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Via Electronic Filing to PUC.FilingCenter@puc.oregon.gov

Public Utility Commission of Oregon
Attn: Filing Center
201 High St. SE, Suite 100
Salem, OR 97301

**Re: In the Matter of PACIFICORP d/b/a PACIFIC POWER Request for a General Rate
Revision, Docket No. UE 433**

Dear Filing Center:

Please find enclosed the Closing Brief of the Coalition to be filed in the above-referenced docket. If you have any questions, please contact me using the phone number or email address at the top of this letter.

Sincerely,

/s/ Alex Houston

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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 433

In the Matter of
PACIFICORP,
d/b/a PACIFIC POWER,

Request for a General Rate Revision.

COALITION CLOSING BRIEF

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INTRODUCTION

PacifiCorp asks the Commission to approve drastic increases to residential customers' rates, while simultaneously delaying efforts to support its most impacted residents—such a request is not just or reasonable. The Company claims that efforts to alleviate energy burden should be addressed exclusively in UM 2211, the docket established to support implementation of House Bill 2475 (“HB 2475”), aimed at providing affordable energy to Oregonians.¹ Staff and Intervenors have voiced concerns that PacifiCorp is dragging its feet in UM 2211² and, without expedited action in this rate case, low-income and energy-burdened customers will bear the brunt of the proposed rate increases while the Company stalls efforts to provide much-needed financial support.

The Commission has the legal authority and legislative directive to protect consumer interests—both to provide just and reasonable rates and to mitigate customer energy burden.³ The Coalition does not dispute that the proposed outcomes of UM 2211 may provide meaningful long-term support to energy burdened Oregonians in the future, however, PacifiCorp's requested rate increases are imminent. An increase to rates that fails to simultaneously provide measures addressing the urgency and severity of residents' needs—particularly those already energy burdened—is not just or reasonable. The Commission must ensure rates are just and reasonable by protecting the most impacted ratepayers within this proceeding.

¹ O.R.S. § 757.695(1).

² Staff/2600, Ayres/9; CUB Opening Br. at 54; Coalition Opening Br. at 7. PacifiCorp was the last of Oregon's three electric IOUs to submit a report on energy burden to the Commission in Docket UM 2211.

³ O.R.S. § 757.695(1) (“[T]he Public Utility Commission may address the mitigation of energy burdens through bill reduction measures or programs...”); O.R.S. § 757.210; *Gearhart v. PUC*, 255 Or App 58, 61, 63 (2013), *aff'd en banc*, 356 Or. 216, 232 (2014); see also *Pac. NW Bell Tel. Co. v. Katz*, 121 Or App 48, 53 (1993) (“The utility statutes in general reflect a legislative scheme in which PUC exercises broad powers to protect consumer interests.”).

The Coalition asks the Commission to take the following actions, detailed in our Opening Brief, to better protect ratepayers in this proceeding:

- Address the adequacy of the Low-Income Discount (“LID”) program, including (1) set a total bill cap for program participants of no more than 6% of customers’ monthly income, (2) expand discount tiers, adding a tier providing 60% discount to ratepayers below 10% SMI, and (3) eliminate post-enrollment verification.
- Address arrearages, including (1) create or commit to create an arrearage management program (“AMP”), (2) provide a one-time arrearage forgiveness to customers, and (3) collect and present data on arrearages forgiveness.
- Address energy efficiency to protect ratepayers, including (1) target high-usage LID participants with energy efficiency and weatherization support and (2) fully fund the low- and no-cost ductless heat pump program.

DISCUSSION

I. PacifiCorp has failed to justify delaying action on its Low-Income Discount Program in this docket.

PacifiCorp’s plan to increase residential rates while delaying changes to its LID is not “just and reasonable” if the Company insists it must delay all improvements to the LID. PacifiCorp’s requested rate increases occur in the midst of an “affordability crisis,” with “skyrocketing” customer disconnections.⁴ Meanwhile, the Company’s requested rate increases—the second major rate hike scheduled to take effect since the LID’s implementation⁵—will effectively wipe away the critical discounts provided under the existing program. Instead of

⁴ CUB Opening Br. at 13 (“CUB and parties in this docket believe because an energy affordability crisis exists and should be addressed now.”); Staff Opening Br. at 93 (“Directing PacifiCorp to make interim improvements to its LID is supported by the utility’s high levels of disconnections and arrearages.”).

⁵ CUB Opening Br. at 42.

supporting reasonable efforts to increase customer resiliency in this docket, PacifiCorp insists on delaying action.⁶ PacifiCorp’s proposal to raise residential rates during an energy affordability crisis while postponing any actions to support even its most vulnerable customers contravenes the purpose of HB 2475 and cannot be “just and reasonable.”

PacifiCorp does not deny these affordability issues, even admitting it “does not oppose modifying the LID,” and “support[s] reasonable efforts to assist income-constrained customers.”⁷ PacifiCorp also does not dispute that changes to its LID program *can* be addressed within this docket yet insists the Commission delay changes to the LID to be addressed exclusively in UM 2211 at a later, undefined, date.⁸ The Company’s reasoning for delay, however, fails to respond to the Coalition’s concern that the proposed rate increase will have immediate dire impacts for residents that require the Commission to carry out HB 2475’s directives to mitigate energy burden for Oregonians.

PacifiCorp provides two reasons for delay: 1) so the Company can “review the EBA and its recommendations,”⁹ and 2) concern over the “potential” of “inconsistent directives” that could “confuse customers.”¹⁰ PacifiCorp’s justifications are unconvincing. First, the Company has completed its EBA and should not be permitted to use its own delays producing the report to justify further postponing action. In its Reply and Surrebuttal Testimonies, PacifiCorp insisted no fewer than ten times that changes to the LID program “should take place after the Company’s EBA is complete.”¹¹ The Company claimed the EBA would “be immensely valuable for

⁶ See also PacifiCorp Opening Br. at 114.

⁷ PacifiCorp Opening Br. at 114.

⁸ PacifiCorp Opening Br. at 113.

⁹ PacifiCorp Opening Br. at 115.

¹⁰ PacifiCorp Opening Br. at 115.

¹¹ See PAC/3600, McVee/39; PAC/2000, McVee/46, 47; PAC/3500, Meredith/18–19, 20; PAC/3600, McVee/6–7, 39; *id.* at 43 (“PacifiCorp believes it will be best to refine the

improving the LID to ensure assistance is best directed towards those experiencing energy burden.”¹² Despite missing Staff’s requested completion date of September 1, PacifiCorp has the completed EBA as of October 1, 2024.¹³ However, the Company has had the report’s “Findings” for far longer: the Findings of the Final EBA mirror those presented to stakeholders a month earlier, on August 28, 2024.¹⁴ Despite having a “complete” EBA, PacifiCorp now insists a “thorough review” of the report is necessary for further action but has not explained why it did not reviewed the EBA Findings over the past two months. Similarly, the Company is silent as to what further review is needed, or what could be gained from additional review. Instead, the Company’s response underscores intervenors’ concern that PacifiCorp is unnecessarily delaying action related to the LID.¹⁵

Second, the Company’s concerns of “potential” inconsistencies in LID offerings ignores that these measures are critical to prevent further harm to customers as these rate hikes go into effect. The Coalition requests immediate action in this rate case to protect consumers from imminent rate impacts.¹⁶ UM 2211 directives will supplement this work. PacifiCorp, meanwhile, only asserts a “potential for inconsistency” between UM 2211 and this proceeding, without describing how hypothetical and non-specific future changes may harm consumers.¹⁷ The

Company’s LID after publishing the EBA later this year, that in no way undercuts the urgency of addressing [affordability] concerns.”); PAC/5000, Meredith/5; *id.* at 14 (“The Company believes that any changes to the LID should be based on the findings of the EBA.”); *id.* at 16, 17.

¹² PAC/3600, McVee/39.

¹³ CUB Opening Br. at 43. CUB’s Opening Brief described PacifiCorp’s EBA timeline and delays. *Id.*

¹⁴ Exhibit CUB/700, Wochele/1 (PacifiCorp’s Energy Burden Assessment).

¹⁵ Coalition Opening Br. at 7–8 (describing the need for immediate action to address energy burden in this rate case rather than delay to UM 2211); *see also* CUB Opening Br. at 54 (documenting PacifiCorp’s delays in submitting its EBA).

¹⁶ *See* Coalition Opening Br. at 8 (describing the importance of addressing the LID in the present proceeding to protect consumers from rate hikes).

¹⁷ PacifiCorp Opening Br. at 114.

Company's vague assertions of customer "confusion" does not demonstrate a need to delay action at the cost of exposing already burdened customers to more harmful rate hikes.

The Coalition continues to agree with PacifiCorp that UM 2211 is an avenue to address *long-term solutions* to energy burden.¹⁸ The Commission must, however, mitigate immediate harms by ensuring the measures detailed in the Coalition's opening brief are included alongside any rate increases. Such action is consistent with HB 2475's directives to mitigate energy burden through bill discounts and other programs.¹⁹

II. The Commission should expand PacifiCorp's Low-Income Discount Program in this rate case to protect consumers.

PacifiCorp failed to justify delaying changes to its LID. Instead, the Company's opening brief states "PacifiCorp does not oppose modifying the LID, including adding discount tiers."²⁰ As discussed in Section I above, PacifiCorp cannot justify delaying all action related to the LID to UM 2211 while its customers face an affordability crisis that will be exacerbated by the proposed rate increases. The Coalition therefore continues to advocate for the modifications to PacifiCorp's existing LID proposed in its Opening Brief. These include asking the Company to 1) implement a monthly total bill cap based on customer income,²¹ 2) expand discount tiers,²² and 3) eliminate post-enrollment verification.²³ PacifiCorp has failed to meaningfully address or respond to the Coalition's recommendations to modify the LID despite recognizing that changes to the LID are necessary to protect its customers. If the Commission agrees that this proceeding

¹⁸ Coalition Opening Br. at 8.

¹⁹ O.R.S. § 757.695(1).

²⁰ PacifiCorp Opening Br. at 115.

²¹ Coalition Opening Br. at 11.

²² Coalition Opening Br. at 13.

²³ Coalition Opening Br. at 15.

is appropriate to address changes with the LID as authorized by HB 2475,²⁴ it should adopt the Coalition's uncontested suggestions.

III. The Coalition's recommendations on arrearage management provide important solutions to address energy affordability in the near-term.

PacifiCorp again seeks to stall action by asking the Commission to delay any arrearage management action to UM 2211.²⁵ To justify this delay, PacifiCorp only cites concern of "temporary" or "inconsistent" directives. But these issues are not identified or reflected in the Coalition's requests. Rather, the Coalition requested the Commission to condition its approval of PacifiCorp's rates on three arrearage-related issues, all of which are consistent with future action in UM 2211.

First, the Coalition asked the Company to *agree* to design an arrearage management plan ("AMP") in this docket, the development of which can be addressed in UM 2211.²⁶ Committing to take further action within UM 2211 will, by design, not conflict with such future actions.²⁷ Second, the Coalition joined other intervenors in requesting a one-time arrearage forgiveness program of up to \$1,000 for PacifiCorp's customers experiencing the lowest incomes.²⁸ Such action is necessarily temporary as a one-time forgiveness offering for customers in arrears. Finally, the Coalition asked the Commission to require better data collection and reporting on an AMP and arrearage forgiveness.²⁹ Far from being inconsistent with future action in UM 2211, such data will better inform an eventual AMP. The Company's overly broad and speculative concerns fail to justify delaying action on arrearages to UM 2211.

²⁴ O.R.S. § 757.695(1).

²⁵ PacifiCorp Opening Br. at 115.

²⁶ Coalition Opening Br. at 18.

²⁷ PacifiCorp Opening Br. at 115.

²⁸ Coalition Opening Br. at 18.

²⁹ Coalition Opening Br. at 18–19.

IV. The Commission should ensure PacifiCorp’s rate impacts are mitigated through investments in energy efficiency.

PacifiCorp continues to dismiss energy efficiency as a viable solution in this rate case. In doing so, the Company ignores both the inadequacy of its current investments as well as the impacts increased rates will have on residential customers. Staff’s Opening Brief echoed the Coalition’s concerns that PacifiCorp’s investments in energy efficiency are inadequate.³⁰ Meanwhile, PacifiCorp proposes to raise its basic charges for residents³¹—a change that will negatively impact energy efficiency investments.³² The Company’s own EBA recommends investments in energy efficiency to support energy burdened residents.³³ PacifiCorp has failed to provide a compelling reason to delay action to support efficiency efforts to future dockets.

The Coalition is concerned that the Company’s sole proposal to support high-usage customers enrolled in the LID is to target these customers for removal from the program.³⁴ The Company’s opening brief doubled down on its proposal to target high-usage LID participants for removal from the LID program through the post-verification process.³⁵ This proposal is not supported by the Company’s EBA, which both identifies these customers as ideal targets for energy efficiency and weatherization investment,³⁶ and declines to list high energy usage as a possible “criteria for initiating a verification.”³⁷ The Coalition is troubled that PacifiCorp is willing to ignore the EBA’s directives to support its post-enrollment verification objectives when the Company has otherwise placed such an emphasis on the report’s findings. The Commission

³⁰ Staff Opening Br. at 98; Coalition Opening Br. at 21–22.

³¹ PacifiCorp Opening Br. at 141–42.

³² CUB Opening Br. at 70; Coalition Opening Br. at 22–23; *see also* PAC/3500, Meredith/15 (admitting that raising basic charge will negatively impact energy efficiency investments).

³³ Exhibit CUB/700, Wochele/65 (PacifiCorp’s Energy Burden Assessment).

³⁴ PacifiCorp Opening Br. at 117.

³⁵ PacifiCorp Opening Br. at 117.

³⁶ CUB/700, Wochele/22, 65.

³⁷ CUB/700, Wochele/97.

should support energy burdened residents by asking PacifiCorp to connect these high usage customers to resources, rather than threaten them with removal from a lifeline program.³⁸

The Company also claims that “[n]o party recommends any rate adjustment relating to their energy efficiency recommendations.” The Coalition points to multiple avenues to guide rate recovery, addressed in our Opening Brief. First, the outcome of the Idaho Power case can guide the Company’s rate adjustments; there, the costs of weatherization-related measures supplemented the utility’s Energy Efficiency Rider.³⁹ The Coalition further recommends that the Commission consider redirecting expenditures identified as imprudent towards energy efficiency under least-cost, least-risk planning principles.⁴⁰ Additionally, the Company’s proposal to target high usage LID participants for post-enrollment verification demonstrates PacifiCorp’s willingness to divert targeted outreach funds—dollars that are better directed at providing burdened customers with energy efficiency resources. Finally, as the EBA demonstrates, energy efficiency is a tool to keep the costs of the LID program low by connecting high-use customers with long-term energy solutions.⁴¹ Such approaches are consistent with the Commission’s directives to allow recovery in rates both for energy efficiency measures and programs aimed at mitigating energy burden.⁴²

CONCLUSION

For the foregoing reasons, the Coalition respectfully asks the Commission for the following: address the adequacy of PacifiCorp’s LID program in this proceeding, including

³⁸ See O.R.S. § 757.695(1); see also Coalition Opening Br. at 25 (describing the LID as a lifeline).

³⁹ Coalition Opening Br. at 20–21; *In the Matter of Idaho Power Co. Application for a General Rate Revision*, Docket No. UE 426, Order No. 24-311, at 7 (Sept. 23, 2024).

⁴⁰ Coalition Opening Br. at 22; *Request to Open an Investigation into Integrated Resource Planning Requirements*, Docket No. UM 1056, Order No. 07-002, at 2 (Jan. 8, 2007).

⁴¹ Coalition Opening Br. at 25; CUB/700, Wochele/65.

⁴² O.R.S. §§ 757.695(1), 756.040.

requiring the Company to implement a monetary bill cap for low-income customers, expand the discount tiers and offerings for low-income customers, prevent low-income customer post-enrollment verification, and implement an arrearage management program. Additionally, the Commission should address energy efficiency in this rate case and require the Company to expand its offerings and promote weatherization services for low-income customers.

Dated this 24th day of October, 2024.

Respectfully submitted,
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