

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING*
A Statement of Need and Fiscal Impact accompanies this form

AR 599
FILED
7-13-16 11:51 AM
ARCHIVES DIVISION
SECRETARY OF STATE

Public Utility Commission of Oregon
Agency and Division Administrative Rules Chapter Number
860
Diane Davis (503) 378-4372
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Address

RULE CAPTION

In the Matter of Rulemaking to Prescribe Application Requirements for Transportation Electrification Programs.
Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Hearing Date	Time	Location	Hearings Officer
8-22-16	9:30 a.m.	PUC Hearing Room, 201 High Street SE, Salem, Oregon 97301	ALJ Ruth Harper

RULEMAKING ACTION

Secure approval of rule numbers with the Administrative Rules Unit prior to filing.

ADOPT:

860-087-0001, 860-087-0010, 860-087-0020, 860-087-0030, 860-087-0040

AMEND:

REPEAL:

RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

AMEND AND RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

Statutory Authority:

ORS 756.040, 756.060, Oregon Laws 2016, ch. 028, sect. 20 (SB 1547)

Other Authority:

Statutes Implemented:

Oregon Laws 2016, ch. 028, sect. 20 (SB 1547)

RULE SUMMARY

This rulemaking implements Oregon Laws 2016, chapter 028, section 20, which requires the Public Utility Commission of Oregon (PUC) to prescribe the form and manner of applications for programs to accelerate transportation electrification. The electric companies subject to this rule must file applications for programs to accelerate transportation electrification on or before December 31, 2016. The proposed rules list the information that an electric company must provide in a transportation electrification program application and plan and clarify filing deadlines.

The Commission encourages participants to file written comments as early as practicable in the proceedings so that other participants have the opportunity to consider and respond to the comments before the deadline. Please reference Docket No. AR 599 on comments and file them by e-mail to the Commission's Filing Center at PUC.FilingCenter@state.or.us.

Interested persons may review all filings online at <http://apps.puc.state.or.us/edockets/docket.asp?DocketID=20129>. For guidelines on filing and participation, please see OAR 860-001-0140 through 860-001-0160 and 860-001-0200 through 860-001-0250 found online at http://arcweb.sos.state.or.us/pages/rules/oars_800/oar_860/860_001.html.

Participants wishing to monitor the hearing by telephone must contact Diane Davis at diane.davis@state.or.us or (503) 378-4372 by close of business August 19, 2016, to request a dial-in number. The Commission strongly encourages those planning to present oral comment at the hearing to attend in person.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

09-09-2016 5:00 p.m.	Diane Davis	diane.davis@state.or.us
Last Day (m/d/yyyy) and Time for public comment	Rules Coordinator Name	Email Address

*The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation.

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT
A Notice of Proposed Rulemaking Hearing accompanies this form.

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Agency and Division

Administrative Rules Chapter Number

In the Matter of Rulemaking to Prescribe Application Requirements for Transportation Electrification Programs.

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Rulemaking to Prescribe Application Requirements for Transportation Electrification Programs.

Statutory Authority:

ORS 756.040, 756.060, Oregon Laws 2016, ch. 028, sect. 20 (SB 1547)

Other Authority:

Statutes Implemented:

Oregon Laws 2016, ch. 028, sect. 20 (SB 1547)

Need for the Rule(s):

This rulemaking is necessary to implement Senate Bill 1547, Oregon Laws 2016, chapter 028, section 20, which requires the PUC to prescribe the form and manner of applications for programs to accelerate transportation electrification. The proposed rules list the information that an electric company must provide in a transportation electrification program application and plan, and clarify filing deadlines. Oregon Laws 2016, chapter 028, section 29 (SB 1547) requires electric companies to file applications for programs to accelerate transportation electrification on or before December 31, 2016. The PUC has initiated this rulemaking in accordance with Oregon Laws 2016, chapter 028, section 20 to provide electric companies with application requirements as they prepare applications for transportation electrification programs prior to December 31, 2016.

Documents Relied Upon, and where they are available:

Oregon Laws 2016, chapter 028, section 20 (SB 1547) found online at https://www.oregonlegislature.gov/bills_laws/lawsstatutes/2016orLaw0028.pdf

Fiscal and Economic Impact:

As required by Oregon Laws 2016, chapter 028, section 20 (SB 1547), the proposed rules direct electric companies to file applications for programs to accelerate transportation electrification and specify the form and manner of such program applications. Only electric companies, as defined in ORS 757.600, are subject to the proposed rules. The proposed rules specify the information that an electric company must include in its transportation electrification program application and plan, including program and plan design, data collection and analysis, evaluation, reporting, and other administrative activities associated with preparing a program proposal. The PUC does not have available information to estimate the cost of potential program design and application preparation, or future program evaluation and reporting costs, because program proposals are likely to vary across electric companies and no programs have been proposed at this time. Additionally, the PUC does not have any prior transportation electrification programs to use as a basis to estimate or quantify costs, and subject electric companies did not provide cost estimates for program application development at stakeholder workshops held at the PUC regarding the proposed rules. The PUC anticipates increased administration costs and employee time dedicated to the preparation of program applications by the subject electric companies, but does not anticipate that additional FTEs will be required. Thus, it is anticipated that the proposed rules will not have a significant fiscal or economic impact on the subject electric companies. Further, the fiscal and economic impact on the subject electric companies results from PUC implementation of the requirements of Oregon Laws 2016, chapter 028, section 20.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

No state agencies, units of local government, or members of the public are subject to the proposed rules. The proposed rules simply prescribe the information to be included in a program application designed and filed by electric companies; therefore, state agencies, local governments, and the public do not have to comply with the rules and will not experience a significant economic impact as a result of the proposed rules. However, the cost of compliance experienced by an electric company in preparing a program proposal and evaluating an approved program could be passed on to the public through electric customer rates. Such costs are anticipated to be minimal as they would not include the cost of implementing an approved program; the proposed rules govern program application and plan requirements only and do not determine whether a program will be approved or denied. Review of applications for programs proposed by an electric company will occur

in future administrative proceedings that also allow for stakeholder participation.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

None. No small businesses are subject to the proposed rules and the PUC anticipates that no small businesses will incur costs from the proposed rules. Only electric companies, as defined in ORS 757.600, are subject to the rules and will incur costs of compliance. Further, the proposed rules simply prescribe the information that an electric company must submit in its application proposing a transportation electrification program and in its transportation electrification plan. Small businesses will have an opportunity to comment on the development of the rule before and at the hearing scheduled with this notice. Additionally, the proposed rules require a description of stakeholder involvement in the development of all programs proposed by an electric company, thus, small businesses should also have an opportunity to provide input in program development.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

None. No small businesses are subject to the proposed rules. Only electric companies, as defined in ORS 757.600, are subject to the proposed rules. The PUC anticipates that no small business will incur costs related to reporting, record keeping, professional services, or other administrative activities. Recordkeeping, analysis, and reporting by subject electric companies will have associated costs. The potential magnitude of these costs to electric companies cannot be determined at this time because they will vary depending on the proposed program and whether the program is approved in a review process that is wholly separate from the proposed rules. However, administrative costs associated with the proposed rules are not anticipated to be significant.

c. Equipment, supplies, labor and increased administration required for compliance:

None. No small businesses are subject to the rule. Only electric companies, as defined in ORS 757.600, are subject to and must comply with the proposed rules. No equipment, supplies, labor, or increased administration is required of small businesses. Increased labor and administration required of subject electric companies to comply with the proposed rules is not anticipated to be significant.

How were small businesses involved in the development of this rule?

The PUC did not specifically involve small businesses in the development of this rule. The PUC notified stakeholders and members of the public who expressed interest in PUC rulemakings related to Senate Bill 1547 that the PUC would be hosting stakeholder workshops regarding the development of rules governing application requirements for transportation electrification programs. Stakeholders, including, but not limited to, non-governmental organizations, government representatives, relevant industry participants, investor-owned utilities, municipal utility representatives, electric customer advocates, and other interested parties were notified of the informal development of this rule. The PUC received comments from stakeholders with knowledge of the impact on small businesses, such as municipal utility representatives and non-governmental organizations, and no concerns were raised regarding the impact of the proposed rules on small businesses.

Administrative Rule Advisory Committee consulted?: No

If not, why?:

As discussed above, the PUC hosted workshops with the subject electric companies, industry representatives, customer advocates, other stakeholders, and interested parties. Significant public participation occurred during these workshops, either in person or by phone. Additionally, the PUC received and reviewed written comments from the electric companies subject to the proposed rules and from numerous other stakeholders during the workshop process. These comments were considered and incorporated into the development of the proposed rules.

09-09-2016 5:00 p.m.	Diane Davis	diane.davis@state.or.us
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address

DIVISION 087

TRANSPORTATION ELECTRIFICATION PROGRAMS

860-087-0001

Scope and Applicability of Rules

(1) The rules in this division prescribe the application requirements for programs to accelerate transportation electrification filed by an electric company.

(2) Upon request or its own motion, the Commission may waive any of the rules in this division for good cause shown. A request for waiver must be made in writing, unless otherwise allowed by the Commission.

Stat. Auth.: ORS 756.040, 756.060, Oregon Laws 2016, ch. 028, sects. 20, 29 (SB 1547)

Stats. Implemented: Oregon Laws 2016, ch. 028, sects. 20, 29 (SB 1547)

Hist.: NEW

860-087-0010

Definitions

For the purpose of this division:

(1) "Electric company" means an electric company as defined in ORS 757.600.

(2) "Transportation Electrification Plan" means an overview document that outlines the electric company's long-term transportation electrification framework to accelerate transportation electrification.

(3) "Transportation Electrification Program" means a program proposed by an electric company to accelerate transportation electrification.

Stat. Auth.: ORS 756.040, 756.060, Oregon Laws 2016, ch. 028, sect. 20 (SB 1547)

Stats. Implemented: Oregon Laws 2016, ch. 028, sect. 20 (SB 1547)

Hist.: NEW

860-087-0020

Transportation Electrification Plan

An electric company must file a Transportation Electrification Plan.

(1) The Transportation Electrification Plan must include:

(a) Plan goals and summary of proposed Transportation Electrification Programs to meet these goals;

(b) Current condition of the transportation electrification market in the electric company's service territory;

(c) A discussion of how the Transportation Electrification Plan accelerates transportation electrification;

(d) A discussion of current market barriers;

(e) A discussion of how the Transportation Electrification Plan will stimulate innovation, competition, and customer choice;

(f) A discussion of how the Transportation Electrification Plan is expected to support electrical system efficiency and operational flexibility, including the ability of the electric company to integrate variable generating resources; and

(g) A discussion of electric company system impacts expected from implementation of the Transportation Electrification Plan and underlying programs.

(2) An electric company must file its first Transportation Electrification Plan concurrent with its first application for Transportation Electrification Programs on or before December 31, 2016.

(3) An electric company must update its Transportation Electrification Plan every two years. Transportation Electrification Plan updates are to be filed concurrently with the electric company's Smart Grid Report.

(4) The Commission will evaluate an electric company's Transportation Electrification Plan for Commission acknowledgement.

(5) The Commission may, upon assessment of resource size and system impact, direct an electric company to incorporate the Transportation Electrification Plan or certain Transportation Electrification Programs identified in an electric company's Plan into the electric company's Integrated Resource Plan.

Stat. Auth.: ORS 756.040, 756.060, Oregon Laws 2016, ch. 028, sect. 20 (SB 1547)

Stats. Implemented: Oregon Laws 2016, ch. 028, sect. 20 (SB 1547)

Hist.: NEW

860-087-0030

Transportation Electrification Program

An electric company must file applications for programs to accelerate transportation electrification.

(1) A Transportation Electrification Program must include:

(a) A description of the program that includes, but is not limited to:

(A) Program elements, objectives, timeline, and expected outcomes;

(B) Market baseline assumptions;

(C) Major performance milestones;

(D) Where applicable, a description of program phases, including a proposal for when each subsequent program phase will be submitted for Commission review;

(E) Expected utilization, participation eligibility, and incentive structure;

(F) Identification of market barriers, program implementation barriers, and program strategies to overcome the identified barriers;

(G) Description of the electric company's role and, if applicable, a discussion of how the electric company proposes to own or support charging infrastructure, billing services, metering, or customer information;

(H) Whether transportation electrification adoption attributed to the program will likely necessitate distribution system upgrades;

(I) Where applicable, a discussion of ownership structure;

(J) Where applicable, a discussion addressing interoperability of invested equipment;

(K) Where applicable, a discussion of any national standards for measurement and communication; and

(L) Any other information requested by the Commission.

(b) All data used to support the descriptions provided in paragraphs (1)(a)(A)-(L) of this rule.

(c) A description of program coordination that includes:

(A) Stakeholder involvement in program development;

(B) Efforts to coordinate with related state programs;

(C) Coordination, if any, of delivery with other market actors and activities, and how the market and other market actors can leverage the underlying program or projects within the program.

(d) A description of program costs that includes, but is not limited to:

(A) Estimated total program costs, including incentives, program delivery, evaluation, marketing, and administration costs;

(B) Estimated participant costs;

(C) How the electric company proposes to recover costs; and

(D) Any other information requested by the Commission.

(e) A description of the estimated program benefits that includes, but is not limited to:

(A) Program benefits, including to whom and when benefits are accrued;

(B) Electrical system benefits; and

(C) A discussion of how a net benefit to ratepayers is attainable.

(f) A description of how the electric company will evaluate the program that includes, but is not limited to:

(A) Timeline of program evaluation and proposed evaluation reporting schedule;

(B) Estimated cost of evaluation;

(C) How the evaluation will be conducted and whether third-party evaluation is necessary;

(D) How the evaluation will address identified barriers; and

(E) A discussion of the method of data collection that is consistent with subsection (1)(b) of this rule and how the data will be used to evaluate the effectiveness of the program.

(F) Any other evaluative information requested by the Commission.

(g) A detailed description of how the program addresses the criteria in Oregon Laws 2016, chapter 028, section 20(4)(a)-(f) that the Commission must consider when reviewing Transportation Electrification Program applications.

(2) An electric company must file an application for Transportation Electrification Programs on or before December 31, 2016.

(3) An electric company may submit an application for approval of a Transportation Electrification Program that is not included in its Transportation Electrification Plan or Plan update upon demonstration that the proposed program addresses the framework and goals outlined in the electric company's acknowledged Plan.

Stat. Auth.: ORS 756.040, 756.060, Oregon Laws 2016, ch. 028, sects. 20, 29 (SB 1547)

Stats. Implemented: Oregon Laws 2016, ch. 028, sects. 20, 29 (SB 1547)

Hist.: NEW

860-087-0040

Reporting Requirements

(1) An electric company must report the results of its evaluation for each Transportation Electrification Program approved by the Commission. A program evaluation must include, but is not limited to:

(a) The information required under OAR 860-087-0030(1)(f)(A)-(F);

(b) An assessment of program costs and benefits realized by ratepayers and the electric company;

(c) A tracking of program and program portfolio costs over the life of the program and program portfolio;

(d) Progress against identified market barriers and implementation barriers;

(e) Current risk that investment will result in stranded costs;

(f) Whether any program modifications are recommended to help meet expected outcomes;

(g) Updated market data, including a description of changes in the condition of the transportation electrification market within the electric company's service territory; and

(h) An evaluation of how the program has:

(A) Accelerated transportation electrification;

(B) Stimulated innovation, competition, and customer choice; and

(C) Supported system efficiency and operational flexibility, including the ability to integrate variable resources.

(2) The Commission may request additional program updates, including milestones and progress against success indicators, to assess whether to continue, discontinue, or modify approved Transportation Electrification Programs.

Stat. Auth.: ORS 756.040, 756.060, Oregon Laws 2016, ch. 028, sect. 20 (SB 1547)

Stats. Implemented: Oregon Laws 2016, ch. 028, sect. 20 (SB 1547)

Hist.: NEW