

Southern Oregon Climate Action Now

**SOCAN**

Confronting Climate Change

<https://socan.eco>

Alan R.P. Journet Ph.D.

Cofacilitator

Southern Oregon Climate Action Now

[alan@socan.eco](mailto:alan@socan.eco)

541-301-4107

541-500-2331

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[puc.publiccomments@puc.oregon.gov](mailto:puc.publiccomments@puc.oregon.gov)

Reference Pacific Power Rate Hike request

Chair Decker; Commissioners Tawney and Perkins,

First, thank you for providing the opportunity to offer comments on the Pacific Power Rate Hike request.

I write as cofacilitator of Southern Oregon Climate Action Now, an organization of some 2,000 Southern Oregonians who are concerned about the climate crisis and encourage state action to address it. As rural and coastal Southern Oregonians, we live on the frontlines of the warming, reducing snowpack, heatwaves, drought, rising sea level, and the increasing wildfire risk that these trends conspire to produce. Because of this, we pay close attention to what is happening in the state legislature and state agencies in terms of actions that might stimulate emissions reductions or emissions increases.

Throughout SOCAN's existence (established in 2012) we have been collaborating with the grassroots statewide climate action coalition, and sympathetic state legislators, by providing supportive testimony regarding meaningful action that would reduce greenhouse gas (GHG) emissions and/or promote GHG (largely carbon dioxide) sequestration. We have similarly been monitoring and testifying before state agencies, particularly as they have responded to Governor Brown's Executive Order 20-04 and developed programs within their authority or regulated the private sector in activities relevant to greenhouse gas emissions.

Because of the profound role that state utilities play in contributing to the climate crisis by generating greenhouse gas emissions or addressing that problem by reducing their emissions, we try to remain vigilant as to their efforts and actions. When a utility requests a rate hike to pass the costs of its mismanagement on to consumers, our interest is piqued.

In concluding that Utility prices in Oregon are already too high and commenting on behalf of the Citizen's Utility Bard (CUB), Shuff (2024) reports that "Pacific Power is trying to raise rates by 21.6% for Oregon households. A typical household could see an average increase of \$29.47 each

month.” Shuff also pointed out that “Pacific Power customers saw rates increase by 11% on January 1, 2024. This increase was largely due to an increased price of natural gas (methane) used to generate electricity.” The designation of methane as ‘Natural gas’ is generous when a more accurate label for a fuel that is a public health hazard (e.g., Gottlieb and Dyrszka 2017; Bushkin-Bedient et al. 2019; O’Rourke et al. 2022) and drives at least 30% of global warming and climate change (IEA 2022) would be ‘methane pollution.’

In a brief evaluation of the overall efforts of Pacific Power, Shuff (2024) also pointed out that Pacific Power “... needs to clean up its fossil fuel-heavy system to meet climate regulations.” and “It needs to harden its system to help prevent wildfires in the future.” The former reference relates to HB2021, passed and signed into law in 2021 (OLIS 2021) that “Requires retail electricity providers to reduce greenhouse gas emissions associated with electricity sold to Oregon consumers to 80 percent below baseline emissions levels by 2030, 90 percent below baseline emissions levels by 2035 and 100 percent below baseline emissions levels by 2040.” The latter concern refers to the legislative requirement that Oregon utilities develop plans that would reduce their potential contribution to initiating wildfires in the state (Haas 2023).

The problem to which Shuff (2024) is referring is essentially that Pacific Power is not committing to reducing its reliance on electricity generated by fossil fuels but, instead, is focusing on a conversion from coal-fired power plants to methane pollution-fueled power plants. Since the evidence suggests that methane as a fuel is no better than coal in terms of its lifecycle greenhouse gas emissions (e.g., Coyquet et al. 2024; Fitzmaurice 2024), this focus represents a willful resistance on the part of Pacific Power to the spirit and demands of HB2021. Essentially, the evidence suggests that Pacific Power is seeking to raise rates to support a business model that actively rejects the requirements of HB2021 and the spirit embodied therein. This legislation represents an expression of will of the people of Oregon actualized through our legislature. Utilities should not be rewarded for rejecting the principles embodied in this legislation.

As Shuff (2024) pointed out, through their request for a rate increase, Pacific Power is seeking to pass on to its customers the results of the management failures in relation to the wildfire risks it has imposed on Oregonians. It seems entirely inappropriate for the PUC to reward Pacific Power for past failures by allowing the utility to pass the costs of their mismanagement on to customers. When investors (shareholders) make the decision to contribute their funds to Pacific Power, they should accept the cost of Pacific Power management decisions equally as much as they accept the benefit. In this case, Pacific Power has evidently made some unfortunate decisions (e.g., Haas and Profita 2023) resulting in a jury awarding \$73 million for the company’s role in causing the 2020 fires. Shareholders rather than customers should be the individuals who pay for these mistakes.

In relation to our energy utilities, we live in an economic subsystem where consumers / customers do not have the benefit of exerting their free market option of choosing from among providers. Rather, we are locked into the only available product provided by a utility operating

as a monopoly under a franchise agreement with some governmental entity. It therefore become incumbent upon that governmental entity charged with authority to award the franchise to protect consumers from arbitrary and capricious monopolistic exploitative rate increases designed to promote profits or evade financial responsibility for bad decisions.

Instead of rewarding Pacific Power executives for the mistakes they have made in relation to the requirements of HB2021 and the wildfire risk they generate, we urge Oregon's PUC to decline the Pacific Power request for a rate increase and demand management decisions of their executives that reflect the will of Oregonians regarding reducing greenhouse gas emissions and reflect the need to reduce wildfire risk.

Respectfully submitted,



Alan R.P. Journet Ph.D.

Cofacilitator,  
Southern Oregon Climate Action Now

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