



Oregon Citizens' Utility Board

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July 13, 2023

Public Utility Commission
Attn: Filing Center
P.O. Box 1088
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RE: UM 2033 – CUB's Comments on PGE's 2023 – 2025 Draft Transportation Electrification Plan

The Oregon Citizens' Utility Board (CUB) is grateful for the opportunity to provide these comments on Portland General Electric Company's (PGE) 2023 – 2025 Transportation Electrification Plan. CUB would like to thank PGE, Staff of the Public Utility Commission of Oregon (Staff), and all other stakeholders for their hard and collaborative work throughout this process. CUB's comments will address the following:

- I. Make-ready Chargers at Multi-family Sites**
 - a. Introduction
 - b. Potential for Semi-captive Customers at Multi-family Sites
 - c. Ratemaking Oversight at Multi-family Sites
 - d. Other Means of Providing Charging Rate Equity Aside from Commission Oversight
 - e. CUB's Proposal for Charging at Multi-family Sites
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- II. Community Outreach and Engagement and Equity Considerations**
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- I. Make-ready chargers at Multi-family Sites**

- A. Introduction**

Consistent with CUB's comments throughout the recent UM 2056 PacifiCorp Transportation Electrification Plan (TEP) proceeding, CUB remains very concerned about ratepayers' access to affordable Level 2 (L2 or slow-charging) charging near multi-family residences. CUB maintains that adequately provisioning customers at multi-family sites is an especially important component of meeting the goals of HB 2165,¹² particularly in PGE's largely urban service territory. While CUB appreciates PGE's focus on slow-charging at multi-family sites in their TEP; CUB is concerned with the Company's approach to meeting the TE needs of customers at

¹ See CUB's Comments on UM 2056 – PacifiCorp's 2023 – 2025 Draft TEP.

² See CUB's Comments on Staff's Report on UM 2056 - PacifiCorp's 2023 – 2025 TEP.

multi-family sites. Unlike PAC's Public Utility-Ownership Infrastructure Pilot Program (Utility-Ownership Program), PGE's Business and Multi-family Make-ready Solutions (Make-ready Program) removes key Commission oversight at multi-family sites, including the Commission's capacity to play a role in regulating rates in accordance with the goals of HB 2165 to provide equitable access to TE charging. CUB is very concerned about the potential harm to ratepayers of PGE's Make-ready Program.

CUB respectfully proposes that the Company works with stakeholders to alter their approach to providing TE services at multi-family sites, drawing upon the proposal outlined in these comments. Our proposal involves removing multi-family sites from the Make-ready Program in order to provide greater charging rate certainty to multi-family residential customers. For providing TE services at the multi-family sites, we propose alternatives for the Company to consider and develop with stakeholders. Our alternatives would maintain essential Commission oversight at multi-family sites, wherein CUB argues oversight is necessary to enact the goals and spirit of HB 2165 to equitably advance TE in the state.

B. Potential for Semi-captive Customers at Multi-family Sites

Evidence suggests that at-home charging is very important to EV owners. According to the U.S Department of Energy, 80% of charging occurs at home because it is the most convenient and low-cost option.³ While there are alternatives to at-home charging – such as at-work charging (potentially) or DCFC stations – in terms of usability and convenience, at-home charging may be irreplaceable. For EV owners with at-home charging, the alternate options for charging are *supplemental* and not necessarily *replacements*. Based on current charging habits which demonstrate reliance on at-home charging for the majority of charging needs,⁴ EV owners living in multi-family housing may be constrained to charge at the option nearest to their home. The usability-premium of at-home charging could grant multi-family EVSE site hosts considerable capacity to increase rates, either for cost recovery or profit, well beyond what is just and reasonable. A negative equity outcome could occur wherein single-family homeowners pay less to charge in their driveway than lower-income multi-family housing residents pay at site hosts' chargers.

Although this analysis relies heavily on theory, there is little alternative at this time given the dearth of experience and data to draw upon from other comparable make-ready programs for multi-family sites. The charging service market is nascent and poorly understood. CUB has not encountered convincing empirical evidence that alternatives to at-home charging could *replace* at-home charging and provide multi-family customers equivalently usable and affordable service. The lack of empirically derived conclusion here does not undermine CUB's case relative to the opposition; rather, it supports the notion that we should proceed with caution and favor a charging service program design with greater control and less uncertainty, particularly for programs focused on serving underserved communities.

³ <https://www.nrel.gov/docs/fy21osti/78540.pdf>.

⁴ *Id.*

C. Ratemaking Oversight at Multi-family Sites

CUB has engaged with the Company over fundamental concerns with unregulated charging rates at multi-family sites in its make-ready program since March 8th, 2023, when CUB submitted comments to the Company on their 2023 Draft Monthly Metering Charge (MMC) Budget. These comments are included in Appendix A of these comments (see comment 2).

On March 23rd, 2023, PGE filed their final MMC Budget and CUB did not raise an objection to it because the following excerpt regarding the Company’s “Business and Multi-family Make-Ready Solutions” indicated that site hosts would be required to set rates to “cost-of-service.” CUB believed this meant Commission ratemaking oversight would remain intact in the Company’s Make-ready Program.

“PGE has designed the terms and conditions for participation to extend benefits to all customers and reduce the risk of stranded utility assets. To this end PGE will require that participants [i.e. site hosts]... Keep EVSE operational and on a cost-of-service rate for 10 years.”⁵

However, since filing the MMC budget the Company stated it would not set the final charging rate to cost-of-service, at least in this iteration of its Make-ready Program.⁶ Instead, the Company will allow site hosts to set rates with its guidance and use this small program as a trial to inform ratemaking later.⁷ However, the Company has since stated that it will not have the legal authority to direct site hosts’ rates in its Make-ready Program,⁸ or rather, maintain Commission oversight of rates set by site hosts in its Make-ready Program.⁹ Thus, in choosing a make-ready program instead of a program like PacifiCorp’s Utility-Ownership Program, PGE is effectively abdicating the Commission’s ratemaking oversight at chargers/sites in its Make-ready Program, even despite the concerns CUB raised.

The Company’s assurance that they will guide or advise site hosts on ratemaking¹⁰ in place of the utility regulatory process is not adequate. The Company and the Commission are distinctly different entities, with different responsibilities to ratepayers, mandates, and authorities. The Company’s guidance is distinctly different from the Commission’s regulation: only regulation offers ratepayers a means of accountability for their investment in TE infrastructure. The Company is not the appropriate arbiter of ratemaking in accordance with HB 2165, the Commission is. Further, the Company cannot know whether site hosts, which are a diverse group of actors, will heed its rate recommendations over the duration of the make-ready contract (potentially 10 years or more). This presents a substantial and unnecessary risk to underserved communities that will be reliant on charging at multi-family sites.

⁵ UM 2033 – PGE Transportation Electrification Plan and HB 2165 Monthly Meter Charge Budget at 21.

⁶ <https://www.youtube.com/watch?v=8PjcGIN3d9k&t=3203s> at 1:49.

⁷ <https://www.youtube.com/watch?v=8PjcGIN3d9k&t=3203s>.

⁸ See CUB’s question during PGE’s TE Staff Workshop on June 15, 2023.

⁹ Please alert CUB if our latest understanding is incorrect.

¹⁰ See CUB’s question during PGE’s TE Staff Workshop on June 15, 2023.

The Company has expressed reluctance to project the rates that would result from their make-ready rate-guiding process because it does not know the impact of cost adders that will go into the final charging rate (such as EVSE owner/ operator fees or site-specific costs).¹¹ This does not justify the Company's current approach; rather, it highlights a critical flaw in pairing a make-ready program with this TE use-case. We do not know what rates will look like and we will not have the regulatory control needed to modify the outcome if rates are unreasonable or inequitable.

Further, perhaps more than at any other site, ratemaking that integrates more than cost recovery in isolation of a broader cost-recovery portfolio is needed at multi-family sites in underserved communities. We expect EV adoption at multi-family sites in underserved communities is – and will remain for at least the next three years – low. The charging infrastructure must precede the EVs and inherently, underserved communities which include people with low incomes, have less capacity to purchase EVs at this time. As such, we expect charger utilization at multi-family sites to also be low. Since it is generally understood that charging service providers are operating at a loss even in areas with higher EV adoption,¹² we can only expect a more difficult challenge for cost recovery and profitability in areas with low EV adoption.

In a Make-ready Program site hosts could end up in a difficult position that drives up charging rates. From CUB's understanding, they will be contractually beholden to the EVSE owner/operators' fees (which are unknown) in addition to the utility's electricity rate and service quality and uptime standards. To meet these demands despite low utilization, site hosts may have to operate at a loss, raise rates, or both. These outcomes are unacceptable, or at least very undesirable, in underserved communities. Rates could easily end up higher than what single-family homeowners pay using a subsidized L2 charger in their driveway with the residential electricity rate, even without a site host opting to add their own profit margin to charging rates.

Determining rates to equitably serve underserved communities with accessible TE services is the Commission's responsibility, not the Company's or site hosts' responsibility. Only the Commission is equipped to balance cost recovery with equity and other state goals, including those in HB 2165. The Company does not need to abdicate the Commission's ratemaking prerogative through its program design, though the Company's current plan does so. CUB argues that the Commission's ratemaking oversight will likely be necessary to equitably serve underserved communities at multi-family sites and that at least for the time-being, the Commission's oversight should be preserved.

D. Other Means of Providing Charging Rate Equity Aside from Commission Oversight

A counterargument CUB has encountered to our concerns is that another system, perhaps managed by another state agency, could spearhead rate assistance for low-income customers (i.e., through a special low-income rate assistance card). While this *could* work sometime in the future, CUB has not seen a detailed plan. Further, this idea does not address the broader issue of

¹¹ *Id.*

¹² *See* Staff's Final Comments for UM 2056.

whether it is prudent to remove rate regulation at multi-family sites, where customers may be semi-captive clients of the slow-charging vendor nearest to their home. Conversely, the utility regulatory apparatus is essentially designed to address this very circumstance. The utility regulatory apparatus is well-situated to immediately offer qualifying customers a low-income rate as well (PAC's Utility-Ownership Program does this).¹³

In terms of what can be readily achieved in the three-year planning horizon of a TE Plan, a plan like PAC's Utility-Ownership Program, which utilizes the utility regulatory system's experience and established ratemaking process, is better suited for providing TE services at multi-family sites. The Company's Make-ready Program combined with a yet unplanned rate assistance program injects unnecessary complexity and many unknowns into providing equitable TE services at multi-family sites. Further, an independent rate assistance program for qualifying customers is just as compatible with a utility-ownership program as a make-ready program. Thus, we retain more options and adaptability through a utility-ownership program.

E. Challenges to a Utility-Ownership Program, which could serve as an alternative to PGE's Make-ready Program

In UM 2056, the Commission rejected the challenge to PacifiCorp's Utility-Ownership Program on the basis that it would negatively impact market competition.¹⁴ CUB supported Staff's analysis,¹⁵¹⁶ which also rejected the challenge to the Utility-ownership Program. Since PGE's Make-ready Program is similar in size to PAC's Utility-Ownership Program, CUB would expect a PGE Utility-Ownership Program would be similarly defensible before the Commission.

F. CUB's Proposal for Charging at Multi-family Sites

CUB does not propose eliminating the Company's Make-ready Program; rather, we respectfully propose removing multi-family chargers/sites from the Make-ready Program and leaving the business chargers/sites within the Make-ready Program. The multi-family sites could be served via the following alternatives:

1. A Multi-family Program modeled after PAC's Public Utility-Ownership Infrastructure Pilot Program.
 - PAC's recently approved program, in addition to stakeholders' recommendations for improving and implementing it, could provide a great deal of structure and guidance for a similar PGE program. PGE could develop a Utility-Ownership Program for charging at multi-family sites relatively efficiently using PAC's program as a model.

¹³ See Staff's Report on UM 2056 - PacifiCorp's 2023 – 2025 TEP.

¹⁴ See

https://oregonpuc.granicus.com/player/clip/1208?view_id=2&redirect=true&h=a7796880d32f6da7db7b1ffa6c684be2.

¹⁵ See Staff's Report on UM 2056 - PacifiCorp's 2023 – 2025 TEP.

¹⁶ See CUB Comments on Staff's Report on UM 2056 - PacifiCorp's 2023 – 2025 TEP.

2. Transfer resources from the Make-ready Program to PGE’s Public Charging - Municipal Charging Collaboration and Electric Avenue Program to cover all multi-family sites in that program.
 - CUB is interested in exploring this possibility alongside the Company and other stakeholders. CUB sees potential here if the Company prefers this option to option 1.
3. A combination of options 1 and 2.
 - The Company could maintain its current funding for critical multi-family chargers/sites flexibly through a mixture of Company and municipal EVSE ownership.

In addition to addressing CUB’s concerns with multi-family sites in a make-ready program, this compromise still expands the Company’s make-ready portfolio with business chargers/sites. This supports private EVSE owner/operators and will help expand our understanding of the outcomes and limitations of make-ready programs in Oregon for the next iteration of TE Planning in 2026. Further, from CUB’s engagement in the UM 2056 proceeding, it is CUB’s understanding that planning and siting for L2 chargers, including pole chargers, is much simpler than DCFC siting because L2 chargers have much lower behind-the-meter requirements. Since the chargers in PGE’s Make-ready Program for multi-family sites are all L2 chargers, the logistical burden on PGE to adapt its programming is much more manageable.

G. Conclusion

As CUB has stated throughout the TEP planning processes for PacifiCorp and PGE this year, we are open to different charger ownership models and advocate for pairing the appropriate ownership model with TE use-cases based on the best available information. Given the rapid development of the TE sector, the optimal TE development strategy should provide adaptability for future TE planning, including the option to continue the Commission’s ratemaking oversight of public TE investments at multi-family sites.

In conclusion, we encourage PGE to consider CUB’s comments in light of the following statements from the Company’s TEP:

Program approaches are envisioned as tool to learn more about a market or technology or to meet policy goals which the private market does not have a process or driver to meet (such as to meet the charging needs of underserved communities or equitable access to transportation electrification).¹⁷

The Oregon Legislature has found that “widespread transportation electrification requires that electric companies increase access to the use of electricity as a transportation “fuel” in low and moderate income communities” (ORS 757.357). Utilities are well positioned to provide public charging based on where communities will need it, rather than where usage will be maximized. Private charging business models may depend on high

¹⁷ PGE 2023 – 2025 Draft TEP at 21.

utilization and may therefore leave behind underserved communities, where EV adoption is expected to be slower and later. EV adoption in these communities is still dependent on charging availability as a key part of the decision to drive electric.¹⁸

As CUB showed in these comments, *the private market does not have a process or driver to ensure equitable access* to TE services for underserved communities in multi-family housing. Given the expectation of low EV adoption and charger utilization initially at multi-family sites, ratemaking oversight that integrates more than cost recovery of a charger in isolation of a broader cost recovery portfolio is needed to provide equitable service and meet the policy goals of HB 2165. The Commission's ratemaking oversight, which would be accessible through a public-utility ownership model, could achieve this. The private market rate for slow-charging near multi-family residences is not yet understood, and to test what rate outcomes will occur on underserved communities specifically, despite significant unknowns about service costs and site hosts' ratemaking practices, would be irresponsible. CUB respectfully requests that PGE fulfill its role as a regulated utility, as articulated in its TEP, and work with stakeholders to ensure charging services funded by ratepayers are *equitable and accessible* to customers living in multi-family housing. CUB hopes PGE will consider our comments and proposal thoughtfully. We look forward to working with the Company and other stakeholders on this issue throughout this proceeding.

II. Community Outreach and Engagement and Equity Considerations

CUB appreciates PGE's intentional inclusion of engagement and outreach strategies that specifically highlight the importance of connecting with underserved communities when developing TE strategies. PGE acknowledges a key component when discussing engagement: that affected community groups often are not participants of regulatory processes or within TE workshops.¹⁹ CUB is encouraged to see PGE looking towards growing a longer-term engagement channel with underserved communities to help inform TE investment and to help inform micromobility and electric-powered public transit. CUB would like to see PGE continue to build out these outreach channels to include diverse community organizations and community members to help inform these practices. CUB believes this will help PGE understand where to site infrastructure that will be most utilized by community members, along with other challenges the Company may face when looking at investments within these communities.

CUB hopes that PGE will look towards connecting with community-based organizations (CBOs) and environmental justice (EJ) organizations that are already connected to PUC processes, including but not limited to HB 2021 and HB 2475 implementation. These organizations are already providing important information and insight on engagement practices and could help the Company navigate connecting with diverse community members and stakeholders on TE related issues. CUB also hopes that the Company will leverage the connections with municipalities to help connect to local EJ communities that can help inform placement for the municipal pole charging program.

¹⁸ *Id* at 232.

¹⁹ PGE 2023 – 2025 Draft TEP at 124.

CUB would like to highlight the importance of looking at equity offerings holistically and beyond the level of monetary investment of program offerings to underserved communities and beyond education and awareness opportunities.

CUB agrees that further education and awareness in certain areas is an important piece of TE investment in underserved communities. CUB will be interested in seeing how these outreach efforts in education and awareness will not only help PGE customers on the benefits of TE, but how the Company can use these efforts to inform the Company on how to better provide TE support for underserved communities.

CUB also hopes that the Company will look at ensuring that locations sited, investment in transit and school bus systems, and other investments in underserved communities are providing direct benefits to and services to community members. CUB would like to ensure that infrastructure placement and utilization is benefiting vulnerable populations that often are not considered in TE investments. CUB would also like to see PGE utilize the reporting process to analyze communities that may not be utilizing the infrastructure to help inform where the Company may need to conduct more outreach, connection, or education with community stakeholders.

Further, CUB appreciates the breakdown of changes that have been made to the TE plan through stakeholder comment and input and encourage PGE to continue this effort of including information on how stakeholder engagement provides information in further TE investment and implementation.²⁰ CUB would like to see how engagement specifically with EJ, low-income and underserved community groups has thus far and how it changes investment and PGE's TE implementation as the Company continues to work on furthering outreach to these community groups and individuals. CUB continues to advocate for infrastructure siting in underserved communities to be informed by community members living in these communities to help identify locations that will be better utilized.

We are encouraged by the efforts that PGE has made to broaden engagement efforts and work towards connecting with diverse stakeholders outside of those normally represented in PUC proceedings and TE workshops. CUB looks forward to seeing this development grow and to see how these outreach efforts have helped inform PGEs plan in future reporting.

III. Additional CUB Comments

CUB very much appreciates the Company's hyperlinked table of contents and attention to organization generally. TEPs are large documents and the Company's good organizational practices are very helpful to stakeholders who must review TEPs efficiently.

CUB appreciates the Company's responsiveness to early feedback (pre-2023) about the size of its planned TE investments being too large. CUB is supportive of the Company's current portfolio size. Along the same lines, CUB appreciates the thoughtful discussion of what roles the Company believes a regulated utility is meant to fill in the Oregon TE sector as it develops. CUB

²⁰ PGE 2023 – 2025 Draft TEP at 84.

hopes that given our comments and recommendations, the Company is willing to continue considering their role and adapt accordingly to our input.

Respectfully submitted,

/s/John Garrett

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Appendix A, CUB's Comments on PGE's Draft MMC Budget

March 8, 2023

Steven Corson
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Portland General Electric
121 SW Salmon St
Portland, OR 9720

Re: *PGE's proposed 2023 TE Monthly Meter Charge Budget*

Dear Mr. Corson,

CUB recognizes that Portland General Electric's (PGE or the Company) Monthly Meter Charge (MMC) Budget is a component of the Company's broader Transportation Electrification Plan (TEP). While the issues we raise here might also be applicable or be addressed in PGE's forthcoming June 2023 TEP filing, we raise them now to at least initiate the conversation.

Comment #1. Identifying and Targeting Underserved Communities:

In Figure 1 of PGE's MMC Budget, PGE mapped the percentage of premises within census tracts that meet at least one of the HB 2165 "underserved community" criteria. Under the Figure as shown, CUB noticed that a very large portion of PGE's service territory could potentially be considered an underserved community if, from Figure 1, all census tracts containing >50% premises are considered "underserved communities" for purposes of the MMC budget. How did PGE define an "underserved community" in this budget? What is the threshold to determine whether a community is underserved or not? Does PGE's complete site location methodology reach a higher level of granularity, which identifies the highest priority communities and highest priority community members within those communities? Does PGE's methodology also consider the capacities of various underserved communities to make use of different electric vehicle supply equipment (EVSE) (ie affordable L2 ports versus more expensive DCFC ports)?

For clarity, CUB's preference would be to place needed EV investments in the least served communities within PGE's system for purposes of increasing equitable access to EV infrastructure and benefits. Absent a more granular delineation of which communities are served

and which are not, it is difficult to tell from PGE's current Figure 1 where the Company should be prioritizing investments.

Comment #2. Business and multi-family Make-Ready Solutions Incentives:

CUB noticed and appreciates that the Municipal Charging Opportunities Program contains the highest "Percentage to Underserved Communities" relative to other programs. This arrangement will help ensure fair and equitable access to EV infrastructure and benefits in underserved communities via PGE's Rate Schedule 50 and promote rate parity between people who can plug their EV into their garage and people who will rely on urban infrastructure.

However, CUB seeks clarification regarding the potential use of the Multi-family Make-Ready Solutions Program for low-income housing. CUB is concerned that privately operated EVSEs, which are bereft of rate regulation, could be problematic regarding ensuring equitable access to EV charging. Conceivably, a third-party EVSE operator could have a relatively captive clientele if the vendor is the only charging option at a multi-family housing dwelling. If the EVSE operator were to charge a rate for EV charging that is well above PGE's retail electricity rate, such a paradigm would do little to increase equitable access to EV charging in underserved communities. CUB is concerned that this scenario could result in unreasonable rates, particularly for historically disenfranchised and underserved communities which may lack the means to seek other private EVSE operators and whom lack the ability to charge at home themselves.

Please discuss the use of this program for low-income housing and how PGE believes competitive market forces will be sufficient to keep rates reasonable here. Perhaps some discussion of the terms and duration of the contracts with privately operated EVSEs would inform this discussion. Is PGE considering including EV charging rates as a metric for EVSE competitive procurement in these areas? If the EVSE private operators have long and exclusive contracts with multi-family dwellings, seemingly this poses the greatest threat of monopoly pricing. Should PGE seek to install make-ready charging solutions in underserved areas, it is imperative that charging be fairly priced in order to increase access to members of underserved communities.

Comment #3. Coordinating Federal Grant Opportunities

CUB noticed and appreciates that PGE earmarked money through the Portfolio Support budget to facilitate coordination on federal grant opportunities. CUB sees connecting federal funding with end uses in Oregon, particularly in support of underserved communities, as a key component of meeting TE and other state energy transition goals. CUB encourages PGE to continue to leverage federal funding opportunities to the maximum to offset costs associated with rolling out its TEP.