

PUBLIC PURPOSE CHARGE

F a c t



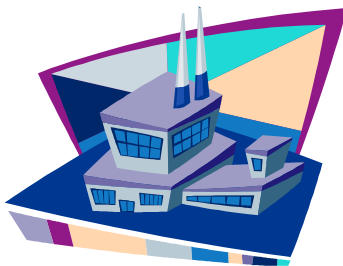
S h e e t

If you are a customer of Portland General Electric (PGE) and PacifiCorp (PPL), you pay a 3% charge on your retail bill for energy conservation, renewable resource, and low-income energy programs. Both NW Natural and Cascade Natural Gas collect lesser amounts from their customers. The public purpose charge is included in Senate Bill 1149 that took effect March 1, 2002.

The Energy Trust of Oregon, an independent third party nonprofit, administers the majority of those funds for conservation and renewable energy projects. The balance of the public purpose funds go to schools, low-income weatherization, and low-income housing. A separate collection provides low-income bill payment assistance.

The public purpose fund money goes into five pots:

- About 56 percent of the funds collected go for energy conservation in homes and businesses. The Energy Trust of Oregon administers these funds.
- About 17 percent of the funds go for the building of new renewable resource power plants and other renewable resource projects. The Energy Trust administers these funds.
- About 12 percent of the funds go for the weatherization of homes of low-income households. Oregon's housing agency administers these funds.
- About 10 percent of the funds go for energy conservation in schools. Education Service Districts administer these funds.



- About 5 percent of the funds go for the rehabilitation and construction of low-income housing. Oregon's housing agency administers these funds.
- Large customers can use part of their public purpose charge for their own investments in conservation and renewable resources.

In 2007 SB 838 made some changes. In addition to extending the law to 2026, a key provision for conservation in SB 838 is the ability for utilities to ask the Commission for permission to include in rates the costs of implementing or funding additional cost-effective energy conservation measures.

The Commission requires PGE and PPL to assess the achievable cost effective conservation *potential* in their service territories. If there is a gap between the potential and what can be achieved through the current public purpose funding, the utility can ask the Commission to include in customer rates the cost to pursue the additional conservation. Retail electricity consumers whose load is greater than 1 aMW are excluded from these specific rate increases. However, they are not allowed to directly benefit from the related conservation measures.

