



# The 2013 Annual Report of the Citizens' Utility Board of Oregon and the CUB Policy Center.

## 2013 Good Year for CUB Legislative Goals

2013 was a legislative year for CUB. We went into the session with specific goals, most of which were met. We added to the list of appliances that have energy efficiency standards, ensuring that consumers are offered only the most efficient models of appliances. We closed a loophole in the state's emissions performance standard, which prevents new coal plants from being built. The loophole did not allow for regulation of coal power generated out of state but used to meet Oregon load, an original intention of the standard when it was first adopted in 2009. We also defeated all attempts to weaken Oregon's renewable energy standard.

We saw a last-minute attempt to divert ratepayer dollars away from low-income weatherization programs. Working with utilities and a broad range of stakeholders, we were able to prevent the transfer and protect the weatherization programs by asking Gov. John Kitzhaber to veto the transfer which he did. This was an important action to underscore, as we have so often over the last decade, that the legislature cannot use ratepayer dollars to fund general fund obligations.

Overall, CUB again had a very successful session thanks to our members and supporters. We're grateful to everyone who responded to our mails and calls about emailing and calling their state legislators. It made a difference!

## CUB Connects: 3 years of a making a difference for Oregonians

2013 was another great year for CUB Connects. It's become a thriving resource for Oregonians looking to research their phone and internet options. The website, CUBConnects.org, receives activity daily, while the toll-free helpline (1-855-892-4314) answers phone calls ranging from helping people discover service providers in their area, to helping find the best mobile phone plan for a family, to assisting low-income Oregonians find inexpensive internet options.

In the spring we completed our annual database validation, meticulously going over every plan in our database to ensure that the site remains accurate.

Over the summer, CUB Connects continued its educational outreach by providing two workshops at the Albina Library: "Choosing the Right Phone Plan" and "Understanding Your Phone and Internet Bills". Attendees of these workshops found them very helpful, and they have referred friends and family to the CUB Connects helpline.

Last month, CUB Connects helped CUB Executive Director Bob Jenks save \$90/month on his family's wireless telephone by converting to a lower cost alternative. That's just one example of how CUB Connects has truly become a valuable resource for Oregon. We still remain the only service of its kind: a truly independent, advertisement free database of phone and internet plans. People tell us how refreshing it is to talk with someone who isn't trying to sell them something. Our only concern is that people are receiving the service they need at a price they can afford!

## Transitioning Oregon from Coal

Working to move our utilities from their coal resources has been a top priority for CUB. There are literally billions of dollars in possible clean air investments that are required by the federal Clean Air Act. While CUB certainly doesn't have a problem with complying with the law, we want to make sure that customers are asked to make the right investments. Investing in coal plants is risky because they may be relatively cheap today but climate policy will eventually be adopted and that will make coal plants very expensive.

Starting back in 2010, when CUB took a lead role in setting Portland General Electric's (PGE) Boardman coal plant on a path to closure by 2020, we've been pushing other utilities to do the same analysis that PGE did: what clean air investments can be made now and does early closure of a coal plant actually benefit customers by saving money? PGE's analysis showed that closing Boardman 20 years early saved several millions of dollars. We are finally getting other Oregon utilities to conduct similar analysis.

In 2013, CUB pushed hard for that kind of analysis, particularly from Pacific Power. At the end of 2012, the PUC fined the utility \$17 million for making imprudent investments in coal resources. This was a strong signal that the PUC is looking seriously at the coal investments utilities are making. In addition, the PUC also did not acknowledge portions of Pacific Power's Integrated Resource Plan that deals with clean air investments in coal plants (meaning the utility needs to go back and redo that part of their plan).

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## Letter From The Executive Director

Writing an annual report is always an interesting task. A year-long period is a hard thing to sum up for a group like CUB. So much happens, both big and small, that it's hard to provide a good overview of everything that goes on.

That's why we've chosen to highlight some key pieces of information. We give you some program highlights that we think really define 2013 for CUB. We give you the financial information because we really want you to see what is happening with your money. We want to give you a little taste of the future.

Programmatically, 2013 has seen some big wins for CUB and for consumers. First, we've been pushing the utilities to move away from coal resources because they are too risky for customers (and we think for utility shareholders, too) and our money can be better spent on other resources that are more stable and cost-effective in the long run.

We also had another successful session at the Oregon legislature. We take the approach that energy and utility policy is not a partisan issue. Everyone benefits if the right investments are made and if decisions are made based on analysis rather than ideology. That approach allowed us to pass our priority bills and defeat some issues that we thought would harm residential ratepayers.

Financially, we had a decent year. Our membership continues to support our work. The PUC's intervenor funding allows us to present strong evidence to the Commission. We also saw our third annual policy conference sell out, and I think folks even learned some stuff. I know I did.

What is consistent from year to year is the role that you play as a member and supporter of CUB. Nothing that we talk about in any of our annual reports, 2013 included, is possible without you. The utilities know you have our backs when we're pushing for fair rates and responsible investments at the PUC. Legislators know you have our backs when we're arguing for pro-consumer legislation at the capitol. Our grassroots support – your membership and donations to the CUB Policy Center – is what makes CUB unique in the utility world. Our success is your success and we can't thank you enough for your support.

What about the future? Well, as we start our 30th Anniversary year, we know that there are many more opportunities for CUB to make a difference. One in particular will be announced in early January. But one thing is always certain: we're going to need your help to take advantage of the opportunities to get results for ratepayers. Watch CUB's website and social media for all the breaking news. Once again, we know you'll have our back.

Thanks again for your support in 2013 and we'll see you again in 2014.

Sincerely,



Bob Jenks  
Executive Director and CUB Member

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On a national level, the work we did on Boardman provided a template for using economic analysis to close coal plant that needed environmental upgrades. Our agreement with PGE to phase out Boardman was the first agreement to close a modern baseload coal plant anywhere in the country. Today, there are more than 100.

A lot of customer money is at stake in potential coal investments and CUB will continue to be focused on the issue and make sure that our money is spent on the right priorities.

## Third Annual CUB Policy Conference Great Success

CUB's third annual energy policy conference, The Flexibility Challenge: Renewables, Efficiency, and Demand Response, took place on October 25th and by all accounts we've received, it was a rousing success! Continuing our partnership with the University of Oregon School of Law, many of the region's brightest minds in energy policy, law, engineering, home performance, utility regulation, rate-making, and other related fields gathered for a day of rigorous debate and discussion at the historic White Stag Block in Old Town Portland.

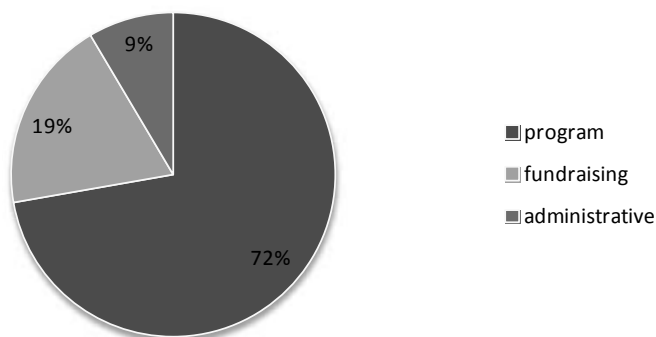
Over the past three years, the CUB Policy Center has built an impressive tradition of running a smart and engaging event that attracts participation from a wide variety of professionals in the energy industry and other sectors related to energy policy. This year's program included many opportunities for sector leaders to engage each other in conversation around energy policy topics on which they often disagree. It was successful in part because the interdisciplinary, conversational style of CUB's policy conferences allows participants to combine their resources and expertise to answer tough, timely questions with far-reaching impact. Our conference model has demonstrated its value; this year's CUB Conference was our third consecutive sold-out event!

We are already looking forward to next year's conference; the continuation of this event is possible thanks to all of our supporters. It is our hope that this event continues to inspire and motivate its participants to work together toward a flexible and fair energy future for all.



**Best wishes for a great 2014 from our CUB staff:** (top row, l to r): Karen Jaffe, Sommer Templet, Jeff Bissonnette, Ghassan Anmar, Catriona McCracken, Amelia Lamb, (bottom row, l to r): Jaime McGovern, SA Anders, Heather Kendall, Nadine Hanhan and Bob Jenks.

### CUB 2012 Spending



Every year we take this space to tell you how we spent your donations and gifts. It's important you know we take every gift as a trust. You trust us to use your money wisely, and we want you to know we do.

We had an outside audit of 2012's expenses. The results continue to be impressive. We spent 72% on our program work. In 2012, we spent another 19% on fundraising and 9% on administrative expenses. We strive every year to be as lean as possible.

**Every fully tax-deductible gift to the CUB Policy Center supports our work to transition from coal and work for a better Oregon energy future. Can you give \$50, \$500 or \$1000?**

You can give by check in the enclosed envelope. You can give by credit card (Visa, Mastercard, American Express, or Discover) by filling out the following form and mailing it back to us in the enclosed envelope. You can go online to donate at [www.cubpolicycenter.org](http://www.cubpolicycenter.org).

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This year, as we go to press, we've saved Oregon customers \$190 million through our regulatory work at the PUC. PGE, Pacific Power and Avista Utilities all requested big rate increases and CUB helped reduce those increases by about \$50 million for PGE, \$33 million for Pacific Power, and \$5 million for Avista. After a series of rate hikes (twice each year), we also got Pacific Power to agree that it will not file another general rate increase next year, so customers can get a little stability to their bills. We have worked hard to place limits on the amount of money customers will be charged by NW Natural for the Portland Harbor clean up. We have become experts on utility pension accounting because the utilities are trying to change the way that pension costs are charged to ratepayers in order to make a profit off their employee pensions. We have resisted efforts by CenturyLink to deregulate and raise the price of basic local phone service.

Of course that is just some of the highlights. Our two attorneys and three economists have been hard at work covering dozens of PUC proceedings in order to ensure that customers' interest are being protected. It is a small group of folks that produces incredible results.

