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Transportation Electrification

Introduction

Electrifying our transportation system is a key strategy to reduce greenhouse gas emissions and move Oregon towards a cleaner future. The Legislature has recognized that utilities play an important role in helping provide the transportation infrastructure necessary for electrical vehicle (EV) adoption and use.

This section highlights the PUC's work with the utilities and stakeholders to help accelerate the adoption of electric transportation options in support of Oregon's transportation goals. These efforts primarily focus on developing utility transportation electrification (TE) plans and programs to help ensure equitable and prudent utility investments to help remove barriers that may inhibit the adoption of electricity as a transportation fuel.

Policy Direction

Senate Bill 1547 (2016)

In SB 1547, the Legislature recognized that widespread transportation electrification requires that electric companies increase access to the use of electricity as a transportation fuel. In what was codified as ORS 757.357, the legislature directed the PUC to work with Oregon's three investor-owned utilities (PGE, PacifiCorp, and Idaho Power) to develop programs to accelerate transportation electrification (TE).

SB 1547 directed the PUC to assess certain factors when considering rate recovery for utility TE investments and other expenditures. For some utility TE activities, those factors were updated in HB 2165 (2021).

House Bill 2165 (2021)

Building on SB 1547, HB 2165 broadens the PUC's authority to approve various utility TE activities that accelerate the reduction of greenhouse gas (GHG) emissions and support an equitable electrification of Oregon's transportation sector:

- Section 2 requires PGE and PacifiCorp to collect a monthly meter charge equal to 0.25% of the total revenues collected from all retail customers. The utilities must make a good faith effort to spend at least half the funds collected each year to support TE in underserved communities through programs, infrastructure, and rebates.
- Section 4 updates criteria around the types of permissible utility TE investments. Utilities may recover TE expenditures in rates if the measures undertaken can be shown to support the reduction of transportation sector GHG emissions and benefit utility customers, such as by:
    - Benefitting distribution or transmission management,
    - Generating revenues from EV charging that offset the fixed costs of the investment,
    - Improving system efficiencies, or
    - Increasing customer choice through greater access to public and private EV charging stations

House Bill 3055 (2021)

HB 3055 is an omnibus transportation bill. Many of its provisions relating to the PUC mirror the language found in HB 2165. Sections 23 and 24, however, expands the authority of gas utilities to invest in transportation infrastructure. Investments must meet several criteria for cost recovery, including a reduction in GHG emissions, improvements to the gas infrastructure, and supporting the adoption of alternative vehicles powered by renewable hydrogen or renewable natural gas.

Executive Order 20-04

Section 5.B(2) – Directs the PUC to encourage electric companies to support transportation electrification infrastructure that supports GHG reductions, helps achieve the state's transportation electrification goals, and is reasonably expected to result in long-term benefits for customers.

PUC Action
Rulemakings and Investigations Following the passage of SB 1547, the PUC conducted two rulemakings and adopted rules governing utility TE programs and plans. • In AR 599, the PUC adopted rules governing utility applications for TE programs. *See* Order 16-447 • In AR 609, the PUC adopted rules requiring electric companies to develop Transportation Electrification Plans that provide an integrated and comprehensive long-term strategy to accelerate TE in their respective service territories. *See* Order 19-134 Following the passage of HB 2165 and HB 3055, the PUC opened an investigation and a rulemaking: • Docket UM 2165 developed an updated transportation electrification investment framework to guide utility investment in TE programs and infrastructure. • In AR 654, the PUC revised and updated existing rules governing TE programs and plans in light of HB 2165. Through these processes, the PUC established a framework and rules for TE plans that will: ○ Be comprehensive and developed with broad stakeholder and community input ○ Include budgets and applications for programs and infrastructure measures, including information about where and how funds will be spent and how much spending will be directed towards underserved communities ○ Be submitted every three years ○ Be reviewed through a robust Commission process with broad stakeholder involvement ○ Include additional guidance on how utilities will demonstrate compliance with plan and reporting requirements Separate performance assessment reports will be filed and reviewed by the PUC annually and third-party evaluations will be conducted every third year.

TE Plans

PGE, PacifiCorp, and Idaho Power file biennial TE Plans for review by the PUC. The PUC has dedicated dockets to review each utility's plan submission, which is done through a public process with opportunity for public participation and comment. Those dockets, as well as relevant PUC orders, are as follows:

PGE - UM 2033

- **2019 TE Plan - Order 20-047**

Idaho Power – UM 2035

- **2019 TE Plan – Order 20-157**

PacifiCorp - UM 2056

- **2019 TE Plan - Order 20-200**

As part of Order No. 21-484, the PUC exempted the utilities from submitting 2021 TE Plans so that the utilities could work with the PUC on the development of new TE Plan reporting rules and guidance as part of AR 654 and incorporate these reporting requirements into their next, more comprehensive TE Plans. Staff's guidance in 2021 was for the utilities to submit their next TE Plans, which would reflect the rules changes implemented in AR 654, by the end of 2022. PacifiCorp has requested and been granted an extension to this deadline and is expected to submit their next plan in Q1 2023.

TE Surcharge

The PUC approved new tariffs for PGE (ADV 1325) and PacifiCorp (ADV 1344) to collect the monthly meter charge required under HB 2165 equal to 0.25 percent of the total revenues collected from retail customers. Funds collected under these tariffs are required to be spent in a manner consistent with PUC-approved budgets and the utilities must make a reasonable effort to spend no less than half of the amount collected on underserved communities. PGE and PacifiCorp filed their 2022 budgets as addenda to their 2019 TE Plans in dockets UM 2033 and UM 2056, in keeping with the guidance provided in UM 2165 to provide interim budgets for 2022 while more comprehensive rules for future TE Plans were developed in AR 654.

PGE's projected 2022 monthly meter surcharge budget is expected to be $5.2 million, while PAC has projected a 2022 surcharge budget of $3 million. Both utilities' budgets must be spent on activities previously approved by the PUC, either in their 2019 TE Plans or in separate TE filings.

Going forward, PGE and PacifiCorp will seek approval for their monthly meter surcharge budgets as part of their comprehensive, three-year TE Plans.

Clean Fuels Program

The PUC annually reviews PGE's and PacifiCorp's participation in the Clean Fuels Program, administered by the Oregon Department of Environmental Quality (DEQ). Unclaimed Clean Fuels Credits generated by the EVs owned outside PGE and PacifiCorp's service territories, including those generated within Idaho Power's service territory, are claimed by a backstop credit aggregator contracted by DEQ and their value is monetized to fund EV programs.

In Order 18-376, the PUC outlined six program design principles utility Clean Fuels Programs should follow.

1. Support the goal of electrifying Oregon's transportation sectors
2. Provide the majority of benefits to residential customers
3. Provide benefits to traditionally underserved communities
4. Be designed to be independent from ratepayer support
5. Be developed collaboratively and transparently
6. Maximize use of funds for implementation of programs

In AR 654, the PUC removed design principle 4. With single, comprehensive TE plans going into effect in 2023, the consensus was that keeping Clean Fuels Program spending independent from ratepayer funded programs was no longer feasible or administratively efficient.