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November 22, 2019

***VIA ELECTRONIC FILING***

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

Attn: Filing Center


**Re: UM 1826—PacifiCorp's 2020 Clean Fuel Plan**

In accordance with Public Utility Commission of Oregon (Commission) Order No. 18-376, PacifiCorp, d/b/a Pacific Power submits for filing its 2020 Oregon Clean Fuels Programs (2020 CFP).

PacifiCorp's 2020 CFP reflects the lessons learned from the company's experiences in the first program year, as well as the insights and feedback provided by stakeholders over the last several months. The company is confident that these proposed programs represent an appropriate balance between the Commission's Program Design Principles, stakeholder feedback, and the interests of the diverse communities PacifiCorp serves.

Informal questions may be directed to Cathie Allen at (503) 813-5934.

Sincerely,



Etta Lockey  
Vice President, Regulation

Enclosure



November 22, 2019

## **I. Purpose**

PacifiCorp d/b/a Pacific Power (PacifiCorp or company) developed its Oregon Clean Fuels Programs (CFP) in response to Public Utility Commission of Oregon (Commission) Order No. 18-376, which requested utilities file a proposal CFP after the first program year that utilizes Oregon Clean Fuels funds in accordance with Commission approved principles. Order No. 18-376 established a schedule for the CFP selection process and required utilities to file their final program(s) and expenditure plans in docket UM 1826 in November 2019. In compliance with Order No. 18-376 and the schedule established in docket 1826, PacifiCorp submits this filing to provide an overview of PacifiCorp's planned program design and expenditure for the CFP funds in 2020.

## **II. Background**

The Oregon CFP evolved as a product of House Bill 2186 (2009), Senate Bill (SB) 324 (2015), and the rules promulgated by the Oregon Department of Environmental Quality in Oregon Administrative Rules (OAR) Chapter 340, Division 253. The goal of the CFP is to reduce the carbon intensity of the transportation fuels used in the state by 10 percent from 2015 levels by 2025. Fuel importers that do not otherwise meet the annual carbon intensity reduction standards may comply with those standards by purchasing credits from credit generators. Electricity is a transportation fuel under the CFP rules, and registered electric utilities are eligible to generate credits from residential charging of plug-in electric vehicles (PEVs) in their service territories.<sup>1</sup> In July 2017, the Commission directed PacifiCorp to register as a generator of residential clean fuels credits before the October 1, 2017 deadline.<sup>2</sup> PacifiCorp is separately generating non-residential credits from its public charging and demonstration and development pilots, which are used to offset the costs of those programs and which are outside the scope of this document.

When the Commission determined that utility participation in residential credit generation was in the public interest, it also determined that it was appropriate to provide guidance on how credits would be monetized and how resulting revenue would be spent. PacifiCorp actively participated in docket UM 1826, where the Commission established guidance on credit monetization<sup>3</sup> and program design principles<sup>4</sup>.

PacifiCorp received 12,575 credits from residential PEV use in 2016 and 2017, and monetized these credits in December 2018 and January 2019 for a total of approximately \$1.5 million. In March 2019, PacifiCorp received and monetized its batch of 9,830 credits generated from residential PEV charging in 2018, generating a total of approximately \$1.5 million. In March 2020, PacifiCorp will receive its next batch of credits and associated revenue from residential charging in the year 2019.

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<sup>1</sup> OAR 340-253-0330 includes guidance regarding role of electricity providers as clean fuels credit generators.

<sup>2</sup> *In the Matter of Public Utility Commission of Oregon, Investigation into Utility Participation in Oregon Clean Fuels Programs*, Docket No. UM 1826, Order No. 17-250 (July 12, 2017).

<sup>3</sup> *Id.*, Order No. 17-512 (November 3, 2017).

<sup>4</sup> *Id.*, Order No. 18-376 (October 1, 2018).

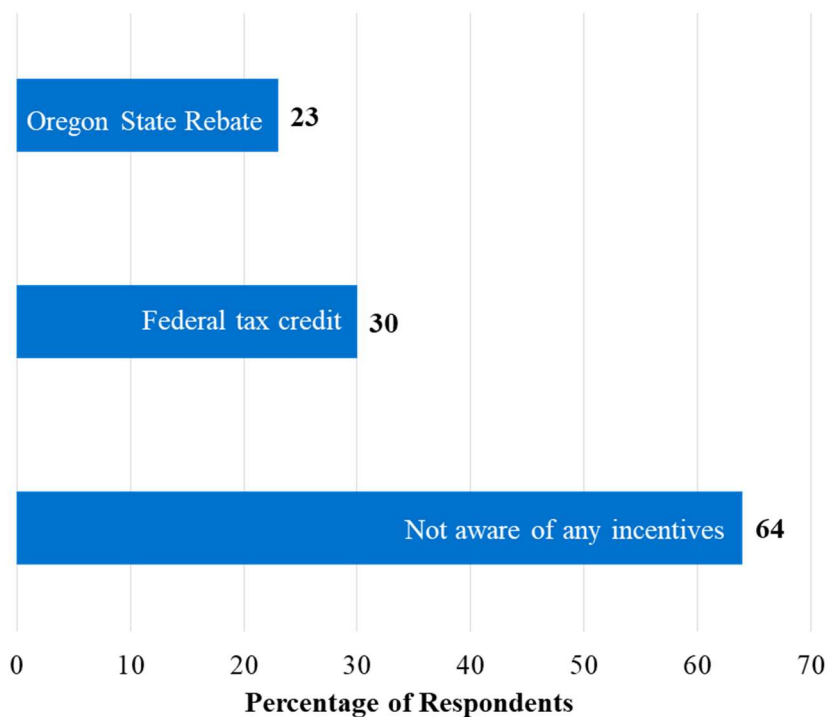


Pacific Power serves roughly 600,000 customers in over 200 communities across the state of Oregon. This diverse and widespread service area covers 21,292 square miles and touches each of the state’s four borders. While the company serves roughly 75,000 customers in North and Northeast Portland, the majority of Pacific Power customers live in smaller communities and more rural areas. Multnomah County has a population density (population per square mile) of 1,700; the average population density in other Oregon counties served by Pacific Power is only 43; 1/40<sup>th</sup> the Multnomah County value. Additionally, these counties have 20% lower median household income on average than Multnomah County.<sup>5</sup>

There are many barriers to transportation electrification regardless of where customers reside but those who live in more rural areas of the state have different challenges than those who live in more urban areas. The CFP programs are tailored to the unique circumstances of the Pacific Power’s Oregon service area, reflecting key differences relative to the larger urban centers where transportation electrification has been most successful.

In crafting the 2020 CFP programs PacifiCorp relied on new data about PacifiCorp Oregon residential customers. Residential customers were surveyed on their awareness and understanding of electric vehicles as part of the company’s pilot program evaluation. The survey revealed that PacifiCorp residential customers are unaware broadly unaware of electric vehicles and their benefits.

### Awareness of EV Initiatives



<sup>5</sup> U.S. Census Bureau, *QuickFacts: Oregon*, <https://www.census.gov/quickfacts/table/PST045216/41> (last visited Nov. 21, 2019).



Through the survey PacifiCorp learned almost two thirds of respondents were not aware of any electric vehicle incentives and only five percent knew there was electric vehicle information and tools available on the PacifiCorp website<sup>6</sup>. This revealed the company and other electric vehicle proponents must take a more active approach to educate customers on about electric transportation. This more active approached is reflected in the 2020 CFP programs.

### **III. Program Design Principles**

In Order No. 18-376, the Commission identified six principles to guide utility expenditure of residential CFP credit revenue:

- 1) Support the goal of electrifying Oregon’s transportation sectors.
- 2) Provide majority of benefits to residential customers.
- 3) Provide benefits to traditionally underserved communities.<sup>7</sup>
- 4) Programs are designed to be independent from ratepayer support.
- 5) Programs are developed collaboratively and transparently.
- 6) Maximize use of funds for implementation of programs.

On the basis of these principles, PacifiCorp developed two program concepts that it proposes to fund with the revenues generated from the sale of its 2018 CFP credits.

### **IV. Stakeholder Process**

On March 29, 2019, PacifiCorp filed its proposal for the first program year funded from the sale of its 2016-2017 residential PEV use credits (2019 CFP). The company provided an update on the status of its 2019 CFP at the August 14, 2019 Stakeholder Workshop and sought input from stakeholders on the how PacifiCorp should use the revenue from the 2018 residential PEV use credits for the company’s second program year (2020 CFP).

On September 13, 2019, PacifiCorp shared a document outlining PacifiCorp’s proposed 2020 CFP, addressing the Commission principles and reflecting PacifiCorp’s intention to promote transportation electrification across its service territory. The proposed programs were presented at two public workshops. The first took place on September 25, 2019, and the second on October 23, 2019. The company received feedback on the proposals from stakeholders, identified in the following table, at the in-person workshops, in writing, and via phone conversations.

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<sup>6</sup> Navigant (2019). Pacific Power 2019 General Population Baseline Residential Customer Electric Vehicle Survey.

<sup>7</sup> As defined in Commission Order No. 18-376, p. 6, footnote 7, “Communities traditionally underserved by access to electric vehicles include but are not limited to multi-family housing, low-income communities, and areas with a low density of public charging stations.”



**UM 1826 Stakeholders**

- Oregon Department of Environmental Quality
- Union Of Concerned Scientists
- Greenlots
- NW Energy Coalition
- Climate Solutions
- Oregon Department of Energy
- Commission Staff
- Forth
- ChargePoint
- Oregon Environmental Council
- Citizen’s Utility Board

Changes to the original proposal based on stakeholder feedback included increasing focus and spending on transit agencies and school district electrification support by specifying \$300,000 for additional resources. Additionally stakeholder input is reflected in added flexibility in the Electric Mobility Grant to cover a wider range of costs. Other changes included removing community needs assessments as a separate grant opportunity, removing a Transportation Network Company rideshare pilot program, and a utility focused needs assessment.

**V. 2020 Programs**

The 2020 CFP Total Budget includes \$1,532,800 in revenue from the sale of 2018 residential PEV use credits and \$200,000 rolling forward from the sale of 2016-2017 residential PEV use credits for a total budget of \$1,732,800.

<b>2020 CFP Budget</b>	
<b>Electric Mobility Grant</b>	<b>\$1,200,000</b>
<b>Projects</b>	<b>Total</b>
Continuation and Expansion of Electric Mobility Grant Program	At least \$400,000
Grant Matching	Up to \$500,000
Electrification Lifecycle Support for Public Agencies	\$300,000
<b>Outreach and Awareness</b>	<b>\$457,000</b>
<b>Projects</b>	
Public Outreach and Education	\$227,000
Statewide Education Campaign	\$125,000
Design Build Challenge	\$25,000
PEV Driver Customer Survey	\$80,000
<b>Contingency (unallocated)</b>	<b>\$75,800</b>
4% of 2018 Credit Revenue and Rollover	\$75,800
<b>Total Budget<sup>8</sup></b>	<b>\$1,732,800</b>

**Contingency - Four Percent of 2018 CFP Credits**

PacifiCorp reserves four percent of the revenue from the 2018 CFP credits in the event that any 2020 programs exceed the proposed budgets. In the event that programming comes under

<sup>8</sup> The 2020 CFP Total Budget includes \$1,532,800 in revenue from the sale of 2018 residential PEV use credits and \$200,000 rolling forward from the sale of 2016-2017 residential PEV use credits.



budget, or that these contingency dollars are not spent, remaining funds will be allocated to the grant program or rolled forward into the following year’s programs.

**A. Electric Mobility Grant Program**

<p><b>Program type:</b> Funding for electric transportation projects that benefit residential customers and traditionally underserved communities</p> <p><b>Term:</b> Dependent on applicant, proposed project, and customer interest. Funds must be spent within 24 months (without preapproved exception)</p> <p><b>Eligibility:</b> Non-profit organizations and governmental entities representing and/or serving traditionally underserved communities; private organizations that demonstrate a project’s direct benefit to PacifiCorp residential customers</p> <p><b>Objective:</b> Expand the number and type of electric transportation projects that benefit residential customers</p> <p><b>Approximate program budget:</b> \$1,200,000</p>
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Program Design Principles	
Design Principle	Execution
1. Support the goal of electrifying Oregon’s transportation sectors.	Cost is continuously cited as a major barrier to transportation electrification. In providing flexible funding sources non-profits and governmental entities will increase access to electric transportation. Two important actors in transportation, public transportation and school districts, will have increased utility support through CFP spending.
2. Provide majority of benefits to residential customers.	Investment in traditionally underserved communities (including rural communities served by PacifiCorp across the state) through the Electric Mobility Grant Program will provide benefits to all residential customers in those communities.
3. Provide benefits to traditionally underserved communities.	PacifiCorp directly targeted these programs to benefit traditionally underserved communities, including communities in its rural service area, by providing both a funding source and a potential tool by which those communities may leverage state and federal grants along with other sources of grant funding.

4. Programs are designed to be independent from ratepayer support.	All programs will be funded through the CFP revenues that are already in PacifiCorp’s account. These programs do not require additional funding from ratepayer funded programs.
5. Programs are developed collaboratively and transparently.	PacifiCorp engaged with stakeholders throughout the process of developing these CFP programs, adjusting elements of the programs based on formal and informal stakeholder input. More detail on the stakeholder engagement process is included in Part IV above.
6. Maximize use of funds for implementation of programs.	PacifiCorp prioritized straightforward program mechanics and administrative efficiency in designing its CFP programs in order to maximize the use of funds available to further CFP objectives.

1. *Continuation and Expansion of Electric Mobility Grant Program*

Program	Program Costs	Est. Admin Costs	Total
Mobility Grant Continuation	\$350,000	\$50,000	\$400,000

The Electric Mobility Grant Program provides financial assistance for projects related to transportation electrification in traditionally underserved communities in PacifiCorp’s Oregon service territory. Eligible expenses include any transportation electrification project costs. These expenses may include project management costs, costs associated with conducting transportation needs assessments, or a portion of the incremental cost to purchase an electric vehicle. Applicants are expected to provide information supporting the alignment of their proposals with the Commission’s concept of “traditionally underserved communities” described in Principle 3.

PacifiCorp proposes to continue the Electric Mobility Grant Program. However, based on stakeholder feedback and lessons learned from SB 1547-funded programs, PacifiCorp will set a start date for applications in 2020 and accept applications continuously on and after that date (as opposed to funding cycles) until funds are exhausted. Additionally, the \$50,000 cap for funds was removed in 2019 to allow for more expansive programming. Any administrative funds not spent will be recirculated into the grant pool. Costs associated with studying, planning,



promoting, or deploying electric transportation technology and projects are eligible for the grant. This includes staff time and grant writing assistance.

2. *Grant Matching*

Program	Program Costs	Est. Admin Costs	Total
Grant Matching	\$450,000	\$50,000	\$500,000

As committed in company's April 22, 2019 informational filing, PacifiCorp reserved up to \$500,000 of these funds to provide financial support for customers and communities pursuing time-limited matching dollars for external grant programs, such as the Federal Transit Administration's Low or No Emission Vehicle Program or the United States Department of Energy's (US DOE) Advanced Vehicle Technologies Research Funding Opportunity. The customer or community must plan to perform a majority of funded electric vehicle charging at a location(s) served by Pacific Power.

Funding commitments are contingent on the recipient successfully acquiring other funding. Should the customer/community decide not to apply for the other funding opportunity, not receive an award, or choose to not proceed with the grant award, PacifiCorp would not provide these funds. In this situation, funds will be recirculated into the larger grant funding pool to fund other projects or programs. In exchange for matching funds, Pacific Power may request a portion of any nonresidential CFP credits the project would generate commensurate with PacifiCorp's investment<sup>9</sup>. Any revenue generated from the sale of these credits will be combined with residential CFP credit revenue to fund other projects or programs.

In June 2019, PacifiCorp provided a letter of support and commitment of \$100,000 to Forth in their application for the US DOE Advanced Vehicle Technologies Research Funding Opportunity Grant. Forth is a Portland-based nonprofit dedicated to advancing electric, smart and shared transportation. Forth's project, the Clean Rural Shared Electric Mobility (CRuSE) Project, will provide electric carsharing in Hood River, Oregon. In August 2019, the US DOE awarded the CRuSE Project \$548,540 amplifying the impact of clean fuels program revenue. No other matching fund applications supported by PacifiCorp were successful to date.

Up to \$50,000 is reserved for staff time to support projects in their application process and once funding is awarded. Any funds not committed by September 2020 will roll into the Electric Mobility Grant and be distributed to projects recommended for funding.

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<sup>9</sup> PacifiCorp recognizes that the value of CFP credits may be a critical component of project viability for a customer or community. In cases where PacifiCorp determines that the customer retaining all CFP credits is critical to project success, PacifiCorp may forego receiving a share of credits.





3. *Electrification Lifecycle Support for Public Agencies*

Program	Program Costs	Est. Admin Costs	Total
Lifecycle Support for Public Agencies	\$100,000	\$200,000	\$300,000

With the aim of supporting a holistic approach to electric transportation opportunities across the state, PacifiCorp proposes partnering with some public entities for technical assistance support through the lifecycle of an electric transportation project. Initially, targeted applicants will be public agencies, such as school districts and public transit agencies. These “lifecycle” engagements with the company are intended to complement PacifiCorp’s additional programming (including both SB 1547-funded and CFP-funded programs). PacifiCorp envisions engaging with customers throughout the lifecycle of an electrification project: from concept, project planning, securing funding, offering technical assistance, completing the project, and promotion.

While the main focus will be to support public agencies, the company anticipates the beneficiaries to be residential customers in communities served by PacifiCorp. School districts and transit agencies serve residential customers. In more rural areas, electrifying these two groups could have a wide community impact. Additionally, some users of public transportation do not have access to personal - duty vehicles. By supporting these two groups, PacifiCorp addresses Program Principles one, two, and three. All Oregonians should share in the benefits of electrification regardless of their mobility preferences.

Using these funds, PacifiCorp will increase internal and external resources capacity to support public agencies in education, planning, and scoping transportation electrification projects. This may include hiring additional PacifiCorp personnel and/or procuring external consultants to provide specialized on demand expertise as needed. The administrative cost is higher than the 10 percent target as this program will increase PacifiCorp internal resources.

**B. Outreach and Awareness**

<p><b>Program type:</b> Outreach and Education  <b>Term:</b> PacifiCorp envisions this funding will be available in 2020 and 2021, with the majority likely to be spent in 2020  <b>Target audience:</b> PacifiCorp residential customers  <b>Objective:</b> Increase residential customer interest in electric vehicles and awareness of benefits  <b>Approximate program budget:</b> \$457,000</p>
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Program Design Principles	
Design Principle	Execution
1. Support the goal of electrifying Oregon’s transportation sectors.	Approximately 75 percent of the vehicles registered in Oregon are light-duty vehicles <sup>10</sup> . Residential customers remain unaware of many of the benefits of electric vehicles. By providing relevant, targeted communications to residential customers PacifiCorp aims to increase the number of electric vehicles on Oregon roads.
2. Provide majority of benefits to residential customers.	The targeted audience and beneficiaries of this program are PacifiCorp residential customers.
3. Provide benefits to traditionally underserved communities.	Communications and events in communities served by PacifiCorp will include residential customers living in multi-family housing, low-income communities, and areas with a low density of public charging stations. Additionally, some funds may be used to translate communications materials.
4. Programs are designed to be independent from ratepayer support.	All programs will be funded through the CFP revenues that are already in PacifiCorp’s account. These programs do not require additional funding from ratepayer funded programs.
5. Programs are developed collaboratively and transparently.	PacifiCorp engaged with stakeholders throughout the process of developing these CFP programs, adjusting elements of the programs based on formal and informal stakeholder input. More detail on the stakeholder engagement process is included in Part IV above.
6. Maximize use of funds for implementation of programs.	PacifiCorp prioritized straightforward program mechanics and administrative efficiency in designing its CFP programs in order to maximize the use of funds available to further CFP objectives.

<sup>10</sup> Oregon Department of Transportation. (2019). *DMV Facts & Statistics*. Retrieved from <https://www.oregon.gov/ODOT/DMV/Pages/News/factsstats.aspx> (Accessed November 18, 2019).



Electric transportation offers numerous benefits for both individual drivers and communities as a whole, yet most residential PacifiCorp customers are unaware of these benefits.<sup>11</sup> PacifiCorp proposes using both broad and specific education and marketing tactics to increase electric transportation adoption in the state.

1. *Public Outreach and Education*

Program	Program Costs	Est. Admin Costs	Total
Public Outreach and Education	\$207,000	\$20,000	\$227,000

PacifiCorp proposes to maximize its internal communications and marketing resources to implement broad awareness and activation initiatives. The intention is to target residential customers through marketing and other promotions to generate interest and increase adoption of electric vehicles.

These flexible funds are intended to educate residential customers about eclectic cars, electric fuel, and the benefits of vehicle electrification. Outreach and education activities may include:

- Ride and Drives and community event sponsorship (e.g. National Drive Electric Week events)
- Collateral development and printing
- Collateral Translation
- Digital advertising and paid social media ads
- Print and radio advertising
- Advertising and communications in dealerships
- Targeted geographic advertising near company DC Fast Charger locations
- Targeted bill inserts
- Targeted email
- Other community event and marketing opportunities

The aim is to deeply engage residential customers on education and promotion of electric vehicles. Some funds may also be used to educate residential customers about electric vehicles in car dealerships during and after the purchasing process.

This funding will be directed by PacifiCorp and may align with the statewide campaign. Planned spending will be focused on residential customers around the state.

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<sup>11</sup> Navigant (2019). *Pacific Power 2019 General Population Baseline Residential Customer Electric Vehicle Survey*.



2. *Statewide Education Campaign & Design Build Challenge*

Program	Program Costs	Est. Admin Costs	Total
Statewide Education Campaign	\$115,000	\$10,000	\$125,000
Design Build Challenge	\$25,000	\$-	\$25,000

PacifiCorp plans to coordinate with Portland General Electric and other stakeholders on an education campaign aimed at residential customers. The primary objective in partnering on a statewide campaign is to engage communities and stakeholders around the state—including individuals, local governments, non-governmental organizations, economic development groups, transit agencies, and others—that are well-positioned to expand the adoption of electric vehicles in Oregon in support of Senate Bill 1044. That bill sets statewide goals to have 50,000 electric vehicles on Oregon roads by the end of 2020, and 250,000 by the end of 2025. PacifiCorp intends to leverage the interest and momentum from this campaign across its service territory, offering programming to its residential customer base across Oregon. The concept is a state-wide campaign and events aligned with Portland General Electric to engage and educate residential and business customers living and operating in Oregon that Electric Mobility is:

- Ready to go today
- Serves all regions (rural, urban, heavy duty, farm, on/off road)
- Has options for all people, levels of ability, income levels and businesses (public transit, urban micro mobility, agriculture, fuel savings, affordable housing pilots)
- Helps meet the state’s environmental goals (air quality, reduce greenhouse gas emissions)
- An important tool to combat climate change

Additionally PacifiCorp will partner with Portland General Electric to fund a Design Build Challenge, a youth STEAM contest related to electric transportation. The challenge will be administered by the Construct Foundation. Over the 2019-2020 school year six Oregon middle schools (two in PacifiCorp’s service area) will meet to learn about electric transportation and participate in the challenge. Students will be encouraged to investigate how society might increase utilization of and equitable access to electric vehicles along with how electric vehicles might be used in new and innovative ways.



3. *Electric Vehicle Driver Customer Survey*

Program	Program Costs	Est. Admin Costs	Total
PEV Driver Customer Survey	\$70,000	\$10,000	\$80,000

PacifiCorp plans to engage a third party vendor to identify and survey residential electric vehicle drivers and provide data collection and analysis. The survey will target known or suspected PEV drivers for data collection to gather information on:

- Driving and charging behaviors
- Outstanding needs and concerns of electric vehicle drivers
- Interest in current and future programs, rates, and/or policies offered by PacifiCorp
- Information that will benefit PacifiCorp’s distribution system planning efforts
- Location and type of electric vehicle owned or leased
- Location and type of charging infrastructure regularly used

The collected data and resulting analysis will inform future residential program planning.

## **VI. Reporting**

PacifiCorp will report to the Commission within six months following the conclusion of the programs described in this proposal. Reporting will include details related to program participation and spending, in addition to lessons learned during the development and operation of the programs. Whenever possible effort will be made to gather metrics on participation and effectiveness while minimizing administrative costs.