

# Public Purpose Charge Program

## HB 3141 Updates

HB 3141 (2021) extends, modifies, and modernizes the Public Purpose Charge originally created by SB 1149 in 1999. These changes affect two core Oregon Department of Energy programs: the Schools Program and the Large Electric Consumer Public Purpose Program (LECPPP), also known as the Self-Direct Program. While the schools program remains basically unchanged, the LECPPP will see significant changes to what types of projects can be funded.

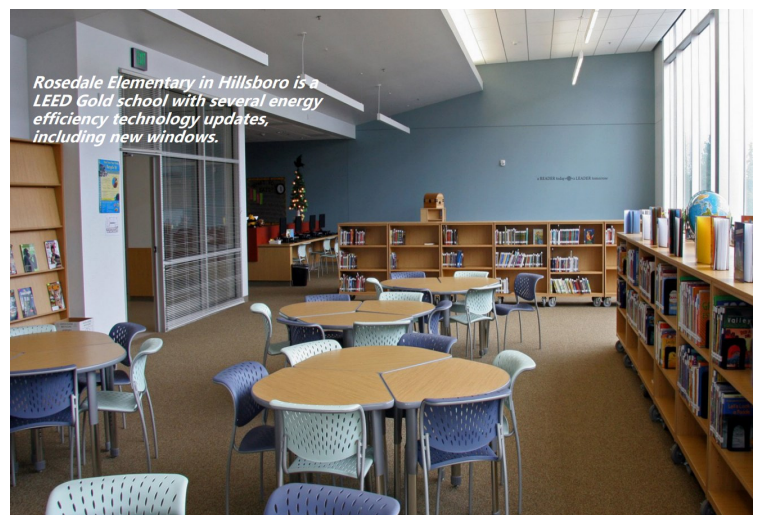
### PPC Background

SB 1149 in 1999 directed Portland General Electric and PacifiCorp to collect from their customers a PPC equal to 3 percent of the total revenues collected by the utilities. PPC dollars fund energy efficiency, development of new renewable energy projects, and low-income weatherization projects. SB 1149 specified that a non-utility and non-governmental entity (Energy Trust of Oregon) would manage the energy efficiency and renewable energy portions of the funds collected by the utilities. The bill also stipulated that the first 10 percent of funds collected each year by the utilities were to be distributed to school districts located in their service territories for projects. Industrial customers with greater than one average megawatt usage could choose to self-direct their PPC funds toward energy efficiency and renewable energy projects.

The legislation in 2021, HB 3141, had two main goals: to extend the PPC beyond the current sunset date of 2026 for another 10 years, and to modernize the energy efficiency portion of the PPC. Funding for energy efficiency shifted the acquisition of all cost-effective energy efficiency to the Integrated Resource Planning (IRP) process regulated by the Oregon Public Utility Commission, thereby reducing the PPC to 1.5 percent of utility total revenues. ODOE's [2021 Report to the Legislature](#) details a biennial history of PPC transactions.

### Schools Program

The total amount of funding for the [schools program](#) will remain the same, although the allocation formula will need to change. More importantly, school districts are now slated to receive 10 additional years of funding through 2036. Funds remain focused on energy and fleet audits, efficiency upgrades in public K-12 instructional school facilities, and electric school buses/infrastructure. The modest programmatic impacts will be addressed with changes to the [Schools Program Guidelines](#).



## LECPPP

In addition to the 10-year extension, HB 3141 brings two significant changes to LECPPP. The energy efficiency portion of the public purpose charge will no longer be collected, and projects will be funded through rates under the IRP process and delivered through ETO programs. Industrial customers of utilities with greater than one average megawatt usage at a site can still self-direct the remaining funds, through LECPPP. HB 3141 added language that allows funding, in addition to renewable energy projects, for “distribution system-connected technologies that support reliability, resilience, and integration of renewable energy.” The upcoming Public Utility Commission rulemaking processes will further clarify and define “distribution system-connected technologies.” Self-Direct customers can continue to buy Green Tags or renewable energy certificates.

ODOE will continue to administer the remaining portion of the PPC. ODOE’s administrative costs for LECPPP are recovered with fees based on the cost of energy efficiency and renewable projects. On average, around half of the total fees collected have come from energy efficiency projects, and it is not yet clear how these changes may affect fees collected in the future.

### Bill Implementation

ODOE is developing the scope and timeline for implementing the changes from HB 3141. The agency is engaged in discussions with our partners at the OPUC and ETO on implementation and meeting the January 1, 2022 operational date. These discussions are aimed at aligning timelines and defining dependencies across the agencies. It is expected that ODOE’s rulemaking processes for LECPPP will refer to the to-be-developed OPUC rules and definitions for the new allowable expenditures under the renewable portion of the PPC. ODOE is also engaging with investor-owned utilities and self-direct utility customers.

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