 757.205 results in a rate classification primarily related to price  
17 competition or a service alternative, the commission, at a minimum, shall consider the following:

18 (a) Whether the rate generates revenues at least sufficient to cover relevant short and long run  
19 costs of the utility during the term of the rates;

20 (b) Whether the rate generates revenues sufficient to insure that just and reasonable rates are  
21 established for remaining customers of the utility;

22 (c) For electric and natural gas utilities:

23 (A) Whether it is appropriate to incorporate interruption of service in the utility's rate agree-  
24 ment with the customer; and

25 (B) Whether the rate agreement requires the utility to acquire new resources to serve the load;  
26 and

27 (d) For electric utilities, for service to load not previously served, the effect of the rate on the  
28 utility's average system cost through the residential exchange provision of the Pacific Northwest  
29 Electric Power Planning and Conservation Act of 1980, Public Law 96-501, as amended.

30 (2) The commission may prescribe such changes in the form in which the schedules are issued  
31 by any public utility as may be found to be expedient. The commission shall adopt rules which allow  
32 any person who requests notice of tariff filings described under subsection (1) of this section to re-  
33 ceive such notice.

34 **SECTION 3.** ORS 757.072 is amended to read:

35 757.072. (1) A public utility providing electricity or natural gas may enter into a written agree-  
36 ment with an organization that represents broad customer interests in regulatory proceedings con-  
37 ducted by the Public Utility Commission relating to public utilities that provide electricity or  
38 natural gas. The agreement shall govern the manner in which financial assistance may be provided  
39 to the organization. The agreement may provide for financial assistance to other organizations found  
40 by the commission to be qualified under subsection (2) of this section. More than one public utility  
41 or organization may join in a single agreement. Any agreement entered into under this section must  
42 be approved by the commission before any financial assistance is provided under the agreement.

43 (2)(a) Financial assistance under an agreement entered into under this section may be provided  
44 only to organizations that represent [broad customer] interests in regulatory proceedings before the  
45 commission relating to public utilities that provide electricity or natural gas **that are:**

1       **(A) The broad interests of retail customers; or**

2       **(B) The interests of low-income residential customers or residential customers that are**  
3 **members of environmental justice communities.**

4       **(b)** The commission by rule shall establish such qualifications as the commission deems appro-  
5 priate for determining which organizations are eligible for financial assistance under an agreement  
6 entered into under this section.

7       (3) In administering an agreement entered into under this section, the commission by rule or  
8 order may determine:

9       (a) The amount of financial assistance that may be provided to any organization;

10       (b) The manner in which the financial assistance will be distributed;

11       (c) The manner in which the financial assistance will be recovered in the rates of the public  
12 utility under subsection (4) of this section; and

13       (d) Other matters necessary to administer the agreement.

14       (4) The commission shall allow a public utility that provides financial assistance under this  
15 section to recover the amounts so provided in rates. The commission shall allow a public utility to  
16 defer inclusion of those amounts in rates as provided in ORS 757.259 if the public utility so elects.  
17 An agreement under this section may not provide for payment of any amounts to the commission.

18       **SECTION 4. (1) The Public Utility Commission shall, in consultation with relevant state**  
19 **agencies, establish a public process for the purpose of investigating ways to address and**  
20 **mitigate, through nonbypassable means, differential energy burdens on classes of public**  
21 **utility customers and other inequities of affordability and environmental justice. As part of**  
22 **the public process established under this subsection, the commission shall:**

23       **(a) Investigate the potential for demand response, weatherization and other programs to**  
24 **reduce energy burdens and energy bills;**

25       **(b) Investigate the potential for mitigation of energy burdens through bill reduction**  
26 **measures or programs that may include, but need not be limited to, establishing a bill credit**  
27 **program, a low-income rate classification or a multifamily rate classification; and**

28       **(c) Study best practices from around the country for delivery of programs and creation**  
29 **of systems that mitigate differential energy burdens.**

30       (2) As part of the public process established under subsection (1) of this section, the  
31 commission shall provide the public with an opportunity to comment.

32       (3) The commission shall incorporate the findings of the public process established under  
33 subsection (1) of this section into the commission's report for the year 2021 that the com-  
34 mission is required to provide to the Environmental Justice Task Force and to the Governor  
35 under ORS 182.550.

36       **SECTION 5. Section 4 of this 2020 Act is repealed on January 2, 2022.**  
37