



Office of Mayor Ted Wheeler
City of Portland

January 12, 2021

Oregon Public Utility Commission
201 High Street SE, Suite #100
Salem, OR 97301

Re: Portland General Electric's proposed modifications to Rate Schedule 300 – Line Extension Allowance

Dear Members of the Commission,

The City of Portland is a key regional leader in the push to electrify Oregon's transportation sector via public policy and direct community support. The City is also a large consumer of electricity, using approximately 125 megawatts of electricity per year, on average, with plans to rapidly electrify our fleet of 2,600 motorized assets, which will greatly increase our annual electrical load. As a major regional change agent in transportation electrification and as a large regional consumer of electricity with significant fleet electrification plans, we have taken a keen interest in Portland General Electric's (PGE) proposal to modify its Schedule 300 to create a Transportation Line Extension Allowance (TLEA).

The City would like to express its support for PGE's proposed modifications to its Schedule 300. We believe these modifications will substantially streamline and make affordable the development of "make ready" electric vehicle charging infrastructure – our largest barrier to green fleet conversion. In suit, we believe the modifications will enable a more rapid development of transportation electrification infrastructure in the region, a more rapid conversion of large fleets to cleaner fuel sources, and a more rapid achievement of a fair and just clean energy future.

City of Portland Climate Goals

In June of 2020 the Portland City Council adopted a Climate Emergency Declaration (Resolution #37494), which commits the City to reducing carbon emissions to at least 50% below 1990 levels by 2030 and achieving net zero carbon emissions before 2050. The Declaration also committed to adopting new policies that will help Portland become EV-ready; prevent the further expansion of new fossil fuel infrastructure; quicken the transition to clean, renewable fuel options that are also good for air quality; and advance climate justice.

While these goals are community-wide, internally a clear expectation also exists that the City will "walk its talk." In suit, the City is aggressively seeking to transition its traditional fleet of vehicles and equipment to a "green fleet" model. Sedan vehicles are already on a path to conversion; however,

several barriers exist to converting the rest of the fleet, among them access to charging infrastructure at the scale required for the size of our fleet.

As the City has studied these issues and identified our most significant barriers to conversion – all of which have to do with charging – we have also realized that we are not alone. Many regional fleet owners have limited clarity on how to convert their fleets, because some of the pieces required to complete the conversion puzzle are missing. We believe that PGE’s recommendations to add a TLEA to its Schedule 300 will allow us and others to substantially complete our green fleet conversion puzzles, particularly when combined with market-based solutions for charging equipment needs, like Charging as a Service (CaaS).

Thus, the City of Portland supports these proposed modifications. They will benefit not only our own efforts but promote several of the commitments within our Climate Emergency Declaration by giving other fleet institutions a more rapid and cost-effective way to onboard charging infrastructure at scale. The transportation sector was the source of 42% of carbon emissions in Multnomah County as of 2017, a number that is growing rapidly. Innovations like this are required to support our collective endeavor to advance deep decarbonization and more rapidly achieve climate justice.

City of Portland Green Fleet Conversion Initiative

The City of Portland has the largest government fleet in the State of Oregon, supporting police, fire, parks, transportation, water, sewer and other key municipal services. Most of the City’s vehicles are powered by internal combustion engines and fueled with non-renewable fossil fuels. As of May 2020, the City’s 2,600 motorized assets included 195 battery electric or plug-in hybrid electric vehicles, 12 renewable natural gas vehicles, and 24 biodiesel vehicles – together totaling only 9% of the City’s motorized fleet.

While the City has been committed to fleet electrification for nearly a decade, several barriers exist that have made our conversion process slower than we would like it to be. Well-known is the need to procure reliable and affordable electric vehicles for all of our vehicle and equipment asset classes. At present, cost-effective and reliable sedans are readily available in the market. Other vehicle asset classes are now catching up, making this aspect of green fleet conversion far easier to tackle than in past years.

A lesser known but equally significant barrier to conversion is the need to charge electric vehicles and equipment after they are procured. To date, the City has taken on small installations of charging equipment to support our sedan conversion efforts; currently we have about 100 charging ports. Based on these experiences, we have concluded that we are not the appropriate party to build charging infrastructure at the scale required to power our fleet of 2,600 motorized assets. In short, the City does not have the expertise or resources required to research charging equipment, locate and design installations, coordinate on interconnections with the utilities, construct charging, and then own, operate and maintain equipment post-installation, including managing data security and asset lifecycle issues. This is also true for consumer-facing electric vehicle charging installed on public property, a strategy being considered by the City to help advance our broader carbon emission reduction goals.

To meet and manage our ongoing need for charging equipment, the City is looking to the competitive market, which we believe is best-suited to install, own, and operate an asset base composed of

thousands of short-lifecycle assets that need to stay current with rapidly evolving technology. Likewise, value-driven pricing on electric fueling is critical for the City, as are the technological and product innovations that must evolve to keep prices low while keeping the customer experience high. All of these needs, in our opinion, are best achieved by encouraging market competition for our business. Aligned with this, in Spring 2021 the City will be issuing one of the first municipal CaaS request for proposals (RFP). We anticipate our efforts in this regard will help the emerging charging industry develop and stabilize, creating opportunities not just for us but for other fleet owners and the charging public at large to move faster toward cleaner fuels.

However, with regard to “make ready” infrastructure – that which connects the charging equipment to the electrical grid – we feel a different partnership is required. “Make ready” is long-lasting, largely fixed equipment that is complex to connect to the grid and potentially costly to install depending on installation conditions and the readiness of the electric distribution system backbone. While it’s not impossible for the competitive market to do this work, the variability in construction conditions presents a sizeable cost risk for anyone taking this on, in addition to construction and interconnection complexity. Thus, we believe that contractors will require us to pay high price premiums to cover their risks when doing this work – premiums we likely cannot absorb, and that will most certainly prevent us from advancing quickly.

From the City’s perspective, the most logical partner for this work appears to be our region’s regulated electric utilities. Electric utilities have ready insight into the electrical distribution system and are best-prepared to advise on the most simple and cost-effective locations to build “make ready” infrastructure; can support efficient interconnection; are experienced with complex, capital-intensive endeavors such as this; and can help us not only spread our capital costs over many years, but also build a rate base that others could ultimately participate in and grow. Adding “make ready” infrastructure to the utilities’ purview would also have the benefit of enabling large fleet owners like us, who have a geographic presence in the territories of both of our region’s regulated electric utilities, to develop a more systematic approach to the deployment of our charging program regardless of our fleet depot locations.

Of note, the Colorado Public Utilities Commission recently approved Xcel Energy to onboard a similar concept as that proposed by PGE. There, the utility will provide new lines of service that are exclusively for electric vehicle charging, including distribution feeds, necessary transformer upgrades, and new meters. The utility was also approved to provide conduit and wiring upgrades, new service panels, trenching, and any necessary site work. Xcel will own and maintain this “make ready” infrastructure, including the service connection to the “stub” of the charging equipment. The City of Portland applauds Colorado for its forward-looking approach to “at scale” charging development and encourages Oregon to do the same. Innovations like these are beginning to occur nationwide and are likely the best way to advance the large and important social initiatives we all collectively aspire to achieve.

Equity and Climate Justice

The City is committed to creating equitable electrification and decarbonization pathways, and to ensuring that improvements that benefit some electricity consumers in our region do not result in higher rates for others, particularly low-income residential customers. Additionally, we support efforts

to bring the benefits of transportation electrification to marginalized communities and reduce the overall energy burden for low income Portlanders.

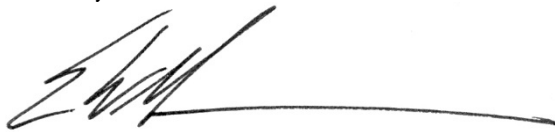
We believe PGE's proposed modifications align with these priorities. Our understanding of the filing is that the proposed Schedule 300 modifications will not affect residential ratepayers; rather, it will apply to its commercial and industrial rate classes (Schedules 32, 38, 83, 85, and 89), which are the customers most likely to have vehicle fleets. As such, the TLEA could help support at least one other major fleet owner in the region – TriMet – build out charging infrastructure for its regional transit assets, with obvious benefits for regional transportation and climate justice work. Likewise, the TLEA could, at some point, become a model for charging allowances in other rate classes, such as a low-income residential ratepayer schedule. Note that passage of legislation by the Oregon State Legislature that would allow the Commission to establish differentiated rates for low-income ratepayers remains a legislative priority for the City.

Assuming this reading of PGE's filing is accurate, we believe there will be no adverse impacts to the City's climate justice goals should the TLEA be approved; in fact, this filing supports our climate justice work, fitting hand in hand with the work we're doing to incorporate equity goals into our CaaS request for proposal. For that RFP, proposers will be scored on the inclusion of minority and women-owned businesses, workforce diversity, community involvement and sustainable business practices as part of our equity in public contracting practices, supporting the City's commitment to social and environmental responsibility in alignment with The Portland Plan, our Social Equity Contracting Strategy, and our Sustainable Procurement Policy.

Closing

We hope this letter of support has given the Commission insight into the pragmatic realities and needs of a large fleet institution striving to affect positive change, and a regional leader aspiring to support others in doing the same. The City supports PGE's proposed modifications to its Schedule 300, which we believe will enable greater progress on decarbonizing the transportation sector by facilitating the more rapid development of electric vehicle infrastructure in the region and the conversion of large fleets like the City's to cleaner fuel sources. We thank PGE for the vision and leadership they have demonstrated in this filing and encourage the Commission to support the modifications as proposed.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ted Wheeler', with a long horizontal line extending to the right.

Ted Wheeler
Mayor, City of Portland