



Portland General Electric

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June 15, 2022

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
PO Box 1088
Salem, OR 97308-1088

Re: Docket No. AR 654, Division 87 Revisions

Filing Center:

Portland General Electric (PGE) appreciates the opportunity to comment on draft revisions to the Division 87 transportation electrification (TE) rules, and thanks Staff of the Oregon Public Utility Commission (OPUC or the Commission) for their responsiveness to parties' comments and recommendations during the informal rulemaking process. The draft revisions introduced in the formal rulemaking generally reflect statutory and policy changes enacted since the original rules were adopted. PGE supports the draft revisions overall and offers comments now primarily to clarify rather than to seek substantive amendments.

PGE generally seeks clarification of two key areas:

- Commission reaffirmation of the general principle that funds from the sale of Clean Fuels Credits generated from residential EV charging, through the Department of Environmental Quality's Clean Fuels Program (CFP), should be coordinated with but not co-mingled with ratepayer funds. This principle is currently contained in OPUC Order No. 18-376. PGE supports coordination of CFP spending with other activities in the utility's TE portfolio, as part of the TE Plan, while retaining guidelines reflective of the fact that CFP funds are not ratepayer funds and should not be co-mingled or subject to the same review standard.
- Clarification of the intended timeframes and focus of the annual TE Plan Report, noting that the draft rules require a three-calendar-year reporting period for spending, funding sources, cost-benefit analysis and ratepayer impact that will not align with the three-year TE planning cycle described in the draft rules. This is especially problematic for the first reporting cycle, which as written would straddle two TE Plans developed, accepted, and implemented under very different rule and budget frameworks.

More detailed recommendations follow. Section references listed below refer to the markup draft of Staff's revised rules as included in the Chapter 860 Notice of Proposed Rulemaking filed May 27, 2022.¹

Clean Fuels Program

Without necessarily requiring specific edits to the draft rule revisions, PGE requests clarification regarding planning and use of funds from the sale of Clean Fuels Credits generated from residential EV charging.

PGE understands from various workshops, discussions with Staff, and public meetings in Dockets UM 2165 and AR 654 that the Commission's intent is generally to honor and maintain the principles previously agreed upon with stakeholders and utilities for use of CFP funds, currently incorporated into Commission Order No. 18-376.

¹ Notice of Proposed Rulemaking dated 5/27/22, Docket AR 654 – Division 87 Transportation Electrification (TE) Rulemaking. Available at <https://edocs.puc.state.or.us/efdocs/HCB/ar654hcb8520.pdf>

These principles recognize that CFP funds are not collected from ratepayers and thus should not be co-mingled with other funding sources. This also provides a degree of flexibility in the use of these funds. Current practice specified in Order No. 18-376 is for an annual OPUC review of proposed CFP funding allocations in consultation with stakeholders.

PGE agrees it makes sense to coordinate use of – but not co-mingle – CFP funds with its other TE-related activities, and sees potential efficiencies for utilities, stakeholders, and Staff in consolidating the CFP budget review process with the TE Plan acceptance process. We support incorporating discussion of CFP-related activities into the TE Plan and Budget, and we understand that may require modification of the review process provided for in Order No. 18-376. We encourage Staff to clarify within the AR 654 rulemaking process, and the Commission to clearly state in its upcoming rulemaking order, their intention for the Clean Fuels Program process.

TE Plan Reports

PGE understands TE Plan Reports as required in 860-087-0030 would review the period of the current TE Plan. However, proposed revisions in Subsection (1) require TE Plan Reports covering a three-calendar-year period, rather than the three-year period of utility activities under the applicable TE Plan. For example, current proposed rule language requires the annual report include “All spending in the previous three calendar years in the format of the approved TE Budget.” As written the three calendar years required will not align with the current TE Plan in any given year. Instead, the three-year period will always straddle at least two TE Plans with differing programs and budgets. This is especially pertinent as we anticipate reporting during the first three-year TE Plan cycle. The 2019 TE Plan was developed and accepted under different rules with different guidelines, expectations, and format.

In Staff response to comments on prior drafts during informal rulemaking², Staff stated: “The annual report should include prior-year expenditures and progress updates for TE portfolio” and “The final TE Plan report [of the three-year cycle] should present a fuller assessment including program evaluations, discussion of results across portfolio performance areas, benefit-cost analysis, and ratepayer impact.” Staff’s earlier responses appear to support our understanding but are not clearly reflected in the draft rule revisions. PGE asks that TE Plan reports, including provisions governed by Subsections (1)(a), (b), (c) and (f), be clearly focused on the period of the applicable TE Plan.

Other Recommended Corrections and Clarifications

860-087-0010 Definitions:

- Subsection (6) states that the TE Budget means all the planned expenditures on “...and sources of projected revenue from [emphasis added] transportation electrification...” in the first three years of the TE Plan. PGE believes the intent is for the TE Budget to reflect planned expenditures on TE and expected sources of revenue that will support those expenditures, such as the TE Monthly Meter Charge, CFP credits, general revenue, deferrals, and so forth. These are not revenues from transportation electrification. PGE recommends this section be amended to read “...and sources of projected revenue that support transportation electrification...”

860-087-0020 Transportation Electrification Plan:

- Subsection (1)(a) indicates an objective of the TE Plan is integration of utility TE actions into one document, “...including approved applications for program(s) and infrastructure measure(s), planning

² OPUC Order No. 22-158, adopting Staff’s recommendation in its report dated April 25, 2022. Stakeholder comments summary, page 30 and 31 of the PDF, available at <https://apps.puc.state.or.us/orders/2022ords/22-158.pdf>

and expenditure of the Monthly Meter Charge, and other transportation electrification actions such as Clean Fuels programs.” As the draft rule states, the TE Plan will include CFP-funded activities, which are non-ratepayer-funded programs for which the Commission has an advisory and review role. Further program or measure approval, disapproval or modification will take place through Commission Order not in the plan itself. Therefore, PGE recommends striking the word “approved” in this subsection.

- Subsection (4) states that “The electric company shall file a tariff for each program and infrastructure measure application in compliance with the acceptance order.” PGE notes that not every program or measure will require a tariff. PGE recommends the words “if necessary” be added after the word “application” in this phrase.
- Subsection (4)(a)(vii) requires “A discussion of how the [program or infrastructure measure] application meets the performance areas described in Section (3)(c)(A)-(G) in this rule.” PGE recommends this be amended to read: “A discussion of how the application contributes to relevant performance areas described in Section (3)...” This change would reflect the fact not all programs or infrastructure measures will contribute to every performance area, nor will they necessarily meet the performance area fully in isolation from the rest of the portfolio in areas where they do contribute.
- Subsection (4)(a)(ix) states that program and infrastructure measure applications must indicate “Whether transportation electrification adoption attributed to the program/infrastructure measure will likely necessitate distribution system upgrades.” As in other areas, PGE recommends avoiding language that could be read to require specific attribution of EV adoption to certain programs or measures. PGE recommends revising this provision to read “Whether implementation of the program/infrastructure measure is expected to necessitate distribution system upgrades.”

860-087-0030 Transportation Electrification Plan Report:

- The section of the draft revisions begins with “An electric company must file an application with the Commission for each program to accelerate transportation electrification.” This appears to be an editing error remaining from the prior version of the rules, because this phrasing has otherwise been removed. This language should be struck.

Conclusion

PGE thanks Staff and the Commission for the opportunity to comment and looks forward to participating in the June 22, 2022 rulemaking hearing. Please let us know if you have questions or need clarification of the above.

Thank you,

/s/ Jason Salmi Klotz

Jason Salmi Klotz
Manager, Regulatory Strategy and Engagement