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November 19, 2021

***VIA ELECTRONIC FILING***

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

**RE: UM 1826—PacifiCorp's 2022 Clean Fuel Plan**

In accordance with Public Utility Commission of Oregon (Commission) Order No. 18-376, PacifiCorp, d/b/a Pacific Power (PacifiCorp or the Company) submits for filing its 2022 Oregon Clean Fuels Plan (2022 CFP).

PacifiCorp's 2022 CFP reflects the lessons learned from the Company's experiences in prior program years, as well as the insights and feedback provided by stakeholders. 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,

A handwritten signature in blue ink that reads "Shelley McCoy".

Shelley McCoy  
Director, Regulation

Enclosure

**PacifiCorp's 2022 Clean Fuels Plan  
Residential Credit Aggregation, Monetization, and Proposed Program Design  
November 19, 2021**



*Crook County Fairgrounds E-Tractor 2020 Grant Award*

## **I. Purpose**

PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) developed the programs included in its Clean Fuels Plan (Plan) in response to Public Utility Commission of Oregon (Commission) Order No. 18-376, which directed utilities to propose programs that utilize Oregon Clean Fuels Program (CFP) funds in accordance with Commission-approved principles.<sup>1</sup> Commission Order No. 18-376 established a schedule for the development of programs and required utilities to file their final program(s) and expenditure plans in docket UM 1826. PacifiCorp filed its 2020 Plan on November 22, 2019 and its 2021 Plan on November 20, 2020. In accordance with Order No. 18-376 and the schedule established in docket UM 1826, PacifiCorp hereby submits the 2022 Plan, which provides an overview of PacifiCorp's proposed program design and estimated expenditure plans for CFP revenues for the coming year.

## **II. Background**

The Oregon CFP evolved as a product of House Bill 2186 (2009), Senate Bill 324 (2015), and the rules promulgated by the Oregon Department of Environmental Quality in Oregon Administrative Rules (OAR) Chapter 340, Division 253. The initial 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. In March 2020, Governor Brown signed Executive Order 20-04, expanding the goals of the CFP to reduce carbon intensity by 20 percent from 2015 levels by 2025 and 25 percent reduction by 2030. In March 2021, the Environmental Quality Commission adopted amendments to the CFP rules to advance methods accelerating the generation and aggregation of clean fuels credits by utilities. The rule amendments

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<sup>1</sup> This proposal makes distinctions between: 1) the CFP, which is a state program that awards CFP credits for plug-in electric vehicle (PEV) charging; 2) PacifiCorp's Plan, which establishes the programs that PacifiCorp operates with CFP revenues; and 3) the programs (CFP Programs) that PacifiCorp operates under the Plan.



include changes and additions that will further incent the generation and aggregation of electricity credits.

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 PEVs in their service territories.<sup>2</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>3</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>4</sup> and program design principles.<sup>5</sup>

PacifiCorp received 12,575 credits from residential electric vehicle (EV) 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 9,830 credits generated from residential EV charging in 2018, generating a total of approximately \$1.5 million. In March 2020, PacifiCorp received 12,206 credits from residential EV charging in the year 2019, generating a total of \$1.47 million. In March of 2021, PacifiCorp received 17,691 residential credits and anticipates total revenue from sales of these credits of approximately \$2.2 million by the end of the year for the 2022 program year.<sup>6</sup>

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. As directed in Order No. 18-376, PacifiCorp filed its 2020 Plan on November 22, 2019 and its 2021 Plan on November 20, 2020. This document outlines PacifiCorp's proposal for its fourth program year funded from the sale of 2021 residential CFP credits (2022 Plan).

### **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.

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<sup>2</sup> OAR 340-253-0330 includes guidance regarding role of electricity providers as clean fuels credit generators.

<sup>3</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>4</sup> *Id.*, Order No. 17-512 (Nov. 3, 2017).

<sup>5</sup> *Id.*, Order No. 18-376 (Oct. 1, 2018).

<sup>6</sup> Total estimate is calculated by taking credit volume multiplied by posted average price per credit over the previous four months (\$125). See <https://www.oregon.gov/deq/ghgp/cfp/Pages/Monthly-Data.aspx>

- 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.

In addition, the Commission—by adopting Staff’s recommendations in Order No. 18-376—suggested that overall administrative costs of 10 percent or less would be appropriate, subject to some variation by program.<sup>8</sup>

#### **IV. Integrating Lessons Learned**

In an effort to analyze and maximize program delivery to customers, the Company collected survey feedback and conducted interviews with 2020 past grant participants, and reached out to its regional business managers to gather feedback from customers throughout Oregon. Through this process, PacifiCorp identified areas for improvement in the existing program design and opportunities for greater participation from rural and underserved communities. The survey and interview results illuminated some key program strengths and weaknesses shared by stakeholders, outlined below.

##### **Program Strengths**

- Allows applicants to come up with their own ideas.
- Informational webinars and coaching were very useful.
- Equity appears to be a big piece of this program.
- Funds available to support 100 percent of total project costs.

##### **Program Weaknesses**

- Unclear how “preference for rural locations” is factored into scoring.
- Technical Assistance wasn’t available for site evaluations because of COVID restrictions.
- Application is a heavy lift for PacifiCorp’s target demographic; underserved customers and communities (including communities in rural areas) often lack resources and time to complete these applications.
- Application timeline wasn’t long enough.

Additional feedback was gathered during these discussions with grant participants and regional business managers which included focused redesign considerations for the future program year. This included the following:

- Need to determine how to redesign the program to better fit the needs of rural customers.
- Application timeline is too short, and process is too complex, need to simplify.
- Need creative partnerships with third parties from rural locations.
- Need representation in e-mobility awarding committee from a rural area.
- Coordinate a cohort for collaboration among grant recipients to share cross learnings.
- More technical assistance requested.

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<sup>7</sup> As defined in Commission Order No. 18-376, “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.”

<sup>8</sup> Order No. 18-376, Appendix A, Page 8.



PacifiCorp has incorporated this feedback into program design in the 2022 Plan in the following ways:

- Application window will be extended from three to four months. Feedback from existing grant applicants stated the challenge with the current time frame. Extending the application period to four months will allow groups to pull together important technical documentation and receive necessary technical support. In addition, PacifiCorp will evaluate adjusting the application timeline to earlier in the spring to alleviate summer holiday challenges that are often faced by interested participants.
- Simplified grant application forms. PacifiCorp proposes to streamline application form processes.
- Increased technical support. PacifiCorp proposes to provide increased technical support to grant applicants and past grantees to support additional coaching needs and technical guidance on all questions related to electric mobility.
- Streamlining of the grant matching process and broadening awareness.
- Development of roundtable for cohorts. The development of a quarterly roundtable facilitated by partners will act as a conduit in creating connection between current and past grantees and continue to ensure cross-learning between participants.
- Additional weighting for bus and transit projects. After stakeholder feedback, PacifiCorp proposes to increase weighting for projects that are school bus or transit oriented to ensure these projects continue to be a key part of the Clean Fuels portfolio.

## **V. Proposed 2022 CFP Programs**

PacifiCorp's 2022 Plan proposes to continue operating the CFP Programs that it developed through its previous Plans, with the refinements based on the feedback described above. Those CFP Programs include the Electric Mobility Grant Program, the Grant Matching Program, and the Outreach and Education Program. Taken as a portfolio, PacifiCorp's CFP Programs follow the Commission's six program design principles, as detailed in PacifiCorp's earlier filings. PacifiCorp proposes an overall budget for the 2022 Plan of approximately \$2.48 million.

Projected sales of 2021 CFP credits are estimated at \$2.2 million with the addition of \$280,000 of returned matching funds from unused 2020 matching fund grant awards, for a total proposed expenditure budget of \$2.48 million. Moving forward, PacifiCorp intends to claim incremental CFP credits as further explained in Section E.

Total CFP Program expenditures by budget category are summarized in the table below.

2021 CFP Proposed Budget		
Budget Category	Estimated \$ Value	% of Total Budget
<b>A. E-Mobility Grant and Grant Matching Funds Total</b>	<b>\$1,880,000</b>	<b>76%</b>
Electric Mobility Grant Program	\$1,380,000	
Grant Matching	\$500,000	
<b>B. Outreach and Education</b>	<b>\$215,000</b>	<b>9%</b>
<b>C. Management and Administration</b>	<b>\$290,000</b>	<b>12%</b>
<b>D. Contingency</b>	<b>\$95,400</b>	<b>4%</b>
<b>Total Proposed Budget<sup>9</sup></b>	<b>\$2,480,400</b>	

**A. E-Mobility Grant and Grant Matching**

- Program type: Grants
- Term: Dependent on applicant, proposed project, and customer interest. Funds must be spent within 18 months, unless a modified timeline is discussed in advance
- Eligibility: 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
- Approximate program budget: \$1.88 million

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

PacifiCorp proposes to continue funding the Electric Mobility Grant Program which provides financial assistance for projects related to transportation electrification in traditionally underserved communities in PacifiCorp’s Oregon service area. Eligible expenses covered under the Electric Mobility Grant Program include all direct transportation electrification project costs, including, but not limited to, project management costs, charging infrastructure and installation costs, costs associated with conducting transportation needs assessments, and costs 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.

The 2021 Electric Mobility Grant cycle opened in June 2021 and closed August 31, 2021 with \$650,000 in available funds. PacifiCorp received 33 grant applications requesting approximately \$3.15 million in project funding. The third-party grant evaluator is currently reviewing the applications for eligibility and scoring proposed projects according to the evaluation criteria developed in collaboration with docket UM 1826 stakeholders. For the 2022 cycle, PacifiCorp proposes to expand grant funding under this program to approximately \$1.38 million with anticipated sales of credits issued in 2021.

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<sup>9</sup> Projected sales of 2021 credits are estimated at \$2.2 million with the addition of \$280,000 of returned matching funds from 2020 which will result in a total estimated revenue of \$2.48 million.



2. *Grant Matching*

PacifiCorp proposes to continue funding electric transportation projects 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 Advanced Vehicle Technologies Research Funding Opportunity. New for the 2022 cycle, PacifiCorp proposes to allocate \$100,000 to microgrants to fund grant writing support. Under this proposal, applicants will be able to apply for grant writing support funds through the grant matching process and receive funds to pay for assistance from a grant writer during grant application development.

Matching Fund Category	Matching Fund Amount
Grant Match Support	\$400,000
Microgrants: Grant Writing Support Funding	\$100,000
<b>Total</b>	<b>\$500,000</b>

Funds committed to applicants that are not awarded a matching grant will be redirected into the larger Electric Mobility grant funding pool. To provide transparency and improve grant match participation, PacifiCorp proposes to conduct quarterly outreach announcements of available funding. PacifiCorp is evaluating the proposal of a funding cap of \$100,000 in the future; however no cap is proposed at this time. Total estimated funds for matching equate to \$400,000.

PacifiCorp committed 2021 matching funds to three organizations, including Forth, City of Portland and Portland Public Schools to support innovative carsharing activities, right of way Level 2 charging and purchase of an electric shuttle bus.

**B. Outreach and Education**

- Program type: Outreach and Education
- Term: Program to run through 2022
- Target audience: Residential customers broadly and specifically those that are considering purchasing electric vehicles and installing EV chargers
- Approximate program budget: \$215,000

Electric transportation offers numerous benefits for both individual drivers and communities, yet many of PacifiCorp’s residential customers are unaware of these benefits. The Company plans to continue conducting outreach and education activities in 2022, as appropriate based on COVID-19 precautions. In 2021, many scheduled outreach and education events did not proceed; those remaining funds will be spent as allocated and are not part of this budget.

1. *Continue Dealer Engagement*

PacifiCorp proposes to continue funding Chargeway Beacons in four rural Oregon dealerships. Chargeway is a system that uses colors to identify plug types and numbers for power levels. The higher the number the faster you can charge at that station. This label system on charging stations and in the Chargeway app and Beacons makes it easier for customers to differentiate charging options for their needs and understand electricity as a transportation fuel.

The Chargeway app is free to download for all PacifiCorp customers and shows the simple color and number icons on the station finder map to identify all charging options available for every electric car a user adds to their account. The Beacon is a six-foot interactive touch screen that shows charging locations and aids salespeople in communicating about electric fuel. The Beacons also collect data on customer use of the Beacons, allowing the Company insights into residential customer engagement at dealerships. In addition to the Beacons, Chargeway has launched its platform into a tablet compatible device. These tablets will be incorporated into future dealer and community outreach.

To support ongoing education for dealership representatives Chargeway will provide an e-learning program making it easier to provide training throughout PacifiCorp's service territory. Participants in the e-learning program will gain skills and tools in engaging with motivated customers in their EV purchase. The program will enhance the dealership and car buying experience for customers who are new to EV technology.

2. *Continue Customer Communications and Statewide Campaign*

PacifiCorp recognizes the need to continue supporting the statewide education and outreach campaign, Oregon' Electric, to engage a broader group of customers in the benefits of electric transportation. PacifiCorp will work with Portland General Electric and others to build on the brand-neutral statewide campaign and look for ways to leverage existing outreach activities such as the Chargeway app into the central hub. Funds will support paid media, earned media outreach, content development, and dealership engagement. The campaign will continue to deliver the following messages:

- Electric transportation options are here today and are available in multi-modal applications that meet a variety of transportation needs including rural, urban, on-farm, on-road, off-road, micromobility and public transit applications.
- Transportation electrification is a critical piece of meeting the state's environmental and climate goals; and
- Oregon is a national leader in this space.

3. *Increased Technical Assistance*

As part of the 2022 delivery program, PacifiCorp proposes increasing technical support for expert EV and EV supply equipment knowledge. The Company recognizes the adoption of new technology is fraught with challenges. This program



will be designed to educate and assist smaller organizations in current EV best practices. This program element will validate available products and resources and in doing so build trust in PacifiCorp's transportation electrification efforts.

4. *Quarterly Roundtable Discussions*

To provide additional support to grant awardees, PacifiCorp proposes to host regular round table sessions on a quarterly basis. These sessions will focus on connecting current awardees with previous grant participants. Each information session will be facilitated by the Company and organized to encourage case study presentations, lessons learned, lively discussion and mentoring.

**C. Management and Administration**

PacifiCorp is proposing a management and administration budget of \$290,000. As PacifiCorp's CFP Programs gain momentum from the previous year, and as it expands services and grant funds allocated in the 2022 cycle, the Company's internal program management team will require additional program support internally and externally to effectively deliver the CFP Programs to customers. Accordingly, PacifiCorp is proposing modest increases in the total management and administration budget for the upcoming year to enhance support for grant applications, evaluation and administration, and to ensure that the Company can meet its reporting requirements to the Oregon Department of Environmental Quality (DEQ) and the Commission as efficiently as possible.

**D. Contingency – Four Percent of 2022 CFP Credits**

PacifiCorp proposes to reserve four percent of the revenue from the 2022 CFP credits in the event that any programs exceed the proposed budgets. In the event that programming comes under budget or these contingency dollars are not spent, the remaining funds will either be allocated to the grant program or rolled forward into the following year's programs.

**E. REC Costs for Residential Incremental Credit Generation**

PacifiCorp intends to begin claiming residential incremental CFP credits in future program years, an action resulting from the expansion of the residential credit program introduced by DEQ in its most recent rulemaking. For the first time, the Company is allowed to generate additional credits based on charging associated with EV drivers who participate in the Company's voluntary Renewable Energy Certificate (REC)-based programs. Ascribing a zero-carbon value to charging load from Blue Sky participants allows the Company to reduce the carbon intensity of its electricity, thereby increasing the number of credits the Company generates. The Company also has the opportunity to purchase additional qualifying RECs under DEQ criteria to apply to residential charging that is not attributed to a voluntary REC program. The number of CFP credits is maximized when enough RECs are purchased to bring the Company's carbon intensity to zero. REC markets are exceptionally volatile and individual REC prices are difficult to forecast, therefore at this time the Company has not offered a forecast in the initial budget of the cost of the RECs needed to maximize incremental credits. While these costs are difficult to predict, both DEQ and the Company have estimated that the revenue from incremental credit sales will more than offset the cost of procuring additional qualifying RECs.



## **VI. Reporting**

PacifiCorp will report to Commission staff within six months following the conclusion of the CFP 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.