



Equity and Impacted Communities

Introduction

The Oregon Public Utility Commission’s mission is to ensure Oregonians have access to safe, reliable and fairly priced utility services that advance state policy and promote the public interest. The PUC recognizes that to achieve this mission, we must (1) consider the impacts of our decision-making on all utility customers, especially those in traditionally underserved communities such as communities of color, rural communities, tribal nations, and low-income customers, and (2) perform our regulatory oversight through a process that encourages meaningful participation from diverse perspectives and equitably balances interests of customers and communities, utilities, and other industry stakeholders.

This section focuses on the numerous activities the PUC has undertaken to promote this vision and provide increased attention to the areas of equity, diversity and inclusion in agency programs and activities.

We divide this section into two parts. First, we discuss two early directives that helped lay the foundation for the PUC’s efforts to address diversity, equity, and inclusion in agency proceedings and decision-making—Senate Bill 978 (2017) and the Governor’s Executive Order 20-04. We highlight our actions taken in response to these directives, those driven by our own initiative, and those done in response to the COVID-19 pandemic. Second, we discuss the numerous bills passed by the 2021 Legislature providing the PUC new authority and direction on equity and environmental justice, and the many actions the PUC has undertaken to implement them.

Early Policy Direction

[Senate Bill 978](#)

In 2017, the Legislature passed SB 978, which helped lay the foundation for the PUC’s current work on diversity, equity, and inclusion.

SB 978 directed the PUC to use a public process to explore how investor-owned electric utilities are regulated in a rapidly changing industry and policy environment. The bill asked the PUC to identify changes that could “accommodate developing industry trends and support new policy objectives without compromising affordable rates, safety and reliable service.”

In collaboration with the Legislature and stakeholders, the PUC hosted a dynamic and inclusive public process to explore stakeholder priorities for the electric sector. The process included experienced and new PUC stakeholders, all of whom brought important perspectives. Making progress on climate and equity was an overwhelming consensus among participants.

In its [SB 978 Report](#), the PUC identified, among other things, the need to improve equitable and affordable access to energy services, and to further promote engagement and inclusion in PUC processes. The PUC noted, however, that legislative action was necessary to more fully address equity, such as the authority to provide customer discounts through differentiated rates.

[Executive Order 20-04](#)

In setting out directives for agencies to integrate the state’s greenhouse gas emission (GHG) reduction goals, Sections 3 and 5 of Executive Order 20-04 directed the PUC to take the following actions to promote equity:

- Prioritize actions that will help vulnerable populations and impacted communities adapt to climate change impacts
- Consult with the Environmental Justice Task Force when evaluating climate change mitigation and adaptation priorities and actions
- Participate in the Interagency Workgroup on Climate Change Impacts to Impacted Communities
- Prioritize proceedings and activities, to the extent consistent with other legal requirements, that advance decarbonization in the utility sector, and exercise its broad statutory authority to reduce GHG emissions, mitigate energy burden experienced by utility customers, and ensure system reliability, and resource adequacy
- In cooperation with Oregon Housing and Community Services, establish a public process to address differential energy burdens and inequities of affordability and environmental justice, including rate design and other programs to mitigate energy burden

In response, the PUC, building upon initiatives following the SB 978 public process, developed an [Impacted Communities Work Plan](#) that established the goal to undertake various activities to address the disproportionate effect of climate change on impacted communities and those traditionally underrepresented in public processes. These activities included both internal organizational and business changes, as well as external engagement and educational activities.

The PUC’s accomplishments and status of on-going activities include:

- Establishing New Positions within the PUC to help the agency become a more diverse, equitable, and inclusive organization that is better equipped to serve all customers and the public generally
 - The *Diversity, Equity and Inclusion (DEI) Director* joined the PUC's Executive Office in January 2021 to initiate and support various activities to address the disproportionate effect of climate change on impacted communities and those traditionally underrepresented in public processes. The DEI Program Director also serves as the PUC's first dedicated *Tribal Liaison*. This change reflects the PUC's commitment to building and strengthening our relationships with Oregon's nine federally recognized tribes and presents new opportunities to engage with tribal government and their members in more meaningful and sustainable ways.
 - The *Energy Justice Program Manager* joined the Utility Program in May 2022 to add a layer of analytical expertise to ensure the on-going energy transition process provides value to all. This position guides the Utility Program's approach to energy burden, environmental justice, accessibility representation, and other equity-related issues. This position's focus is on ensuring Staff's independent analysis and recommendations address environmental justice and equity.
- Conducting Enhanced Stakeholder Outreach and Education to help stakeholders understand PUC processes and to encourage greater participation. For a list of training topics (and access to recorded sessions), please visit [Trainings to Understand PUC Processes & Get Involved](#).
- Developing a DEI Operations Plan to operationalize diversity, equity, and inclusion within the PUC and to help the PUC become a more diverse, equitable, and inclusive organization that is better equipped to serve all customers and the public generally.

Covid-19 Impacts and Response

Throughout much of 2020 and 2021, the PUC engaged in various activities to assist Oregonians struggling with the economic impacts of the COVID-19 pandemic. Efforts included hosting a series of workshops focused on the impacts COVID-19 had on utility customers and exploring their recovery from the pandemic.

Engagement with utilities, Oregon Housing and Community Services, and representatives from impacted communities, as well as data gathered through requests and surveys, assisted in shaping proposals to address the social and financial hardships that customers were facing as a result of the pandemic.

These efforts included collaborative work with the utilities and stakeholders to suspend service disconnection and development of new arrearage management plans for six energy investor-owned utilities (PGE, PacifiCorp, Idaho Power, Northwest Natural, Avista Utilities, and Cascade Natural Gas).

For more information about the PUC’s workshops on the impacts of COVID-19 on customers, including the PUC Staff’s Final Report and PUC orders approving disconnection moratoriums and new bill arrearage management programs, see [COVID-19 Impacts](#).

2021 Legislative Action

The 2021 Legislative Assembly passed numerous bills impacting the work at the PUC and containing many directives related to equity, environmental justice, and impacted communities. These include:

[House Bill 3141 \(2021\) – Public Purpose Charge and Equity Metrics](#)

HB 3141 makes numerous changes to laws governing the collection and use of the public purpose charge (PPC). The bill extends the collection of the PPC to 2036 and modifies the amounts collected by utilities under ORS 757.612 for energy conservation. In addition, HB 3141 obligates the PUC to establish equity metrics for oversight of the Energy Trust of Oregon by December 31, 2022, and requires that a nongovernmental entity annually report on progress toward equity metrics.

The PUC is implementing HB 3141 in [UM 2195](#) and [UM 1158](#), and engaged a third party consultant to assist in outreach and data collection from a diverse stakeholder group for the purpose of informing development of the equity metrics. Three workshops have been held with the goal of having equity metrics adopted and in place by the December 31, 2022 deadline.

[House Bill 2475 \(2021\) – Equity, Funding, and Rates](#)

HB 2475 provides the PUC new authority to set differentiated rates for low income and energy burdened customers and expands funding opportunities for participation in PUC proceedings.

First, the bill expands the factors the PUC may consider when establishing rate classifications to set customer rates under [ORS 757.230](#). Previously, the statute required usage-based classes (quantity used, the time when used, the purpose for which used). HB 2475 now allows the PUC to also consider “differential energy burdens on low-income customers and other economic, social equity or environmental justice factor that affect affordability for certain classes of utility customers.”

Second, HB 2475 allows organizations that represent low-income residential customers and residential customers that are members of environmental justice communities to receive intervenor funding to participate in PUC proceedings. The bill allows funding for such groups up to \$500,000 annually.

The PUC has undertaken many activities to implement HB 2475. With regard to low income rates, the PUC opened [UM 2211](#) and adopted a two-pronged approach to help deliver benefits to customers. First, to provide near-term relief for low income customers, the PUC worked with stakeholders to develop interim differential rates. As of August 2022, the PUC has approved interim differential rates, for five of the six utilities, and is working with Idaho Power on options to provide interim low income relief to its Oregon customers. Second, the PUC is working with stakeholders and utilities to develop long-term rates to address differential energy burden and factors that affect affordability for certain classes of utility customers.

Information about the interim rates and on-going work on permanent rates can be found at the following dockets:

- [PGE – ADV 1365](#)
- [NW Natural –ADV 1390](#)
- [Cascade –ADV 1409/UG 437](#)
- [Avista –ADV 1410](#)
- [PacifiCorp –UE 409](#)

With regard to expanding intervenor funding for organizations that represent low income communities and residential customers that are members of environmental justice communities, the PUC has similarly taken a two-pronged implementation approach. The PUC, working with the utilities and stakeholders, negotiated interim intervenor funding agreements to provide funding to support participation in PUC proceedings now. In addition, the PUC opened [AR 652](#) to develop expanded long-term intervenor funding agreements to be codified in PUC rules. For more information see:

- [Interim Intervenor Funding](#)
- [Intervenor Funding FAQs](#)
- [AR 652 Intervenor Funding Update](#)

[House Bill 2165 \(2021\) – Transportation Electrification \(TE\)](#)

This bill creates a robust utility investment structure for infrastructure to support electrifying the transportation fleet through a charge of 0.25 percent on revenues received from customers of Portland General Electric and Pacific Power. Investments will assist in preparing the electric

grid for vehicle electrification and the two utilities are encouraged to invest at least 50 percent to benefit communities underserved by investments in electric vehicle infrastructure. The bill also increases the current rebate for zero-emission electric vehicles from \$2,500 to \$5,000.

The PUC is implementing HB 2165 through [UM 2165](#), which seeks to develop an updated utility TE investment framework that creates a pathway to increased TE investments. As part of that effort, in September 2021, the PUC hosted a TE workshop on equity. That workshop focused on TE portfolios that better address underserved communities and equity goals, as well as approaches to analysis of non-energy impacts to inform program investments. For more information see [Transportation Electrification - Investment Framework](#).