

PUBLIC PURPOSE CHARGE

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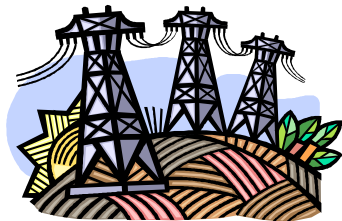


S h e e t

Portland General Electric (PGE) and PacifiCorp (PPL) customers pay a 3% charge on their bills that goes for energy conservation, renewable resource, and low-income energy programs. The 3% public purpose charge came about from Senate Bill 1149, which the legislature approved in 1999, and took effect March 1, 2002.

In 2007 the legislature fine tuned the legislation by passing SB 838. 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. PGE and PPL are required by the Commission 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 now present that analysis to the Commission and ask for rate recovery of the cost to pursue the additional conservation. While retail electricity consumers whose load is greater than 1 aMW are excluded from these specific rate increases, they are also not allowed to directly benefit from any of related conservation measures.

The Energy Trust of Oregon is the independent third party non-profit founded to administer the majority of those funds for conservation and renewable energy projects. The balance of the public purpose funds are distributed to schools, low income weatherization, and low income housing. There is a separate collection for 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.

