



Oregon
Rural
Electric
Cooperative
Association

March 20, 2023

Chair Pam Marsh
Vice Chair Bobby Levy
Vice Chair Emerson Levy
House Committee on Climate, Energy & Environment
900 Court Street NW
Salem, Oregon 97301

RE: Opposing HB 3459, Relating to energy utility residential customers.

Dear Chair Marsh, Vice-Chairs Bobby Levy and Emerson Levy, and Members of the Committee:

For the record, my name is Britni Davidson, and I am the Deputy Executive Director of the Oregon Rural Electric Cooperative Association (ORECA). Our association represents 18 electric cooperatives that serve nearly 500,000 Oregonians with clean, renewable hydropower in some of the most rural and remote parts of the state.

I appreciate the opportunity to testify on House Bill 3459, which would prohibit energy utilities from disconnecting service to residential customers for failure to pay the amount owed for their energy services. We are deeply concerned about this bill as it would essentially mandate us to provide free electricity to customers whose energy burden is 6% or more of their household income.

If utilities are unable to collect for a service that has already been rendered, as this bill suggests, then who will pay? Will it be the State of Oregon? Or is the intent to fund this program on the backs of other utility customers? As I mentioned earlier, cooperatives serve some of the most rural parts of the state, which include low-income communities. Due to the size of our service areas, we have a small rate base, which means we do not have a lot of members to spread these additional

costs across. The financial burden would be pushed to the membership, which could be devastating. Perhaps those members are having financial struggles of their own. And after the rates increase, which will be necessary to cover these costs, those members may find themselves over the 6% threshold, which leaves even fewer members to spread the cost. This is a solution in search of a problem.

Electric cooperatives are constantly informing members about assistance programs using a variety of channels. Depending on the cooperative, this information is communicated via individual phone calls, websites, social media, newsletters, magazines, radio ads, and door-hangers, among other methods. Our objective is to meet the needs of our members and do our part to help get them back on stable footing. Decades of experience in our local communities tell us that some members will not respond to us until additional tools – such as disconnection notices – are utilized to create a conversation about payment assistance and arrangements.

For five years I administered a low-income heating assistance program at a small electric cooperative. What I learned during that time is the best way to help members struggling with their bill, is to keep communication lines open. This is so important because we can make referrals to resources to help with their bill, rent, or any other number of challenges they may be facing – referrals that they may not receive if they don't speak to the utility. It also provides us an opportunity to discuss energy efficiency incentives or offer tips to reduce their energy consumption. If a utility customer knows their power cannot be disconnected, there is no incentive for them to pay, make payment arrangements, or even notify the utility if they should move.

House Bill 3459 will hurt ALL Oregonians. We urge the committee to reject this legislation.

Sincerely,

Britni Davidson
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