

December 5, 2017

VIA ELECTRONIC MAIL

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-3398

Attn: Filing Center

Re: UM 1826—PacifiCorp’s Comments on Staff’s Recommended Credit Monetization Principles

PacifiCorp d/b/a Pacific Power appreciates the opportunity to provide comments regarding Public Utility Commission of Oregon Staff’s public meeting memo dated November 3, 2017 (Report), which provides recommended credit monetization principles to guide electric companies’ participation in the Oregon Department of Environmental Quality’s Clean Fuels Program (CFP). PacifiCorp generally supports the credit monetization principles recommended by Staff and provides the following clarifying points.

Use of CFP Credit Revenue

Although the Report states that “the only issue to be decided by the Commission at this time is what Credit Monetization Principles should be adopted,”¹ in a number of instances, the Report presupposes that revenue from CFP credit sales should only be used to support programs for additional transportation electrification and that stakeholder consensus has been reached on this point.² The CFP was adopted to, among other things, stimulate the use of less carbon-intensive transportation fuels. But this does not mean that CFP revenues from residential charging should be used solely for this purpose, and stakeholder consensus has not been reached on this point.

PacifiCorp has consistently advocated to use CFP revenues to benefit those customers whose purchase of an electric vehicle gives rise to the generation of CFP credit revenue in the first instance. It is important to recognize the fact that those customers have also contributed to transportation electrification and the overall goals of the CFP program. While programs advancing the adoption of electric vehicles are one way to benefit these customers, offering a direct return of value to customers who have already purchased electric vehicles is also an important potential way to benefit these customers and further the goals underlying the CFP. Returning value directly to customers should not be ruled out as a legitimate use of CFP credit revenue, since it sends a positive signal to existing and future electric vehicle owners on the

¹ Report at. 2.

² E.g., Staff states “stakeholders reached consensus that the utilities’ monetization of residential CFP credits should be used to accelerate the adoption of electricity as a transportation fuel in *the near-term*” (p.7) and “this Staff Report on Credit Monetization Principles is a necessary first step to provide direction to the electric companies as they begin to sell CFP credits generated from residential electric vehicle charging for the purpose of creating funds to support additional transportation electrification” (Report at 10).

desirability of transitioning to cleaner fuels and could offset expenses associated with these vehicles including home charging upgrades.

PacifiCorp does not recommend any changes to the credit monetization principles related to this issue but requests that Staff modify its Report to reflect that the specific purpose and best use of CFP credit revenue is not yet established.

Utilities as Aggregators of Unclaimed Non-Residential CFP Credits

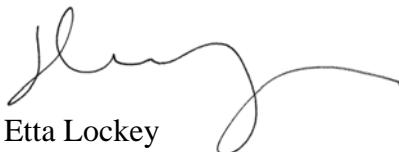
Under the current rules of the CFP, utilities may also become the default aggregator of credits associated with unclaimed credits generated from non-residential charging. This is an instance where the owner or operator of charging equipment does not register to generate credits. At the most recent stakeholder meeting, stakeholders seemed to agree that the principles adopted for the use of revenue generated from residential charging should also cover any revenue generated from otherwise unclaimed credits generated from non-residential charging. PacifiCorp recommends that the Report clarify that the credit monetization principles apply not only to residential credits, but also to non-residential credits, where the utility is the aggregator for unclaimed credits.

Administrative Costs

Based on discussion at the most recent workshop, PacifiCorp understands there is stakeholder consensus that revenue from CFP credit sales can be directly applied to offset incremental administrative costs associated with participating in the credit market. PacifiCorp recommends that Staff make this clear in the Report.

PacifiCorp appreciates Staff's open and collaborative process to develop its recommendations on the credit monetization principles and looks forward to continued active participation in this docket.

Sincerely,

A handwritten signature in black ink, appearing to read 'Etta Lockey', with a long, sweeping flourish extending to the right.

Etta Lockey
Vice President, Regulation