



Applicable Rule or Law

Order No. 21-484 extended PGE's February 14, 2022, TE Plan filing deadline by adopting Staff's recommendation to give "the utilities an additional nine to twelve months to develop their next TE plans."

OAR 860-087-0030(1) requires that electric companies must file a TE Plan Report (Report) on or before May 1 of each year. The Commission may take action on the Report, but action is not required. OAR 860-087-0030 specifies the content of the TE Report:

- a) All spending in the three-year period of the applicable TE Plan in the format of the approved TE Budget;
- b) All sources of funding for the TE Plan in the three-year period of the applicable TE Plan;
- c) An evaluation of each program or infrastructure measure in the company's portfolio of existing programs, conducted in accordance with third-party evaluation timelines as necessary;
- d) A discussion of how the TE Plan met the performance area categories described in OAR 860-087-0020(3)(c)(A)-(H) and key lessons learned. This discussion shall include, as appropriate, performance metrics consistent with performance areas that are developed with stakeholder and electric company input;
- e) A benefit-cost analysis of the TE Plan over the three-year period of the applicable TE Plan in the form of "cost tests;"
- f) Analysis of the estimated ratepayer impact of the TE Plan over the three-year period of the applicable TE Plan; and
- g) Analysis of how TE Plan has impacted innovation, competition, and customer choice in Oregon.

OAR 860-087-0020(3)(g)(A)-(D) prescribes the requirements of the TE Budget. The TE Budget must include:

(A) Annual budgets for the TE Plan for the three calendar years after the year the TE Plan is presented to Commission Staff and stakeholders. The annual budgets should include a discussion of the context of anticipated long-term expenditures for the next ten years, including but not limited to benefit-cost analysis "cost tests;" a forecast of all expenditures to support transportation electrification grouped by program and/or infrastructure measure, and further divided into the following:

- (i) Capital expenditures; and
- (ii) Expenses, separating administrative costs, O&M on investments, incentives paid to program participants, and any other unique category as relevant;

(B) A forecast of all funding sources to be utilized, including but not limited to, the Monthly Meter Charge, grants, Clean Fuels Program credits, base rates, and deferrals based on a reasonable estimate, including a discussion of how actual revenue might vary from the estimate;

(C) A forecast of all spending on underserved communities, grouped by program and/or infrastructure measure and further divided into the following:

- (i) Expenditures of funds collected through the Monthly Meter Charge as required by Oregon Laws 2021, chapter 95 Section 2
- (ii) Spending from revenues other than the Monthly Meter Charge, including but not limited to grants, Clean Fuels Program credits, base rates, and deferrals;

(D) The Commission's acceptance of the electric company's TE Plan will constitute approval of the TE Budget, which includes the Monthly Meter Charge budget as required by Oregon Laws 2021, chapter 95 Section 2.

## Analysis

### *Background*

In order to implement major changes in TE planning under House Bill 2165 adopted by the Oregon legislature in 2021, the Commission held formal rulemaking for Division 87 of Chapter 860, which houses the Oregon Administrative Rules that govern electric company TE planning.<sup>1</sup> This rulemaking began May 5, 2022.<sup>2</sup> The Commission approved new Division 87 rules September 8, 2022.<sup>3</sup>

Under the prior Division 87 TE planning rules, an electric company's filing deadline was two years after the Commission accepted the Company's prior TE Plan. PGE filed the Company's 2019 TE Plan on September 30, 2019. Since the Commission had accepted this first TE Plan February 14, 2020, the Company's filing deadline for its next TE Plan would have been February 14, 2022.<sup>4</sup>

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<sup>1</sup> <https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/HB2165/Enrolled>.

<sup>2</sup> See Docket No. AR 654, OPUC, Order No. 22-158, May 5, 2022, p 1.

<sup>3</sup> See Docket No. AR 654, OPUC, Order No. 22-336, September 8, 2022, p 1.

<sup>4</sup> See Docket No. UM 2033, OPUC, Order No. 20-947, February 14, 2020, p 1.

However, in UM 2165, the Commission suspended future TE Plan filings for up to 12 months, moving the filing deadline to February 14, 2023.<sup>5</sup> While the Commission held formal rulemaking for TE planning, PGE conducted public workshops on a TE Plan and TE Budget for 2023-2025 that covered the Company's entire TE portfolio. On June 14, 2022, PGE presented a high-level summary of a TE Plan with a three-year budget of \$374 million.<sup>6</sup> On August 4, 2022, PGE presented a revised planning roadmap with a lower, three-year budget range of \$160-\$190 million.<sup>7</sup>

In early fall of last year, Staff expected PGE to file a TE Plan and a TE Budget for the Company's entire TE portfolio for calendar years 2023 through 2025 before the end of 2022. As the year ended, PGE and Staff discussed later filing timelines. Staff had advanced notice of the Company's current request before PGE filed this motion in UM 2033 on January 10, 2023. Throughout discussion with PGE, Staff has been supportive of extending flexibility to the Company for these filing deadlines.

#### *PGE's Request*

The Company's current motion requests three things:

1. **To file a draft TE Plan by June 1, 2023, rather than the current deadline of February 14, 2023.** PGE's reason for requesting this extended deadline is to better coordinate expenditures in the TE Budget with new expenditures that are expected to emerge from PGE's Integrated Resource Plan and Clean Energy Plan. PGE states that it needs more time to assess the combined impact on rates.<sup>8</sup>
2. **To not file a TE Plan Report until May 1, 2024.** PGE claims that the Company's 2019 TE Plan "does not entirely comport with the requirements of the new rules, particularly with respect to the budget and performance area categories."<sup>9</sup> PGE also believes a separate TE Plan Report filing would be redundant if the Commission grants the motion to move its TE Plan deadline filing to June 1.<sup>10</sup>
3. **To file a separate calendar year 2023 budget for the Monthly Meter Charge and residential Clean Fuels Program credit revenue in the first quarter of 2023.** PGE proposes to file this in the form of a TE Plan update for an early Commission decision on these funds before the Commission considers approval

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<sup>5</sup> See Docket No. UM 2165, OPUC, Order No. 21-484, December 27, 2021, Appendix A, p 23.

<sup>6</sup> PGE. *Draft 2023-2025 Transportation Electrification Roadmap* June 14, 2022, slide 15.

<sup>7</sup> PGE. *Transportation Electrification Planning Workshop 4* August 4, 2022, slide 8.

<sup>8</sup> See Docket No. UM 2033, PGE, *Motion Requesting Extension of Filing Deadline Waiver Granted in Commission Order No. 21-484* January 10, 2023, p 3.

<sup>9</sup> *Ibid*, p 4.

<sup>10</sup> *Ibid*.

of the rest of PGE's TE Budget.<sup>11</sup> PGE does not want to delay these non-elective expenditures.<sup>12</sup>

### *Staff Review*

Staff recommends the Commission approve PGE's request. Staff recognizes the new TE planning rules were adopted just six months ago, and that TE planning takes time. Staff therefore recommends the Commission extend PGE the time the Company requests to produce its TE Plan in this instance.

However, Staff does not anticipate the arguments PGE makes in this motion would justify a similar request for PGE's May 1, 2025, deadline for filing a TE Plan for calendar years 2026 through 2028. If the Commission approves Staff's recommendation, PGE should not expect this unique delay to be precedential.

While Staff supports the specific request PGE makes to not file a TE Plan Report in 2023, Staff believes the TE Plan for 2023-2024 should provide the context of PGE's spending baseline and descriptions of how the Company's TE activities have fared in 2020 through 2022. This does not necessarily require PGE to report on the specific performance area metrics that were agreed upon with stakeholders in AR 654. However, absent a TE Plan Report this year, PGE should include, in its draft 2023 through 2025 TE Plan, a full disclosure of historic TE expenditures and a detailed assessment of how the Company's existing TE activities have progressed.

### Conclusion

Staff recommends the Commission approve PGE's motion requesting to: (1) extend the Company's February 14, 2023, draft TE Plan filing deadline; (2) to waive the TE Plan Report filing requirement in 2023; and (3) for the Commission to consider the approval of a 2023 partial TE Budget that includes only revenue from the Monthly Meter Charge and Clean Fuels Program credits from residential customers. This recommendation is based on a need for flexibility following changed rules and should not be seen as a precedent for delaying future TE Plan filings. In the absence of a TE Plan Report in 2023, PGE's TE Plan for 2023 through 2025 should include a report on historical expenditures on PGE's full TE portfolio and detailed assessments of how each TE activity has progressed.

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<sup>11</sup> Ibid.

<sup>12</sup> Ibid.

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January 30, 2023  
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**PROPOSED COMMISSION MOTION:**

Approve Portland General Electric's motion for a waiver of Transportation Electrification Plan requirements.

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