

Support Legislation to Address Energy Affordability from Rising Utility Costs

The LOC will: support actions to maintain affordable and reliable energy resources; invest in programs and new technology that support energy efficiency, renewable energy, and battery storage to reduce overall energy costs and demands; and address grid challenges by supporting energy resilience while balancing the pace of energy production and supply that impact rates.

Background

In recent years, rising utility costs have increased the energy burden on Oregonians, particularly low-income Oregonians, those with fixed incomes, and those unable to work. Costs contributing to these increases include: infrastructure upgrades; maintenance and modernization; climate impacts from increased extreme weather events (wildfires, ice storms, snowstorms, flooding, etc.); mitigation costs associated with extreme weather events; fuel costs; inflation; legislative and gubernatorial actions; and investments in new energy-producing technology.

While many investment opportunities exist, more cooperation and collaboration are essential to finding a path forward that reduces the need for the large rate increases that impact Oregonians. Rate increases should balance and prioritize vital labor, infrastructure, and mitigations necessary to sustain present and future energy demands with compensation.

Building, Upgrading, and Maintaining Current Transmission Lines

Building new transmission lines will be necessary to meet the energy demands of the future, but we can reduce the overall costs and number of projects by utilizing new technologies to upgrade and maintain existing lines. Grid enhancing technologies (GETs) and reconductoring can increase the capacity of our current lines considerably, while grid hardening techniques can significantly reduce the potential of wildfires without burying the lines. Oregon can dramatically reduce the burden of rate increases by adopting new technologies, maintaining and upgrading the current grid, and building smarter with low-cost, high-reward options.

Supporting Local Energy Production, Microgrids, and Resilient Communities

Addressing high utility rates and building resilient communities go hand in hand. Every community in Oregon has unique resources that can be utilized to generate energy locally, thus reducing the need to buy power from outside of the state and having the added effect of building resilient communities. Setting up microgrids and adding battery storage can ensure that a community is able to keep the lights on and that critical services will function during the worst disasters. To achieve these objectives, the LOC will:

- Support legislation that empowers communities to set up their own microgrids, build locally generated renewable energy and battery storage, and create energy resilient communities.

- Support an additional \$25 million to continue the [Community Renewable Energy Grant \(C-REP\) program](#) through the 2025-26 biennium to help local governments plan for and construct projects that build energy resilient communities.
 - 92 projects have been awarded a planning or construction grant through the first three rounds
 - 34 cities have been awarded a grant for planning or construction
 - 71 cities have applied

Addressing Energy Utility Rates

In 2021, the Legislature passed HB 2021, which set timelines for the state's investor-owned utilities (IOUs) to transition to clean energy resources. Since then, energy demand has skyrocketed, and a major reason has been the dramatic increase in technology and the data centers necessary to power this new technology. These high-energy users are creating major pressures on our energy system, and Oregonians are bearing the brunt of those costs in IOU territories. To address this, legislators are seeking tools that will allow the Oregon Public Utility Commission (PUC) to assign energy costs to outsized energy users instead of burdening residential customers.

Additionally, other efforts seek to ensure that rate increases are covering the most essential investments to ensure Oregon retains a reliable, safe, and affordable grid. This will enable the PUC to determine a rate increase by focusing on investments, maintenance, and factors necessary to maintain the grid and provide a safeguard against unaffordable rate increases.

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