



The Summer 2013 newsletter of the
Citizens' Utility Board of Oregon
and the CUB Policy Center

Public Turns Out to Oppose PGE, Pacific Power Rate Hikes

PGE and Pacific Power have both asked the PUC to allow them to raise the prices they charge for electricity. This spring, dozens of customers turned out to public meeting to oppose these rates hikes.

In February, PGE proposed a 9.3% rate increase for residential customers. PGE already has the highest rates of any utility in the state that serves more than 5,000 customers and has said that it will likely need additional rates hikes over the next two years. CUB is concerned that many customers can barely afford to pay their current bill, and cannot afford the prices PGE is projecting.

PGE claims that the need for a rate hike is being driven by higher pension and health care costs for their employees, along with new capital investments in power plants and in its distribution system. Additionally, PGE was asking that customers pick up a bigger share of their corporate officers' bonuses, and that it be allowed to earn a profit margin on the contributions PGE makes to its pension fund.

The Public Utility Commission (PUC) heard from customers at a public meeting at Jefferson High School in North Portland. Customers came with signs and prepared speeches to express their opposition to PGE's proposed rate increase. Oregon Public Utility Commissioners Susan Ackerman, John Savage, and Steve Bloom listened to the diverse group. Opposition to the rate hike came from students, farm workers, small businesses owners, faith groups, and CUB's own Board Member Fred Heutte.

Opponents to the residential rate increase expressed their concern for low-income PGE customers who currently struggle to pay their utility bill. Small business owners feared what an increase would mean for their businesses and community. In a written statement, one small business owner said that the rate increases would hurt him and other owners in three ways: rate increases on their businesses, residential rate increases on their homes, and rate increases that would affect their customers.

Then there's Pacific Power. Within weeks of Pacific Power's 2012 General Rate Case (GRC) ending, Pacific Power filed again for yet another rate increase. On March 1, 2013, Pacific Power filed for a 3% rate increase for residential customers effective January 2014 and then again later in 2014 for an additional 1.8%. In effect, the company is asking for a series of 4 general rate increases to take effect in a period of only 2 years (2013 and 2014).

CUB has been critical of Pacific Power in the past for filing rate cases for rate increases nearly every year. But the 2012 rate case commenced a new era where the Company is asking for rate increases twice a year.

Just like with PGE, the PUC heard opposition from customers at a public meeting held at South Medford High School. Between sixty and seventy Jackson County residents showed up to share their experiences with the recent rate increases they, and their families, have already received from Pacific Power and their fears of what these newly

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Letter from the Executive Director

There are landmarks in an organization's life where you get a chance to stop and reflect on what the organization has been able to achieve over time and where it's going. June 15th, 2013, Organizing Director Jeff Bissonnette celebrated his 15th anniversary with CUB. Jeff's anniversary gave me reason to think about everything that CUB has been doing over the last 15 years.

Jeff was hired in the midst of the fight over electricity deregulation. We were working to prevent Enron from implementing its schemes in Oregon. CUB not only won that battle but helped to create a law that continues to provide the foundation for energy policy in the state today.

Right after that, Portland General Electric really stepped up its efforts to collect profits on the closed Trojan nuclear power plant. We had been winning in the courts so PGE turned to the legislature to pass a bill that made the process legal RETROACTIVELY. Jeff led a massive petition drive that forced PGE's bill to the ballot and voters shot it down overwhelmingly. CUB eventually settled the issue with PGE and ended the practice of collecting profits on a dead nuke plant.

We also created the Energy Trust of Oregon to improve delivery of energy efficiency services. Jeff has spent many years defending the ETO at the legislature – protecting its funding and underscoring the value it has for consumers. Today we have a national model for energy efficiency and the ETO is one of CUB's proudest accomplishments.

In the last 15 years, we've also reformed utility tax policy, making sure that taxes collected in rates are actually paid or returned to customers, and established Oregon's Renewable Energy Standard to drive appropriate investment in renewable energy. When Jeff first arrived at CUB, we'd saved utility customers about \$1.5 billion. Today we've pushed that number well past \$5 billion.

When I look at the issues that the CUB Policy Center (CPC) is currently working on – the design of a responsible transition from coal, the need for increased energy efficiency and renewable energy, figuring out pro-consumer approaches to the smart grid and to expansion of the electric vehicle infrastructure, I know that both Jeff and CUB have a lot more victories ahead of them in the future.

As you all know, Jeff is not a person who seeks attention, but it would be remiss of us not to celebrate his anniversary so please take the opportunity to celebrate Jeff's 15 years with CUB and renew your membership or make a gift to the CUB Policy Center if you can afford it. Jeff would be the first to say that your membership makes an enormous difference in helping CUB win its victories. Please join me in congratulating Jeff on 15 years - with best wishes for many more!



The Bear Facts is the quarterly newsletter of CUB and the CUB Policy Center.

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CUB's board meets 8 times per year.

CUB

610 SW Broadway, Suite 400, Portland, OR 97205

(503) 227-1984 (phone)

(503) 274-2956 (fax)

outreach@oregoncub.org

www.oregoncub.org

CUB is a member of the National Association of State Utility Consumer Advocates (NASUCA) and the Consumer Federation of America (CFA).

CUB Works to Defend Consumers and the Environment at the close of the 2013 Legislative session

By the time you read this, the 2013 session will most likely be history. As we write this, CUB is wrapping up the last few weeks of the session and we are looking at several pro-consumer and pro-environment victories, with hopefully a few more to come.

Back in January, we went into the session with an ambitious agenda but with realistic expectations. The priorities we outlined (and you can look at our initial read on the session on our blog: <http://oregoncub.org/news/posts/cub-gears-up-for-an-active-2013-legislative-session>) focused on keeping a handle on coal purchases, increasing energy efficiency, improving prospects for solar energy and defending Oregon's Renewable Energy Standard (RES).

We have taken big steps on all of those issues. We passed SB 242, which ensures that the state's Emissions Performance Standard - established in 2009 to discourage long-term investment in coal - applies to all resources, both in state and out-of-state. We also passed SB 692, which sets efficiency standards for three types of appliances (televisions, battery chargers and a common type of outdoor lighting) which will save Oregonians both energy and money. We successfully pushed HB 2893, which slightly expanded the current solar feed-in tariff pilot, and set up a process to look at how to determine solar's value to consumers. Finally, we have been successful thus far in defeating all attempts to weaken the state's Renewable Energy Standard, which CUB helped develop in 2007.

There are still last-minute attempts to undermine the RES. We are also supporting a bill to create a study process for a carbon fee to determine if that could be a cost-effective tool to reduce greenhouse gas emissions. The period just before the end of the session is a particularly dangerous time when bad ideas suddenly come to life.

As usual, CUB members and supporters have played a key role in pushing our proactive agenda and defeating bad bills. The calls and emails coming from our members helped to make a number of these victories possible. CUB could not be as successful as we are without your involvement. Watch our website (oregoncub.org) for the final report after the session ends at the end of June. Thanks for all your support!

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requested rate increases might bring. The Commissioners listened intently to each person as they expressed their concerns and assured the speakers that their comments, petitions, and letters would be preserved as part of the record in this rate case.

CUB reviewed both of these cases with a fine tooth comb and found many issues where we disagreed with what the utilities are proposing. CUB is now in the process of working to reduce or eliminate the rate hikes, through analysis we filed with the PUC and through direct negotiations with the utilities.



Citizens' Utility Board of Oregon
P.O. Box 6345
Portland, OR 97228

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Defending Oregon's Renewable Energy Standard

Back in 2007, Oregon adopted a Renewable Energy Standard (RES), a requirement that utilities should have at least 25 percent of their energy needs met by renewable resources by 2025. At the time it was one of the most progressive renewable energy policies in the country. That's still true today.

From the time the ink was dry on the bill, there have been attempts to weaken the standard. The most significant threat has come in the last couple of years from an Eastern Oregon electric cooperative that wants to include all historic hydro-power in the standard.

What does that really mean and is it a bad thing? Let's talk about the reason for the standard and then talk about those questions.

The main reason we passed the RES was to determine how the state was going to meet its energy needs in the future. Oregon has a proud history of renewable energy development. The point of the standard was not to pat ourselves on the back for all the good things we've done in the past, but to be a forward-looking standard to meet ongoing (energy) load growth.

Although the hydro system was built in the 1930s, 1940s and 1950s, it's still something of which we can be proud. Adding the output from historic hydro to the RES, without increasing the RES standard, would negate the need for new investment in renewable energy to meet the standard. No more wind, no more solar, no more geothermal would have to be built to meet the standard. All new generation would come from fossil fuels which contribute to climate change. We know that this is the issue for our time – President Obama said so only recently. If we want to keep our energy reliable while reducing the effects for climate change for our children we need a strong RES.

CUB is working with the broad coalition of groups that helped to pass the RES to defend the standard. CUB members will be hearing a lot more about this over the course of the next few months, so please stay tuned.