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Attorney General



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DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

April 1, 2011

Attention: Filing Center
Public Utility Commission of Oregon
550 Capitol Street NE, #215
PO Box 2148
Salem, OR 97308-2148
puc.filingcenter@state.or.us

Re: *In the Matter of PUBLIC UTILITY COMMISSION OF OREGON Investigation into Rate Structures for Electric Vehicle Charging*
OPUC Docket No.: UM 1461
DOJ File No.: 330-030-GN0185-10

Enclosed are an original and five copies of the OREGON DEPARTMENT OF ENERGY'S CLOSING COMMENTS in the above-captioned docket for filing with the OPUC today.

Sincerely,

Janet L. Prewitt
Senior Assistant Attorney General
Natural Resources Section

Enclosures
JLP:mme/#2643013
c: UM 1461 Service List

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UM 1461

In the Matter of the)	
)	
PUBLIC UTILITY COMMISSION OF)	
OREGON)	OREGON DEPARTMENT OF
)	ENERGY'S CLOSING COMMENTS
Investigation into Rate Structures for)	
Electric Vehicle Charging)	
_____)	

Background

The Oregon Department of Energy appreciates the discussion that the Oregon Public Utility Commission (“Commission”), including Oregon Public Utility Commission Staff (“Staff”), have facilitated through the UM 1461 docket on electric vehicles (“EVs”) from all intervening parties. ODOE re-affirms its original Reply to Opening Comments and Bench Request Comments submitted February 10, 2011, by reinforcing the opinion that developing regulatory mechanisms too quickly may affect the growth of a relatively infant industry (and related business models). Regulation of a commodity is best served after reaching an awareness of critical resource usage, infrastructure needs, levels of demand and supply. ODOE’s specific comments set out below are also influenced by the logic of the innovative EV market to fit the “adoption-diffusion” framework.

Specific comments:

I Early adopter and consumer acceptance:

ODOE notes that investments by major automakers, Electric Vehicle Supply Equipment (EVSE) manufacturers, public implementers and the federal government through the one-time federal American Recovery and Reinvestment Act (ARRA) stimulus dollars, have increased public awareness and interest in EVs. Currently, the State of Oregon, local government

agencies, utilities and the private sector have worked together to provide a fertile landscape for this new industry to accelerate and become an early adopter state.

The EV industry is in its infancy and public acceptance of the technology in its current form is slow, in part due to high cost premiums and range limitations. Early adopter first impressions and technology improvements will be vital in making the next step to the growth of the industry. Most EV charging will happen at residences, but ODOE recognizes the increased scope for accessible public charging to increase consumer confidence. However, a clear business model for public recharging is currently lacking.

II Public Right-of-Way Investments and Related Regulation:

As stated in our Reply to Opening and Bench Request Comments, ODOE supports the case for identifying locations, such as public right-of-way, where utility involvement in charging infrastructure could be beneficial to the advancement of EVs. It is premature to determine if utility involvement would have a detrimental or a beneficial effect on the industry. ODOE questions whether such right-of-way investments could receive case-by-case review by the OPUC. At this time, ODOE proposes that the utilities bring projects to the Commission on a case by case basis for approval. This will allow for flexibility of options for infrastructure development.

III EV Use and Rate Structures:

ODOE does recognize the advantages of off-peak charging of EVs and even an EV specific customer rate class. However, mandating an EV rate schedule or Time of Use (TOU) rates for EVs may be a barrier to the wider adoption of this technology if it is implemented without specific attention to the overall EV use experience and existing varied load use patterns of many of the utilities' customers. Requiring a second meter would have negative impacts if not implemented properly, due to delays in service and cost. OPUC Staff led the workshop on March 2, 2011, which offered further evidence that there is a need to better understand the cost of EVs (without tax breaks) and the related cost to rate-payers in terms of implementation.

ODOE supports the use of the current voluntary TOU rate structure to include EVs within its current format by offering a whole house or separate meter on a voluntary basis.

IV Proposition of a pilot program-evaluation

The current EV pilot project will collect data on 900 vehicles. Such a pilot program offers all interested parties an opportunity to understand EV charging from a load and demand perspective. ODOE proposes a collaboration between the utilities, government agencies and private parties to examine the impacts of different types of whole house electrical usage (electric or gas heat, *etc.*) and rate schedules on such data. Additionally, charging behavior change through EV owner education efforts could also be analyzed. ODOE intends in the near future to propose such a pilot framework and recommends that utilities consider a pilot program as well that would assist with better understanding of the demand, load implications and pricing options for their own rate-payer base.

Conclusion:

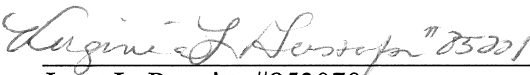
ODOE recognizes the efforts of Staff to lead and guide this investigative docket and recommends that any future regulatory options be based on analyses of the inherent and direct costs of promoting a innovation dependent EV market that would be motivated by human behavior and acceptance.

Lastly, ODOE supports future efforts in this regard and participation in future conversations and workshop(s) as deemed appropriate by the Commission.

DATED this 1st day of April, 2011.

Respectfully submitted,

JOHN R. KROGER
Attorney General


Janet L. Prewitt, #853070
Senior Assistant Attorney General
Of Attorneys for Oregon
Department of Energy

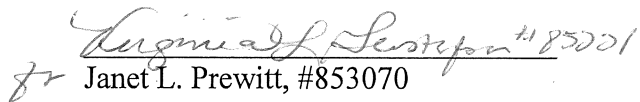
SERVICE LIST UM 1461

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CERTIFICATE OF SERVICE

I hereby certify that on the 1st day of April 2011, I served the foregoing OREGON DEPARTMENT OF ENERGY'S CLOSING COMMENTS upon the persons named on the service list, by mailing a full, true and correct copy thereof to such persons waiving such service by mail who were served at their e-mail address as listed on the service list.

DATED: April 1, 2011


Janet L. Prewitt, #853070
Senior Assistant Attorney General