



Portland General Electric
121 SW Salmon Street • Portland, OR 97204
portlandgeneral.com

November 17, 2021

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street, S.E.
P.O. Box 1088
Salem, OR 97308-1088

**RE: Advice No. 21-43, New Schedule 328 Clean Fuels Credit Monetization
Optional Service**

Portland General Electric Company (PGE) submits this filing pursuant to Oregon Revised Statutes (ORS) 757.205 and 757.210 and Oregon Administrative Rule (OAR) 860-022-0025(2) for filing proposed tariff sheets associated with Tariff P.U.C. No. 18, with a requested effective date of **January 1, 2022**:

Thirty Sixth Revision of Sheet No. 1-3
Original Sheet No. 328-1
Original Sheet No. 328-2

PGE hereby submits Schedule 328, Clean Fuels Credit Monetization, an optional service to support nonresidential customers pursuing electrification. Schedule 328 will allow PGE to support a positive customer experience and promote transportation electrification by assisting customers in monetizing Clean Fuels Program credits and generating credit revenue for customers; revenue that offsets the costs of transportation electrification. By lowering the cost barrier, the offering proposed in this filing accelerates the likelihood of transportation electrification, a key component of the state's decarbonization policy.

DEQ Clean Fuels Program and Credits

The Oregon Department of Environmental Quality (DEQ) administers the Clean Fuels Program (CFP), authorized by the legislature in 2015. The program reduces the carbon intensity of transportation fuels. Clean Fuels Credits (Credits) are generated when the carbon intensity of a fuel is lower than a standard set by the DEQ. In the context of electric vehicle charging, credits are generated in varying amounts depending on the carbon intensity of the electricity fuel mix. Under the CFP, customers can generate incremental credits above the base credit amount by fueling with onsite renewables or by retiring qualifying Renewable Energy Certificates (RECs) to cover their electric vehicle charging load. PGE's Schedule 328 offering is available to monetize any credits for which the customer is eligible. As noted, this offering is available to nonresidential customers.

It bears mention that PGE has a pending advice filing (Advice No. 21-25) before the Commission to explicitly add CFP compliant REC option to the categories of RECs that PGE offers to commercial and industrial customers as an optional service. PGE plans to seek approval from the DEQ that the RECs are Clean Fuels Program compliant and this would be one option, among other market options, for customers.

The service offered

This offering is related to helping address barriers identified in Section 1.2.2 *Fleet Market Barriers* of PGE's 2019 TE Plan. While monetizing CFP credits was not identified in the 2019 TE Plan, given the recent DEQ CFP rulemaking and customer interest, PGE has identified monetizing CFP credits among the ways that utilities may reduce those barriers. PGE will address this issue in its upcoming 2022 TE Plan.

PGE has gained expertise in monetizing Credits through monetizing two separate Credit streams: aggregated residential Credits and Credits accruing from PGE-owned chargers. PGE provides this offering in response to customers' interest for help in monetizing Credits. PGE is aware of at least one customer's plans to release a Request for Proposal (RFP) for monetization services. To bid on the RFP, PGE has determined it needs this tariff in place. The cost to administer this program will be borne by participating customers with accounting that separately accounts for the administrative revenues and costs. Nonparticipating customers will not bear any costs or risks associated with offering this service.

As part of this offering and pursuant to a customer contract, PGE will provide the following:

- Registering nonresidential customer(s) electric vehicle chargers with the DEQ in accordance with DEQ rules. Each charger must be registered.
- Reporting the customer's charging data on their behalf to the DEQ system as required (current requirements are for quarterly reports). This process then leads to the generation of Credits for the customer and notification by DEQ that the Credits are available.
- Selling the Credits through the DEQ marketplace and providing the proceeds to the participating customer, less PGE's administrative fee intended to cover PGE's costs.

To provide this service, PGE will charge customers using the methodology below. All inputs are based on current PGE processes registering and monetizing Clean Fuels Program credits. Each fleet is unique; they have varying numbers of chargers, vehicle types, and charger utilizations. Together, these inputs generate different quantities of credits, and different costs to PGE. Customers will be charged based on the inputs that impact the cost to provide the service to them.

Per Charger costs

- One time fixed cost to register each charger: \$81
- Fixed costs to track/report charger usage data in the DEQ system on a quarterly basis: \$136

Per Transaction Costs

- Cost per transaction: \$354 (a per credit transaction cost will be established based on the average quantity of credits transacted)

Program Costs (overall program management)

- Cost per credit (assuming 36316 credits for customers of this offering): \$2.87

To satisfy the requirements of OARs 860-022-0025(2), PGE provides the following responses:

As this is an optional service for customers, Schedule 328 does not increase, decrease, or otherwise change existing retail rates or have anything other than a de minimis impact on revenues.

Work papers are also accompanying this filing and are considered confidential pursuant to OAR 860-001-0070. Work papers will be sent electronically, and password protected.

Please direct any questions regarding this filing to Teresa Tang at teresa.tang@pgn.com
Please direct all formal correspondence and requests to the following email address pgc.opuc.filings@pgn.com

Sincerely,

\s\ Robert Macfarlane

Robert Macfarlane
Manager, Pricing & Tariffs

Enclosures

PGE Advice No. 21-43
Confidential Work Papers pursuant to OAR 860-001-0070
Provided electronically and password protected

SCHEDULE 328
CLEAN FUELS CREDIT MONETIZATION OPTIONAL SERVICE

PURPOSE

To support customer participation in Transportation Electrification and facilitate access to State of Oregon's Clean Fuels Program (CFP) administered under Oregon Administrative Rules Chapter 340, Division 253 by offering CFP credit monetization services.

AVAILABLE

In all territory served by the Company.

APPLICABLE

To all Nonresidential Customers who are eligible CFP credit generators under Oregon Department of Environmental Quality (DEQ) rules.

CHARACTER OF SERVICE

The Company, or its representative, will monetize CFP credits (credits) for Customers. The service includes: calculation of carbon intensity of fuel supply; equipment registration; as well as credit aggregation, credit claiming, credit transfer, credit tracking, and credit reporting for base credits, incremental credits, and advance credits in compliance with Oregon's CFP rules and regulations.

RATES FOR SERVICE

PGE will charge the participating Customer all applicable transaction fees, plus an administrative fee that covers the utility's administrative costs associated with DEQ compliance and monetizing credits. The administrative fee is calculated based on fleet vehicle size, vehicle type, number of chargers, charger utilization, and quantity of credits sold, and will be charged on a nondiscriminatory basis to participating customers, based on those factors.

SPECIAL CONDITIONS

1. PGE will monetize credits on behalf of the Nonresidential customer that has signed a contract, by leveraging PGE's existing market and Clean Fuels compliance infrastructure.
2. PGE makes no guarantee as to a certain monetized value of the CFP credits. PGE is not responsible for market fluctuations which may affect credit value or amounts.

SCHEDULE 328 (Concluded)

SPECIAL CONDITIONS (Continued)

3. The administrative fee is designed to include all administration expenses, including, but not limited to: DEQ registration, data pulls, data reporting, market transaction cost, record keeping, billing, management and providing Internal Revenue Service tax reporting information. PGE will update fees as needed to appropriately reflect the costs associated with this service.
4. The administrative fee will be applied after CFP credit sales, and on no less than an annual basis. PGE will remit to the customer the net amount after the administrative fee is deducted.

**PORTLAND GENERAL ELECTRIC COMPANY
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