

ORDER NO. 25-073

ENTERED Feb 19 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 446

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Advice No. 24-19 (ADV 1645),
Schedule 18, Income Qualified Bill
Discount.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on February 18, 2025, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



Alison Lackey

Chief Administrative Law Judge



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. RA5

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 18, 2025**

REGULAR X **CONSENT** **EFFECTIVE DATE** March 1, 2025

DATE: February 11, 2025

TO: Public Utility Commission

FROM: Kate Ayres

THROUGH: Caroline Moore, Scott Gibbens, and Michelle Scala **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1645/Advice No. 24-19)
Updates Schedule 18, Income-Qualified Bill Discount to Include Revisions to Terms.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric's (PGE or Company) Advice Filing No. 24-19, which proposes to update terms in Schedule 18, Income-Qualified Bill Discount. Staff further recommends that the Commission direct the Company to file a revised Schedule 18 tariff consistent with Commission Order No 24-454, incorporating any modifications resulting from discussions between the Company, Commission Staff, and stakeholders.

DISCUSSION:

Issue

Whether the Commission should approve Portland General Electric's Advice No. 24-19, to update the Company's Schedule 18, Income Qualified Bill Discount, effective March 1, 2025.

Applicable Rule or Law

A public utility is required to file schedules with the Commission showing all changes to rates, tolls, and charges. ORS 757.205. The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable. ORS 757.210. Tariff revisions may be made by filing revised sheets with the information required under the Commission's

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administrative rules, including OAR 860-022-0025. OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

Filings that propose any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the change. ORS 757.220; OAR 860-022-0015.

ORS 756.040(2) vests the Commission with the power and jurisdiction to regulate public utilities within the state, and to do all things necessary and convenient in the exercise of such power and jurisdiction.

ORS 757.230, as amended by House Bill (HB) 2475, provides the Commission authority to take certain considerations into account when determining a comprehensive classification of service for each public utility; including, the quantity used, the time when used, the purpose for which used, the existence of price competition or a service alternative, the services being provided, the conditions of service, differential energy burdens on low-income customers, and other economic, social equity, or environmental justice factors that affect affordability for certain classes of utility customers.¹

Analysis

Background

On January 1, 2022, HB 2475 became effective. The bill expanded language under ORS 757.230 to include additional factors the Commission may consider when establishing rate classifications, such as the "differential energy burdens on low-income customers and other economic, social equality or environmental justice factors that affect affordability for certain classes of utility customers." In response to HB 2475, the Commission has initiated a broad implementation effort that includes both interim actions to provide customers near-term relief under the new authority and a longer-term investigation to fully explore and establish the Commission's policies for differential rate design and administration.²

¹ The Energy Affordability Act (HB 2475 - 2021 Regular Session) amended ORS 756.610, ORS 757.230, and ORS 757.072 and enacted new provisions to address equity in rate setting and participating in PUC proceedings, effective January 1, 2022. Or Laws 2021 Ch. 90.

² See Docket No. UM 2211.

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PGE launched the Income-Qualified Bill Discount program (IQBD) in April 2022 following stakeholder engagement and in response to Staff's principles identified in UM 2211. The interim program offered bill discounts between 15-25 percent for eligible customers at or below 60 percent state median income (SMI).³

Beginning in January 2024, following the sixth partial stipulation in UE 416, PGE expanded the IQBD program adding new tiers and increasing discount levels for heavily burdened customers.⁴ The discount tiers can be seen below in Table 1. As of October 2024, PGE has approximately 88,000 customers currently enrolled in the program.⁵

Table 1. Income Qualified Bill Discount

Income Tier (State Median Income)	Discount Level
0-5% SMI	60%
6-15% SMI	40%
16-30% SMI	25%
31-45% SMI	20%
46-60% SMI	15%

Additionally, the sixth partial stipulation directed PGE to complete a Low-Income Needs Assessment (LINA) by June 30, 2024, and to submit a new discount program informed by the LINA within 90 days of receiving the assessment.⁶ The Company submitted its Energy Burden Assessment (EBA) on June 28, 2024.⁷ The Company presented the findings to IQBD stakeholders on June 25, 2024, and to PGE's Community Benefit Impacts and Advisory Group (CBIAG) on June 26, 2024. Along with the proposed changes in ADV 1645, PGE filed an Update to EBA Recommendations in UM 2211 identifying PGE's strategy in response to the EBA.⁸

³ See Docket No. ADV 1365.

⁴ Docket No. UE 416, [Order No. 23-286](#), First, October 30, 2024.

⁵ Docket No. RE 195, [PGE Schedule 18 Income Qualified Bill Discount Reporting August 1, 2024 – October 31, 2024](#), filed November 11, 2024.

⁶ Low-Income Needs Assessment and Energy Burden Assessment have been used interchangeably for a report focused on similar indicators. Energy Burden Assessment has become the more common filing as it looks at energy burden issues as a whole rather than just focusing on the needs of low-income customer segments.

⁷ Docket No. UE 416, [PGE's Energy Burden Assessment in Compliance with Order No. 23-286](#), filed June 28, 2024.

⁸ Docket No. UM 2211, [PGE's Update to EBA Recommendations](#), filed October 4, 2024.

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Proposed Changes

In the ADV 1645 filing from September 27, 2024, PGE proposes:

- Expanding the IQBD program to provide a new bill discount offering for qualified master-metered dwellings in PGE's service territory.
- Removing language requiring a fully randomized post-enrollment verification.
- Adding language to Special Condition 5 that would update a customer's enrollment status if the customer has received federal Low-Income Home Energy Assistance (LIHEAP) or the Oregon Energy Assistance Program (OEAP).

The terms of the master-meter offering would make eligible for the bill discount program PGE residential accounts associated with the electric service of roughly 3,000 households in master-metered affordable housing units. Specifically, the new language, Special Condition 8 would offer qualifying non-residential accounts a 25 percent discount if the master-metered dwelling meets the following criteria:

- a) At least 50 percent or greater of the dwelling units are dedicated to occupants whose income is at or below 60 percent state median income;
- b) Must qualify as affordable housing with Oregon Housing and Community Services as defined in OAR 330-240-0070(1); and
- c) The master-metered customer must attest that it will pass the monthly bill discount back to its low-income occupants on a proportional basis.

PGE proposed the March 1, 2025, effective date to allow for the Company to update building systems and program details in advance of launching the master-metered offering. PGE plans to work with OHCS to identify potential eligible customers and to help conduct outreach and enrollment efforts

The removal of the fully randomized sampling language for PEV is meant to accommodate potential implementation of the EBA recommendation that PEV random samples should be targeted to select accounts possessing characteristics more commonly associated with higher income households. Prior to determining these selection characteristics for the sample, PGE intends to engage with Staff, stakeholders and the CBIAG in advance of the next annual post-enrollment verification cycle.

The changes to Special Condition 5 are intended to improve enrollment of IQBD customers who have received federal Low-Income Home Energy Assistance (LIHEAP) or Oregon Energy Assistance Program (OEAP). The language changes provide customers who have updated their LIHEAP/OEAP enrollment to also have their IQBD enrollment status updated into the correct tier.

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Effects of Filing

Beyond the bill discount provided to participating customers, there are no known price impacts to PGE Customers associated with the Schedule 18 update proposed in Advice No. 24-19. The Company will update the Cost Recovery for IQBD, Schedule 118, in a future advice filing as needed.

Staff Review

Staff is generally supportive of the changes identified in ADV 1645 and believe that the adjustments proposed by PGE expand the program to an important group of eligible customers and acknowledges and responds to an EBA recommendation and stakeholder input regarding post-enrollment verification. However, while Staff supports what is presented in this filing, a much greater universe of actionable, near-term changes have been identified by the Company's Energy Burden Assessment findings for which PGE has not justified its decisions to delay or reject.

Further, Order No. 24-454 in UE 435 provides additional direction to Advice No. 24-19 that influences Staff's interest in providing space for additional engagement and process on the Company's IQBD.⁹ While the Commission did not alter discount tiers, the direction given was for the Company to provide a more specific quantitative recommendation as to their revision or an analysis as to why the current discounts are adequate given the EBA suggests a greater level of need. The Commission identified this advice filing as the venue for a satisfactory resolution ahead of the summer cooling and air quality needs and the expiration of the recent temporary protection process in UM 2211.

Following Staff's initial assessment of the advice filing and the issuance of the UE 435 order, Staff has discussed its concerns with the Company and determined that the recommendations put forward in this memo are important changes for near term implementation. These changes can be put in place now without being delayed for the need for further engagement on the additional Schedule 18 revisions contemplated in many venues over the past two years. Staff appreciates the Company's willingness to identify a process that facilitates moving program adjustments forward while fostering a process for further stakeholder engagement and program refinement and responding to direction received since filing ADV 1645.

Conclusion

To this end, and in alignment with discussions with the Company and UM 2211 stakeholders, Staff is recommending that the Commission approve PGE's Advice Filing No. 24-19 updating terms in the Company's Schedule 18, and direct the Company to file

⁹ Docket No. UE 435, [Order No. 24-454](#), December 20, 2024.

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a revised version of Schedule 18 consistent with Commission Order No. 24-454 with input from Staff and stakeholders.

PROPOSED COMMISSION MOTION:

Approve Portland General Electric's Advice Filing No. 24-19, which proposes to update terms in Schedule 18, Income-Qualified Bill Discount, and direct the Company to file a revised Schedule 18 tariff consistent with Commission Order No.24-454, incorporating any modifications resulting from discussions between the Company, Commission Staff, and stakeholders.

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