

## Docket No. UM 2211: HB 2475 Implementation of Differential Rates and Programs in Oregon

### *Phase 3 Process Proposal*

This announcement describes the Oregon Public Utility Commission (OPUC or Commission) Staff's updates for the third implementation phase of the Energy Affordability Act ([HB 2475](#)) within [Docket No. UM 2211](#). The announcement includes a discussion of work streams, schedule of activities, draft scope of issues to be addressed, and a questionnaire to capture initial perspectives on issues and priorities.

### **Investigation Strategy**

The UM 2211 work plan is intended to balance the broad authority and intent of HB 2475 with the desire to identify actionable near-term initiatives that will advance equity informed utility rates and programs.

HB 2475 articulates the Commission's authority to consider differential energy burdens,<sup>1</sup> as well as environmental justice factors in rate setting and program design. Given the breadth of issues that intersect with energy affordability and justice, Staff recommends the next phase of HB 2475 implementation activities prioritize the following efforts:

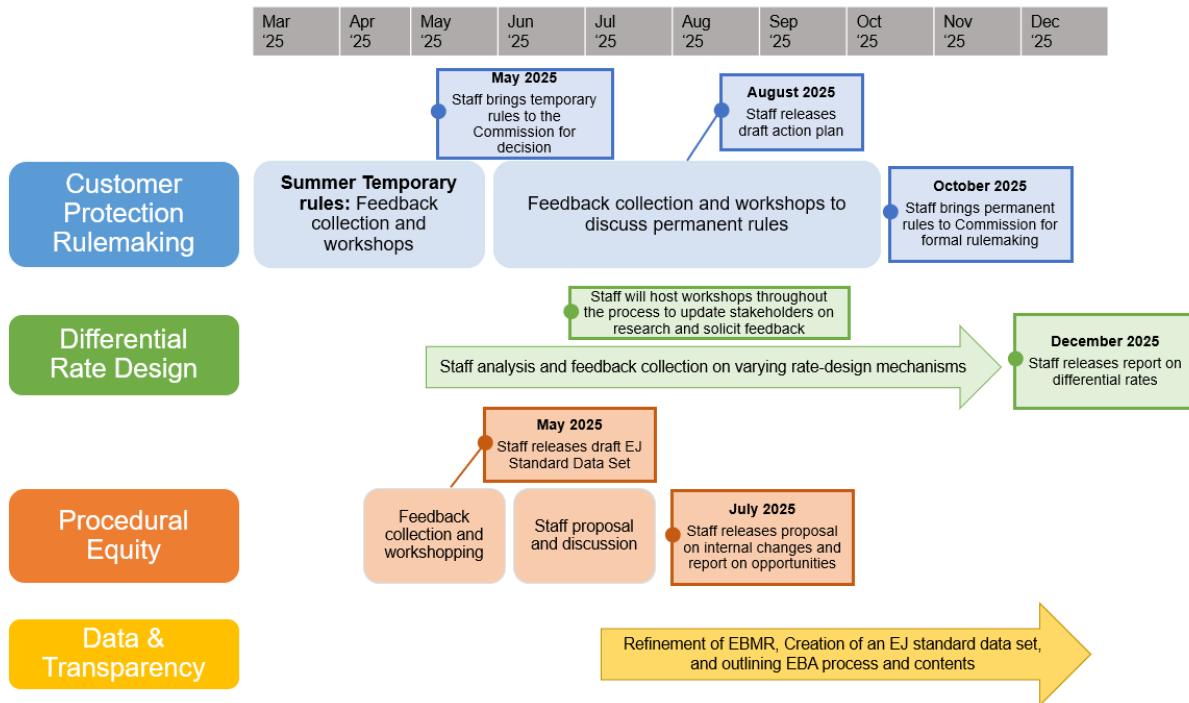
1. Rulemaking to Strengthen Customer Protections
  - a. Temporary Rulemaking for 2025 Summer Cooling Season
  - b. Permanent Rulemaking (inclusive of summer/winter seasonal and year-round protections).
2. Differential Rate Design Fact Finding
3. Procedural Equity Report
4. Continued Data and Transparency Efforts

Staff will bring informational updates and/or recommendations for Commission action for any or all of the Phase 3 initiatives as appropriate and necessary.

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<sup>1</sup> In this context, differential energy burdens meant the unequal level of burden that the energy system has on "low-income customers and other economic, social equity or environmental justice factors that affect affordability for certain classes of utility customers." See Oregon Revised Statutes (ORS) 757.230, accessed at: [https://oregon.public.law/statutes/ors\\_757.230](https://oregon.public.law/statutes/ors_757.230).

Figure 1. UM 2211 Phase 3 Process Proposal



Staff identified the workstreams and topics listed above as priorities for Phase 3 based on Commission direction, stakeholder feedback, and making continual progress in UM 2211. The implementation remains a multi-phase effort that requires significant time and resources to advance. Thus, this and previous phases are not necessarily a comprehensive representation of all planned Staff-led efforts to implement HB 2475. We expect this process to be ongoing and to evolve alongside the changing energy landscape.

**At this stage, Staff is soliciting stakeholder feedback on the proposed scope and areas of focus for Phase 3, including but not limited to desired adaptations or refinements.** As such, the goals of each Phase 3 initiatives outlined below may evolve to incorporate feedback and reflect community priorities.

## Staff-Proposed Phase 3 Focus Areas

### I. Rulemaking(s) to Strengthen Customer Protections

**Staff Lead:** Kate Ayres

**Scope/Goal(s):** Identify and advance key near-term actions to mitigate human harms caused by energy insecurity; Address gaps in Division 21 disconnection protections; Ensure households have equitable access to essential energy services, safeguarding health, safety, and overall well-being.

At the November 26, 2024, public meeting, the Commission set an expectation that a formal rulemaking process would come back to the Commission.<sup>2</sup> During this same meeting, the Commission focused the temporary rules passed in 2024<sup>3</sup> on protections for the winter-heating season and flagged that additional temporary rules may need to come before the Commission prior to the summer cooling season.<sup>4</sup> Following this expectation, PUC Staff propose a two-prong process to ensure that the necessary data and learnings are collected from the current temporary rules and utility metrics to support permanent rules, while also ensuring protections are in place prior to the summer cooling season.

### Temporary Summer Protections

- **Scoping/Proposal:** Staff will begin a near term engagement process leading to an action plan to identify a proposal focused on advancing key actions to mitigate human harms caused by energy insecurity going into the summer cooling season. Staff will work closely with utilities, Community Action Agencies (CAA), and stakeholders to identify principles and priorities. Staff plans to focus on carrying through proposals identified in the 2024 temporary rulemaking process that apply in summer, focusing on the summer elements that were set aside to expedite rules focused on the 2024-2025 winter heating season while utilizing useful insights from the implementation and learnings from the winter protections. Staff plans to take this approach to ensure that critical protections are in place before the upcoming cooling season. This approach provides the necessary flexibility to implement timely protections while also allowing for meaningful engagement with utilities and stakeholders. By taking this path, Staff aims to develop a stakeholder informed, balanced rules that reflect input from all relevant parties.
- **Outcome:** Staff brings a set of temporary rules for Commission decision prior to the summer cooling season.
- **Schedule:** To ensure protections are in place prior to the summer cooling season, Staff proposes the following timeline focused on optimizing engagement opportunities.
  - March 27 2025: In reply comments to the scope, Staff asks for utilities and stakeholders to include in their response, comments related to a temporary rulemaking for summer protections.
  - April 2025:
    - Staff workshop
    - Staff releases a draft action plan identifying proposed temporary rules.

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<sup>2</sup> Oregon Public Utility Commission Regular Public Meeting, November 26, 2024. Available at: [https://oregonpuc.granicus.com/player/clip/1423?view\\_id=2&redirect=true](https://oregonpuc.granicus.com/player/clip/1423?view_id=2&redirect=true).

<sup>3</sup> Order 24-446 filed December 19, 2024. Available at: <AR 667 SPM Order encrypted.pdf>.

<sup>4</sup> Oregon Public Utility Commission Regular Public Meeting, November 26, 2024 at 1:45:30. Available at: [https://oregonpuc.granicus.com/player/clip/1423?view\\_id=2&redirect=true](https://oregonpuc.granicus.com/player/clip/1423?view_id=2&redirect=true).

- Staff workshop on action plan
- April/May 2025: Comment period for feedback on Staff's draft action plan.
- May 2025:
  - Staff workshop to discuss draft action plan.
  - Staff brings temporary rules to the Commission for decision with the intent of having rules in place June 1, 2025.

### Permanent Rulemaking Process

- **Scoping/Proposal:** The Commission directed Staff at a November 2024 public meeting to evaluate the gaps still present in current customer protections and to come back with a permanent rulemaking process. To this end, Staff plans to evaluate the prior options outlined during the temporary rulemaking process in 2024, as well as any identified gaps or learnings from the implementation of the rules to help identify opportunities for the permanent rules. At this time, Staff plans to bring the following areas of protection to UM 2211 stakeholders for discussion when evaluating permanent rules:
  - Expanded Eligibility for Enhanced Protections against Disconnection
  - Cold and Hot Weather Policies
  - Disconnection Policies and Triggers
  - Reconnection Policies and Customer Fees
  - Arrearage Relief and Time Payment Arrangement Processes
  - Air Quality Policies
  - Wildfire Evacuation Policies and Noticing
  - Noticing and Outreach Practices
- Key Questions:
  - Are there ways to qualify households for enhanced protections other than income?
  - What is the right balance between broad customer protections against disconnection and refining/expanding eligibility for targeted enhanced protections?
  - What insight have you gathered from the temporary rules on additional winter protections? What does the data show regarding how the temporary rules helped mitigate harm?
  - What additional barriers or gaps do we see in the current Division 21 rules?
  - What standardizing would be beneficial across utilities? For example, standardizing the minimum past-due balance amount for disconnection.
  - How can disconnection prioritization scores be utilized in a way that does not disproportionately or negatively impact eligible populations?
  - What utility fees do you find necessary and appropriate? What fees could be waived for qualified households?

- How can Time payment arrangement (TPA) options be structured to ensure customers are not seeing higher energy burden with the additional payment amounts?
- How can we ensure customers are prepared for the end of a moratorium period?
  - Can AMP options be pro-offered? Are there additional protections available to ensure crisis funding is available for those who cannot manage their bills?
- **Outcome:** Commission decision on permanent rules for adoption prior to the 2024-2025 winter heating season.
- **Schedule:**
  - June 2025: Staff requests that the Commission open a rulemaking docket.
  - June – July 2025: Staff collects feedback from UM 2211 stakeholders
    - This may include workshops or informal discussions with stakeholders, utilities, CAAs, and interested parties.
  - August 2025: Staff releases draft action plan
  - August 2025: Staff hosts workshop(s) with stakeholders to discuss action plan
  - August 2025: Comment period for stakeholder feedback
  - September 2025: Staff releases updated action plan following feedback and utilities first filed energy burden metric reports (EBMR)
  - September/October 2025: Staff circulates redline of rules for feedback and comment.
  - September/October 2025: Staff brings permanent rules to the Commission for decision to move to formal rulemaking.

## II. Differential Rate Design Fact Finding

### Staff Lead: Bret Stevens

**Scope:** Staff proposes to focus its time in 2025 on developing an informational report that will serve as a factual jumping off point for a subsequent investigation into policies for the implementation of differential rates. The report will aim to ground truth assumptions regarding differentially energy burdened customer usage patterns and needs. This in turn, will help deepen UM 2211 participants' and the Commission's understanding of the equity impacts of various popular rate design proposals. While it is possible that the initial investigation may surface insights into the best programs and differential rates approaches to deploy, we do not intend to bring these as action items before the Commission in this phase.

- Primary Questions:
  - How do existing rate design mechanisms, such as the basic charge, affect differentially energy burdened customers?
  - How do popular time-varying rate designs, such as time-of-use and critical peak pricing, affect differentially energy burdened customers?

- How would popular rate design mechanisms meant to decrease energy burden impact customers compared to discount levels already in place?
  - Are these rate designs revenue neutral?
  - If not, how would any revenue decrement be recovered?
- Based on the answers to the questions above, should differentially energy burdened customers have the option of an alternative rate schedule?
  - Should this rate schedule be opt-in or opt-out?
- Rate Design Mechanisms to be Evaluated:
  - Existing and time-varying rate design mechanisms:
    - Basic Charge
    - Increasing block volumetric rates
    - Time-of-Use Rates
    - Seasonal Rates
    - Equal Pay
    - Dwelling-type differentiated rates
  - Energy burden mitigating rate designs
    - Percentage of Income Payment Plans (PIPP)
    - Pre-Pay Plans

**Process:** Staff will conduct an initial engagement process to finalize its research questions, then conduct in depth analysis using both aggregated and customer-level data. Staff will present the results of this work in a series of workshops and solicit feedback before publishing a final fact finding report. Staff will present the report to the Commission if requested.

**Outcome:** A Staff written report detailing the finding of its research. This report will include a literature review of academic research looking into the effects of various rate designs. Further, Staff will include independent research using utility provided customer-level billing data. This analysis will evaluate differential usage patterns among customers of various classifications in order to extrapolate the effects of various proposals.

### **Schedule:**

- April 2025: Staff hosts workshop with environmental justice advocates and utilities to finalize its research questions and of the scope of rate design mechanisms to be considered. This workshop will also lay out what data will be necessary to conduct the analyses on rate design mechanisms. Staff begins analysis of existing and time-varying rate design mechanisms. Collaboration and

communication across all Participants (Staff, stakeholders, and utilities) is encouraged during this period.

- June 2025: Staff hosts workshop, updating progress on research and soliciting feedback.
- August 2025: Staff hosts workshop, updating progress on research and soliciting feedback. Staff begins research on Energy burden mitigating rate designs.
- October 2025: Staff hosts workshops, updating progress on research and incorporating feedback.
- November 2025: Staff hosts workshop with environmental justice advocates and utilities to discuss results of analyses and attempt to come to consensus on the differential impacts of energy burden mitigating design mechanisms.
- December 2025: Staff publishes report.

### III. Procedural Equity Report

#### Staff Lead: Charles Lockwood

**Scope/Goal(s):** Staff will work with stakeholders to identify opportunities for Staff to enhance procedural equity in PUC processes. The work stream will focus on the following:

- Preliminary Questions:
  - What does fair and equitable access to Commission dockets, including contested cases look like?
    - Does this fair and equitable access look different for different parties and in different dockets?
    - Will there be objective measures or benchmarks of what fair and equitable access looks like?
- Internal Staff Opportunities to Improve Procedural Equity
  - What are potential changes to Staff's practices that would allow for more accessible participation in Commission dockets?
    - Would it be helpful to formalize requirements around the timing of workshops in contested cases to ensure all stakeholders may be in attendance?
    - Would it be helpful to formalize an additional workshop or settlement conference discussing topics related to environmental justice in rate case dockets to ensure stakeholders are able to attend important discussions?
  - What are some Standard Data Requests that can be asked in rate-case proceedings to better inform Staff and environmental justice advocates of existing issues?
  - Will these Standard Data Requests cover potential programmatic changes as well as monetary changes?

- Staff is also committed to working closely with environmental justice advocates and utilities to identify solutions to challenges to engagement that arise through this process

**Outcome:** A report outlining key barriers identified by stakeholders and changes to Staff practices regarding how we approach procedural equity in dockets.

**Schedule:**

- April 2025: Staff hosts workshop with environmental justice advocates and utilities to initiate the conversation on how the Commission can foster more procedural equity.
- May 2025: Staff releases first draft of Standard Data Requests for review, with feedback from the March workshop.
- June 2025: Comments from stakeholders on Standard Data Requests.
- July 2025: Staff releases proposal on internal changes to Staff's practices and Report on Opportunities to Improve Procedural Equity.

#### **IV. Continued Data and Transparency Efforts**

**Staff Lead: Bret Farrell**

**Scope/Goal(s):** Minimize data and reporting redundancies; Optimize presentation, collection, and application of data for the purposes of energy affordability strategy and program evaluation; Increase visibility, accessibility, and engagement with relevant data. Standardize data collection (metrics and process) where appropriate.

The goals of this ongoing initiative remain consistent with work conducted in this process in 2024. In 2025, Staff plans to focus on a narrow set of efforts, including:

- Data alignment and smoothing out any items flagged following the inaugural energy burden metric report (EBMR) utilities will file in August 2025.
- Creating a set of energy justice focused standard data requests (EJ SDRs)
- Outlining a process and contents for regular utility energy burden assessments (EBAs).

#### **PUC Program Team Workstreams**

The PUC's Program Team have additional activities outside of UM 2211 processes that Staff flags for stakeholders as areas that will focus, in part, on topics related to low-income customers and/or energy efficiency and weatherization program review.

- **Energy Trust's Multiyear Planning:** In 2025, Energy Trust is beginning to work on a multiyear planning process. PUC Staff will be working closely with Energy

Trust throughout this process, and opportunities will be available for stakeholders to connect with PUC Staff and Energy Trust to provide comment and engage in discussions around the planning topics. In part, this workstream will include the following items that may be of interest to UM 2211 stakeholders:

- Energy Trust Budget
- Portfolio cost-effectiveness
- Energy Trust's Equity Plan
- **Improved Targeting of Incentives Using Bill Discount Data:** Staff will work with Energy Trust to effectively implement program design changes this year to better serve energy burdened customers using utility customer bill discount data. In compliance with Division 86 rules OAR 860-086-0030 and 0040, natural gas and electric utilities must share this data with Energy Trust as a rate schedule identifier. Staff identifies this important opportunity for stakeholders to follow through Energy Trust proceedings and will update UM 2211 stakeholders on progress.

Staff will endeavor to keep UM 2211 stakeholders informed on additional activities and workstreams that plan to address EJ focused targeting that pop up throughout the year.

## Conclusion and Next Steps

Staff is interested in engaging stakeholders throughout this process and intends to remain flexible to the needs of participants as it advances phase three of HB 2475 implementation. Staff is accepting response comments from UM 2211 stakeholders on the topics outlined above. In part, Staff is interested in understanding the timelines and level of involvement and any adjustments they would like Staff to consider to the proposed schedules. Additionally, Staff would like to use the response comments as a starting point for the temporary summer rulemaking to help identify major topics that should be considered prior to the summer cooling season. Please file comments in the UM 2211 docket by March 27, 2025.

We appreciate the tremendous amount of time that has been dedicated to this effort over the last several years and continue to express gratitude to your continued engagement. We also welcome new voices, particularly those who are from and/or represent impacted and environmental justice communities. As such, we encourage our existing stakeholders to share the invitation to respond to Staff's proposal and help bring new stakeholders into the process. Thank you!

### If you have questions about the work plan, please contact:

Michelle Scala at [michelle.m.scala@puc.oregon.gov](mailto:michelle.m.scala@puc.oregon.gov) or 503-689-2608.

Kate Ayres at [kate.ayres@puc.oregon.gov](mailto:kate.ayres@puc.oregon.gov) or 503-510-9611.

## New to the Process?

### What is HB 2475?

HB 2475, or the “Energy Affordability Act”, is a 2021 legislative measure that took effect January 1, 2022, and allows the PUC to consider customer characteristics that affect affordability when approving programs<sup>5</sup> and energy rates<sup>6</sup> charged by regulated utilities. Generally, this authority makes it so the rates that make up monthly utility bills for residential customers can be designed in a way that considers those customers’ *ability to pay*. HB 2475 also enables groups representing low-income customers and environmental justice communities to receive intervenor funding assistance to participate in PUC processes.<sup>7</sup>

### What is UM 2211?

UM 2211 is the docket number, or case number, used to easily locate all related filings on Staff’s work to implement HB 2475. You can navigate directly to Docket No. UM 2211 to view the schedule and filings at:

<https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=23122>. You can also access the docket from the PUC’s website by selecting eDockets and entering UM 2211 to search by docket number.

### How Can I Participate and Stay Informed?

Staff will promote diverse, equitable, and inclusive engagement opportunities throughout the entirety of this process. We invite anyone interested in learning more about PUC processes and how we as regulators can help reduce energy burden across the state to sign up to receive notifications for Docket No. UM 2211. Register by contacting the PUC.<sup>8</sup>

Once registered, you will receive emails when new documents are filed to Docket No. UM 2211 or there is a change to the schedule. The types of information that may be posted in this docket include differential rate and bill assistance proposals from regulated utilities, engagement notifications, public comment, and more. By signing up to receive notifications, you are not obligated to participate, but you will have the opportunity to receive timely updates on what events are coming up, what progress has been made, related dockets to follow, and what opportunities there may be to engage in the process.

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<sup>5</sup> Section 7 of enrolled House Bill 2475 (HB 2475-A).

<sup>6</sup> Section 2 of enrolled House Bill 2475 (HB 2475-A).

<sup>7</sup> Section 3 of enrolled House Bill 2475 (HB 2475-A).

<sup>8</sup> Interested individuals may contact the Oregon PUC at: [puc.hearings@puc.oregon.gov](mailto:puc.hearings@puc.oregon.gov) and express their interest in being added to the service list for Docket No. UM 2211 or reach out directly to Staff using the contact information listed at the end of this publication.

Other PUC resources that are not specific to UM 2211, but may help new and interested participants in our processes, can be found here:

- Trainings on PUC processes and how to get involved:  
<https://www.oregon.gov/puc/news-events/Pages/Trainings.aspx>
- Get involved:  
<https://www.oregon.gov/puc/news-events/Pages/Get-Involved.aspx>
- Type of PUC events and what to expect:  
<https://www.oregon.gov/puc/news-events/Pages/About%20PUC%20Events.aspx>
- View and join an upcoming meeting: <https://www.oregon.gov/puc/news-events/Pages/default.aspx>

All stakeholders and interested parties are welcome to participate and contribute to this process. Please make sure you are signed up to receive notifications for Docket No. UM 2211 and be on the lookout for comment prompts from Staff where you can provide your individual or organization's insights on discrete issues within the HB 2475 investigation. Again, you can request to be added to the UM 2211 service list by emailing at [puc.hearings@puc.oregon.gov](mailto:puc.hearings@puc.oregon.gov). Be sure to note UM 2211 in the request.