



Office of Sustainability

June 14, 2024

Public Utility Commission of Oregon
201 High St. SE, Suite 100
Salem, Oregon 97301-3398

Re: UE 435 – Multnomah County Office of Sustainability’s Comments on Portland General Electric’s Request for a General Rate Revision

Dear Chair Decker and Commissioners Perkins and Tawney,

The Multnomah County Office of Sustainability offers these comments to encourage you to reduce the percentage of Portland General Electric’s requested increase that you grant to the minimum possible. Portland General Electric (PGE) filed this request just weeks after the effective date of the 18% increase that this Commission approved in October 2023, and days after people in our community felt the rate shock caused by the overlap of that increase and their increased need for electricity to stay warm during the January 2024 winter storm.

Our requests and advocacy in this proceeding are guided by our Office’s environmental and energy justice priorities. The Office of Sustainability’s policy direction includes prioritizing partnerships to reduce the cost burden for low-income customers,¹ and centering environmental and energy justice communities in our work.² As a result, we engage to the best of our ability in proceedings that, like rate cases, can disproportionately impact low-income and other environmental justice communities.

¹ Board of County Commissioners for Multnomah County, Resolution 2017-046 at 4 (Jun. 1, 2017), available at <https://multco-web7-psh-files-usw2.s3-us-west-2.amazonaws.com/s3fs-public/2017-046%20-%20Mult%20Co%20Signed%20100by50%20Resolution.pdf>.

² With Resolution 2017-046 the Board of County Commissioners for Multnomah County set a target of supplying 2% of community-wide energy needs via community-based renewable energy infrastructure by 2035, committed to pursuing “additional policies and partnerships to include low-income residents in the economic, social, and environmental benefits to be derived from the clean energy transition,” resolved to “prioritize recruitment from within communities of color and women that have traditionally been underrepresented in renewable energy and energy efficiency fields, and in the workforce needed to implement a successful renewable energy transition,” and resolved to “partner with Oregon tribes and native communities, communities of color, and low-income communities to address environmental, economic, and social inequities.”; Resolution 2018-018 supports direction to our office to “[a]pply a lens of environmental justice in all relevant areas of its work, and continually search for opportunities to improve County practice to better align with the principle of environmental justice.”

PGE serves most of Multnomah County, including areas like Wood Village, the Rockwood Neighborhood, and other East Portland and East Multnomah County communities. These areas have a high proportion of residents from environmental justice communities who are on the frontlines of climate change, with high vulnerability to heat,³ experiencing low tree-coverage and high energy burden.

We encourage you to use your discretion so that our community sees as small an increase as possible, if any, as a result of this request. We also offer the following specific recommendations:

- 1) Reject PGE's proposal to increase its return on equity.

PGE proposes to increase its return on equity by 0.25%. However, you set the Company's current ROE at 9.5% less than eight months ago.⁴ PGE's request to revise its ROE so soon after your Order seems untimely and not in the interest of customers.

- 2) Reject PGE's proposed Investment Recovery Mechanism

PGE proposes an Investment Recovery Mechanism for investments to sustain its current business and customer base, including meeting and maintaining safety and reliability standards.⁵ While we appreciate and support PGE's efforts to bolster system reliability, we have concerns with PGE's proposal. First, PGE's proposal would create yet another mechanism that would bake an increase in rates every winter for a number of years. Second, as the Oregon Citizens' Utility Board has highlighted, the new mechanism would afford more limited opportunities to vet costs, and it would consider these investments outside of the more holistic evaluation process that a rate case provides.

We find the proposed mechanism more concerning in the context of PGE's parallel proposal to change elements of the Power Cost Adjustment Mechanism (PCAM). As PGE describes these changes in its Request,⁶ PGE's PCAM proposal would significantly change how PGE shares the costs and risks associated with power cost forecasting with its customers, also shifting more costs and risks to utility customers.

³ Multnomah County, *Results of heat mapping project show inequitable impact of hotter summers, will inform actions by Multnomah, Washington and Clackamas counties* (Apr. 3, 2024), available at

<https://www.multco.us/multnomah-county/news/results-heat-mapping-project-show-inequitable-impact-hotter-summer-will-0>.

⁴ Docket No. UE 416, Order 23-386 (Oct. 30, 2023).

⁵ UE 435 / PGE / 400 Bekkedahl - Felton / 17.

⁶ UE 435 / PGE / 100 Pope - Sims / 31.

We appreciate your consideration of our comments and encourage you to reduce PGE's requested increase to the minimum amount possible, reject efforts to shift risks to customers, and consider postponing the effective date of any increase to after the end of the 2024-2025 heating season.

Respectfully submitted this 14th of June, 2024

/s/ Silvia Tanner

Silvia Tanner

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Multnomah County Office of Sustainability