



OREGON
DEPARTMENT OF
ENERGY

HB 3141 Self-Direct Rulemaking Stakeholder Meeting

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October 6, 2021

AGENDA

- Introductions
- Background
 - HB 3141 Overview
 - Current Program Overview – Program Processes/ODOE’s Role
 - Self-Direct (or LECPPP) Context within Public Purpose Charge
- HB 3141 Changes/Impacts on Self-Direct Implementation/Administration
- ODOE Self-Direct Rulemaking Fall 2021
 - Purpose: Revise ODOE processes to implement HB 3141 program changes
 - Program continuity
 - “Housekeeping” – clean up moot language, revise program admin fee %
 - Schedule and opportunities for input
- Discussion – gather input, answer questions, generate follow-up list

BACKGROUND – HB 3141 OVERVIEW

- Extends the Public Purpose Charge (PPC) for 10 years, through **January 1, 2036**
- Reduces the PPC from 3 percent of revenues to **1.5 percent** of revenues collected from ratepayers of PGE and Pacific Power
- Moves most cost-effective energy efficiency work from the Public Purpose Charge and **funds those programs within the rates** paid by PGE and Pacific Power customers
- Adds language in renewables section to allow PPC funds to be used for **distribution system-connected technologies (DSCT)*** that support *reliability, resilience, and integration of renewable energy* with the distribution system

* PUC will provisionally define for 2022, with permanent definition to follow

CURRENT PPC POST-HB 3141

Program Area	Current (SB 1149)	Future (HB 3141)
IOU Collection	3% customer revenue	1.5% customer revenue
School Districts	"First 10%"	0.3% revenues (20 percent of 1.5% = 10% of 3%)
Low-income weatherization	11.7% of 3% to low-income weatherization	0.55%
Low-income housing	4.5% of 3% low-income housing	0.14%
NGO (Energy Trust) or Self-direct	Self-direct 56.7 percent of 3% conservation (56.7 = 63% X (100%-10%))	Cost-effective energy efficiency collected in rates of all retail electricity consumers
NGO (Energy Trust) or Self-direct	Self-direct 17.1 percent of 3% renewable energy (17.1% = 19% X (100%-10%))	75 percent of 0.51% renewable energy and distribution system-connected technologies

NOTE: Only conservation and renewable portions of the PPC may be self-directed. Each portion must be kept separate and used only for its designated purpose.

LECPPP/SELF-DIRECT PROGRAM DEFINITIONS/SUPPORTING DOCS

- Large Electric Consumer Public Purpose Program (LECPPP – pronounced leck-pep)
- Self-Direct – "self-reimbursing" for purchases of renewable energy and energy conservation for own site rather than remitting the portion of PPC that is designated for those purposes
- [HB 3141 Enrolled](#) – Sections 1 and 2 contain changes to PPC, cost effective energy efficiency and self-direct program
- ODOE Links: [LECPPP Information](#) | [Administrative Rules](#) | [LECPPP Rulemaking](#)
- Excellent overview of PPC, percent/dollar allocations, program results by area/administrator: [2017-19 PPC Legislative Report](#)

LECPPP/SELF-DIRECT PROGRAM OVERVIEW & CURRENT PROCESSES/ROLES



LECPPP/SELF-DIRECT PROGRAM OVERVIEW & CURRENT PROCESSES/ROLES

Processes

- Sites > 1 aMW register with ODOE; ODOE reviews and approves
- Eligible sites submit renewable or conservation projects to ODOE; ODOE reviews and approves, or “pre-certifies” projects
- Eligible sites implement project, apply for credit (attach CPA letter for >\$50k), ODOE reviews and approves “qualified expenditures,” which are added to respective renewable or conservation PPC credit balance
- Green Tags (RECs)-allowable Renewable PPC project combines above two steps
- Utilities enter monthly usage and PPC obligation into LECPPP database. Credit balances are reduced by the monthly conservation and renewable obligation. Sites with \$0 balance must complete new projects or start paying PPC.

HB 3141 SELF-DIRECT CHANGES/IMPLEMENTATION

Operative Date: January 1, 2022

Renewable Energy

- › “Distribution system-connected technologies” definition from PUC; consistent with Energy Trust
- › Self-direct limited to 75% of 0.51% total, with 25% for Low and Moderate Income

Conservation/Energy Efficiency

- › PPC conservation “gone”
- › Cost-effective energy efficiency recovered through rates



HB 3141 CHANGES/IMPLEMENTATION

Sites: same >1 aMW threshold and registration process; approval valid for **both** PPC 757.612 and 757.054 (Energy Efficiency)

Renewable Energy

- Distribution system-connected technologies new eligible category (investment vs. current above-market costs) for renewable portion of PPC; process to submit & review same as current
- Sites may self-direct only 75% of 0.51%; 25% to Low-to-Moderate Income (LMI) programs
- Green Tags – no change process; “burn rate” slower due to LMI – need less



HB 3141 CHANGES/IMPLEMENTATION

Conservation/Energy Efficiency

- PPC conservation “moot,” but site PPC credit balances roll to EE 1/1/2022
- Cost-effective energy efficiency recovered through rates
- Same submit & review (1- to 10-year simple payback), approval process

Same basic process: utility monthly statements in LECPPP database, which will be received for 75% of renewable PPC, cost-effective EE amount in rates functionally equivalent to 56.7% PPC for conservation



ODOE SELF-DIRECT RULEMAKING FALL 2021

- Background: State agency rules and rulemaking
- Purpose of HB 3141 rulemaking at ODOE:
 - Revise ODOE processes to implement changes made by the bill to LECPPP/Self-Direct program
 - Program continuity for current participants
 - “Housekeeping” – clean up moot language, revise program admin fee

<https://www.oregon.gov/energy/Get-Involved/Pages/LECPPP-Rulemaking.aspx>



ODOE SELF-DIRECT RULEMAKING FALL 2021

Schedule and opportunities for input

- **October 21: PUC discussion of distribution system-connected technologies definition**
- November 1: ODOE draft rules and hearing notice published
- November 1 – December 1: ODOE public comment period
- **November 30: PUC adoption of provisional distribution system-connected technologies definition**
- ~ December 1: ODOE public hearing
- ~ December 22: ODOE files rules; effective date January 1, 2022

DISCUSSION | Q&A | NEXT STEPS

Discussion

- Gather input from meeting participants
- Answer questions
- Generate follow up list (as needed)



CONTACT/RESOURCES

Contact Us

- Tom Elliott, LECPPP Manager, tom.elliott@energy.Oregon.gov
- Wendy Simons, Rulemaking Coordinator, wendy.simons@energy.Oregon.gov

Resources

- [HB 3141 Enrolled](#) – Sections 1 and 2 contain changes to PPC, cost effective energy efficiency and self-direct program
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