



Division 87 TE Rulemaking - Docket No. AR 654

Summary of Division 87 Rule Revisions

March 3, 2022

This summary provides context for OPUC Staff's proposed revisions to Division 87 Transportation Electrification (TE) rules, posted to the AR 654 docket. Staff encourages parties to submit written comments on the draft rules to the AR 654 docket by **March 17, 2022**. In addition, if you would like to shape the OPUC TE rules and participate in the docket, please request to be added to the AR 654 service list by emailing a request to: puc.hearings@puc.oregon.gov.

This summary provides a docket schedule, description of Staff's proposed changes to existing rules. This summary also provides policy content related to implementation of Staff's recommended TE Investment Framework under UM 2165, as described in the Staff Report for the December 14, 2021 Public Meeting.¹

Schedule

Activity	Date
Revised draft Division 87 rules published to docket	March 3, 2022
Public workshop on portfolio budgeting including TEINA methodology	March 16
First informal written comments due on draft Division 87 rules	March 17
Revised draft rules posted to docket based	Week of March 28
Public workshop to discuss revised draft rules	Week of March 28
Second informal written comments due	April 8
Staff Report published recommending approval of draft rules and initiation of formal rulemaking period	April 27
Staff Report presentation at Public Meeting	May 3
Formal Division 87 rulemaking phase	May – July
Revised Division 87 rules effective	August, 2022

Key Links

[Division 87 existing rules](#)

[Staff Recommendations for TE Investment Framework, UM 2165](#)

Staff Changes to Existing Rules

- 860-087-0001 – Scope and Applicability of Rules: In this section, Staff changed the applicability from programs that accelerate transportation electrification to programs that support transportation electrification.

¹ See Docket No. UM 2165, OPUC Staff, Staff Report, December 7, 2021

- 860-087-0010 – Definitions: In this section Staff added new definitions created by HB 2165 and guidance developed with stakeholders during the UM 2165 process.
- 860-087-0020 –Transportation Electrification Plan: In this section, Staff consolidated the TE planning process, reflecting stakeholder requests for holistic, streamlined and flexible electric utility TE planning. The three elements of Staff’s TE Investment Framework are referenced within this section:
 - Portfolio Performance Areas: 860-087-0020(3)(c)
 - Infrastructure Need: 860-087-0020(3)(f)
 - Benefit/Cost Analysis: 860-087-0020(6)(a)
- 860-087-0030 - Transportation Electrification Program Application Requirements: Staff revised and folded the existing Section 30 into Section 20 above. Section 30 was repurposed for the TE Report.
- 860-087-0040 Transportation Electrification Report: Staff revised this section and renumbered it as Section 30.

Policy Context and TE Investment Framework Recommendations

In response to direction from the Governor in EO 20-04 Staff began work in 2021 to update the Commission’s approach to TE in UM 2165. This docket eventually incorporated direction from the 2021 legislation, HB 2165, and culminated in Commission Order No. 21-484.² This order directs Staff and stakeholders to explore implementation of a TE Investment Framework as part of revised Division 87 rules. Staff is moving to revise the Division 87 rules with haste so that investor-owned utilities can file updated TE Plan filings with changes that reflect recent legislation, before the end of 2022.

Staff’s TE Investment Framework includes three main complementary elements: an infrastructure budget “guardrail” based on need, portfolio performance areas, and benefit/cost analysis. Staff will work with stakeholders to address issues and implementation-level guidance for these elements through several workshops during the rulemaking. One workshop was conducted February 4, 2022 in which stakeholders discussed the issue of portfolio performance areas in proposed rules. We received feedback from Northwest Energy Coalition (NVEC) and Portland General Electric (PGE), which is now reflected in the revised rules. Staff supports development of more detailed metrics for these areas outside of rules. In addition to this feedback, the revised rules reference a forecast of infrastructure need to be developed using a Commission-approved tool. Staff will continue to work with stakeholders to discuss its recommended tool and methodology of ODOT’s *Transportation Electrification Infrastructure Needs Analysis* (TEINA).

Staff Contacts

If you have questions or comments please contact Eric Shierman, Eric.Shierman@puc.oregon.gov (971) 239-3916, or Sarah Hall, Sarah.L.Hall@puc.oregon.gov (971) 273-9512.

² See Docket No. UM 2165, OPUC, Order No. 21-484, December 27, 2021.

Division 87

TRANSPORTATION ELECTRIFICATION ~~PROGRAMS~~ PLANS

860-087-0001 - Scope and Applicability of Rules

- (1) The rules in this division prescribe the application and reporting requirements for programs to ~~accelerate~~ support transportation electrification filed by an electric company.
- (2) Upon request or its own motion, the Commission may waive any of the rules in this division for good cause shown. A request for waiver must be made in writing, unless otherwise allowed by the Commission.

860-087-0010 - Definitions

For the purpose of this division:

- (1) “Electric company” means an electric company as defined in ORS 757.600.
- (2) “Transportation Electrification program” means ~~a program proposed by an electric company to accelerate transportation electrification.~~ programs as defined in Oregon Laws 2021, chapter 95 Section 4.
- (3) “Infrastructure measures” means infrastructure measures as defined in Oregon Laws 2021, chapter 95 Section 4.
- (3) “Monthly Meter Charge” means the funds collected by an electric company to support and integrate transportation electrification under Oregon Laws 2021, chapter 95 Section 2.
- (4) “Underserved communities” means underserved communities as defined in Oregon Laws 2021, chapter 95 Section 2.
- (5) “Residents of rental housing” means people, including a roomer, entitled under a rental agreement to occupy a dwelling unit to the exclusion of others, including a dwelling unit owned, operated or controlled by a public housing authority.
- (6) “Residents of multifamily housing” means people that reside in a structure or facility established primarily to provide housing that provides more than one living unit, and may also provide facilities that are functionally related and subordinate to the living units for use by the occupants in social, health, educational or recreational activities. This definition also includes special care facilities as defined in ORS 443.400 – 445.
- (7) “Communities of color” means communities of people who are not identified as White, emphasizing common experiences of racism.
- (8) “Communities experiencing lower incomes” means residential customers of an electric company whose household income is less than or equal to 120 percent of the state median income, adjusted for household size.
- (9) “Tribal communities” means Oregon’s nine recognized Native American tribes and groups who are not officially recognized by the federal or state government but who identify as historically, culturally, and/or genetically related to historic Native American tribes.

(10) “Rural communities” means people residing 30 or more miles by road from an urban community of 50,000 or more people.

(11) “Frontier communities” means people residing 75 miles by road from a community of less than 2,000 people.

(12) “Coastal communities” means people residing west of Oregon’s Coastal Mountains.

(13) “Communities adversely harmed by environmental and health hazards” means people residing in a part of Oregon that is adversely affected by criteria pollutants or climate change.

(14) “Transportation electrification investment framework” means a decision-making tool to be utilized by the Commission to provide bounds, desired outcomes and evaluation of electric company investments in transportation electrification.

(15) “Transportation Electrification Budget” means all the planned expenditures on transportation electrification in the TE Plan.

860-087-0020 - Transportation Electrification Plan

(1) This rule prescribes the required elements of an electric company’s Transportation Electrification Plan (TE Plan), which contains the electric company’s portfolio of investments and long-term strategy to accelerate support transportation electrification in its Oregon service territory. The objective of the TE Plan is to:

(a) Integrate ~~all of~~ the electric company’s transportation electrification actions into one document. This includes, but is not limited to, analyzing the electric company’s portfolio of near-term and long-term transportation electrification actions, including approved program(s) and infrastructure measure(s), planning and expenditure of the Monthly Meter Charge future transportation electrification actions, and other transportation electrification actions such as Clean Fuels programs.

(b) ~~Identify~~ Analyze this document as a portfolio of the utility’s actions investments and activities, which may include investments and infrastructure for electric vehicles of various sizes, rate design, programs, and services, reasonably expected to achieve the objectives of ORS 757.357. The TE Plan should seek to address areas most affected by market barriers in the electric company’s service territory and to provide benefits for ~~traditionally~~ underserved communities.

(2) An electric company must file for Commission acceptance of a TE Plan.

(a) As used in this rule, “acceptance” means the Commission finds that the TE Plan meets the criteria and requirements of this rule and does not constitute a determination on the prudence of the individual actions discussed in the TE Plan. Non-acceptance means that the TE Plan does not meet the criteria or requirements of ~~the~~ this rule.

(b) An electric company must file for Commission acceptance of its TE Plan by May 1 ~~within every~~ two years ~~of its~~ after previous TE Plan acceptance order or as otherwise directed by the Commission.

(c) The Commission staff will work with parties to propose a schedule for review of the TE Plan after it is filed. The schedule will ~~be adopted by an administrative law judge and~~

~~will~~ provide an opportunity for workshops and written comments by Commission staff and stakeholders, and reply comments by the electric company.

(d) The electric company must present its TE Plan to the Commission at a public meeting prior to the deadline for written public comment.

(e) Commission staff will present its recommendation on the electric Company's TE plan at a public meeting. The Commission will also consider comments and recommendations on an electric company's TE Plan at the public meeting before issuing an order of acceptance. The Commission may provide direction to an electric company regarding any additional analyses or actions that the electric company should undertake in its next TE Plan.

(f) An electric company may propose is not prohibited from proposing Plan updates transportation electrification programs at any time between scheduled TE Plan filings. TE Plan update filings can be limited to the material changes in the electric company's TE Plan. Commission staff will work with parties to propose a schedule for public review.

(3) The TE Plan must include:

(a) Current condition of the transportation electrification market in the electric company's Oregon service territory, including, but not limited to:

~~(A) A discussion of existing state policies and programs;~~

~~(AB)~~ Market barriers that the electric company can address and other barriers that are beyond the electric company's control, including any identified emerging challenges to transportation electrification;

~~(BC)~~ Existing data on the availability and usage patterns of charging stations;

~~(CD)~~ Number of electric vehicles of various sizes in the utility service territory and projected number of vehicles in the next ~~ten~~ twenty years;

~~(DE)~~ Other transportation electrification infrastructure, if applicable;

~~(EF)~~ Charging and vehicle technology updates; and

(b) A summary of the electric company's transportation electrification portfolio of program(s) and future transportation electrification concepts and actions in its Oregon service territory for the next two years. The summary should include the company's long-term vision for its TE portfolio and strategy to support transportation electrification in its service territory in an effective and efficient manner. The TE Plan must incorporate project learnings and any other relevant information gathered from other transportation electrification infrastructure investments, programs, and actions to ensure that lessons learned are carried forward;

~~(c) A discussion of how the electric company's investments, programs, and actions are expected to accelerate transportation electrification, address barriers to adoption, and extend access to traditionally underserved communities; A discussion of how programs and Infrastructure Measures in the TE Plan holistically advance performance area categories that include, but are not limited to:~~

(A) Environmental benefits including greenhouse gas emissions impacts;

(B) Electric vehicle adoption;

(C) Underserved community inclusion and engagement;

(D) Equity of program offerings to meet underserved communities;

(E) Distribution system impacts and grid integration benefits;

(F) Program participation and adoption;

(G) Infrastructure performance including charging adequacy;

(H) Learnings for readiness to advance innovation and efficiency.

(d) Supporting data and analysis used to develop the TE Plan, which may be derived from elements such as review of costs and benefits; rate design, energy use and consumption, overlap with other electric company programs, and customer and electric vehicle user engagement;

(e) A discussion of the electric company's potential impact on the competitive electric vehicle supply equipment market, including consideration of alternative infrastructure ownership and business models, and identification of a sustainable role for the electric company in the transportation electrification market.

~~(f) A discussion of current and anticipated electric company system impacts resulting from increased transportation electrification and the electric company's portfolio of actions, how transportation electrification can support the efficient integration of renewable energy, and how the TE Plan is designed to address these system impacts; and~~

~~(g) A discussion of how programs and concepts in the TE Plan relate to carbon reduction goals, requirements and other state programs, including expected greenhouse gas emission reductions based on publicly available metrics.~~

(f) A forecast of charging infrastructure needed in the company's service territory to support transportation electrification. The forecast should utilize a Commission-approved tool to estimate needed public charging infrastructure over the next ten years and include type, location and timing of needed infrastructure.

(g) Analysis of the estimated ratepayer impact of the TE Plan portfolio over the next two calendar years.

(4) New programs in the TE Budget must be based on program applications included in the appendix to the TE Plan described by Section 8 of this rule.

(5) Expenditures on Transportation Electrification programs or infrastructure measures must be approved by the Commission. The Commission may decide whether to approve the electric company's TE Budget at the same Public Meeting that the Commission decides whether to accept the company's TE Plan.

(6) An electric company must file a Transportation Electrification Budget with its TE Plan. The Transportation Electrification Budget must include:

(a) Annual budgets for the TE Portfolio for the first two years of the TE Plan, with context of anticipated long-term expenditures for the next ten years; including but not limited to benefit-cost analysis “cost tests”;

(b) A forecast of all expenditures to support transportation electrification grouped by program and further divided into:

(A) Capital expenditures;

(B) Expenses, separating administrative costs, O&M on investments, incentives paid to program participants, and any other unique category that may become relevant.

(c) 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, deferrals.

(d) A forecast of all spending on underserved communities, grouped by program and further divided into:

(A) Spending from the Monthly Meter Charge as established by Oregon Laws 2021, chapter 95 Section 2;

(B) Spending from other revenues, including but not limited to grants, Clean Fuels Program credits, base rates, deferrals.

(e) An electric company may propose TE Budget updates at any time between TE Budget filings. TE Budget update filings can be limited to the material changes in the electric company’s approved TE Budget. Commission staff will work with parties to propose a schedule for public review.

(74) The Commission may direct an electric company to incorporate the TE Plan into other electric company planning documents.

860-087-0030 – Transportation Electrification Program Application Requirements

(8) An electric company must file Transportation Electrification program and infrastructure measure applications as an appendix to the TE Plan. ~~an application with the Commission for each program to accelerate transportation electrification.~~ The applications must cover all programs and infrastructure measures planned by the utility for the TE Plan cycle. The Commission shall approve each program application at the time it accepts the utility’s TE Plan in accordance with the requirements set forth in this rule.

(a) Applications for a ~~A~~ Transportation Electrification program ~~application or~~ infrastructure measure must include, as appropriate:

(A) A description of the program/~~infrastructure measure~~ that includes, but is not limited to, a description of:

(i) ~~A~~ Program/~~infrastructure measure~~ elements, objectives, timeline, and expected outcomes;

(ii) ~~B~~ Market baseline assumptions;

(iii ~~E~~) Major performance milestones;

(iv ~~D~~) Where applicable, a description of program/infrastructure measure phases, ~~including a proposal for when each subsequent program phase will be submitted for Commission review;~~

(v ~~E~~) Expected utilization, participation eligibility, and any incentive structures;

(vi ~~F~~) Identification of market barriers, ~~program~~ implementation barriers, and program strategies to overcome the identified barriers;

(vii) A discussion of how the application meets the performance area categories described in Section (3)(c)(A)-(G) in this rule;

(viii ~~G~~) Description of the electric company's role and, if applicable, a discussion of how the electric company proposes to own or support charging infrastructure, billing services, metering, or customer information;

(ix ~~H~~) Whether transportation electrification adoption attributed to the program/infrastructure measure will likely necessitate distribution system upgrades;

(x ~~I~~) Where applicable, a discussion of ownership structure;

(xi ~~J~~) Where applicable, a discussion addressing interoperability of invested equipment;

(xii ~~K~~) Where applicable, a discussion of any national standards for measurement and communication; and

(xiii ~~L~~) Any other information requested by the Commission.

(B ~~b~~) Data used to support the descriptions provided in ~~paragraphs (1)(a)(A)-(L)~~ Section (8)(a)(A)(i)-(xiii) of this rule.

(C ~~e~~) A description of program/infrastructure measure coordination that includes a description of:

(i ~~A~~) Stakeholder involvement in program/infrastructure measure development;

(ii ~~B~~) Efforts to coordinate with related state programs;

(iii ~~C~~) Coordination, if any, of delivery with other market actors and activities, and how the market and other market actors can leverage the underlying program/infrastructure measure or projects within the program/infrastructure measure.

(D ~~d~~) A description of ~~the electric company's long term TE portfolio strategy to accelerate transportation electrification in its service territory in an effective and efficient manner and~~ how the proposed program/infrastructure measure fits within

the long-term strategy. ~~To the extent possible, the strategy description shall include, but not be limited to, a discussion of the following:~~

~~(A) The current condition of the transportation electrification market in the electric company's service territory and the outlook for development of the market in the absence of the proposed program;~~

~~(B) Near and long-term market barriers to the development of transportation electrification and how the electric company proposes specifically to address those barriers;~~

~~(C) Near and long-term opportunities for improving the operation and reliability of the electric company's power system through transportation electrification and how the electric company proposes specifically to take advantage of those opportunities; and~~

~~(D) Other factors pertinent to the electric company's plans for transportation electrification.~~

(E e) A description of program/infrastructure measure costs; that includes, but is not limited to:

~~(i A)~~ Estimated total ~~program~~ costs, including incentives, program delivery, evaluation, marketing, and administration costs;

~~(ii B)~~ Estimated participant costs; ~~;~~

~~(iii C) How the electric company proposes to recover costs; and~~

~~(iv D) Any other information requested by the Commission.~~

~~(f) A description of the expected program benefits that includes, but is not limited to:~~

~~(i) Program benefits, including to whom and when benefits are accrued;~~

~~(ii) Electrical system benefits; and~~

~~(iii) A discussion of how a net benefit to ratepayers is attainable.~~

(F g) A description of learning objectives and how the electric company will evaluate the effectiveness of the program/infrastructure measure, including data collection methods. ~~how the electric company will evaluate the program that includes, but is not limited to:~~

~~(i) Timeline of program evaluation and proposed evaluation reporting schedule;~~

~~(ii) Estimated cost of evaluation;~~

~~(iii) How the evaluation will be conducted and whether third-party evaluation is necessary;~~

~~(iv) How the evaluation will address identified barriers; and~~

~~(v) A discussion of the method of data collection that is consistent with subsection (1)(b) of this rule and how the data will be used to evaluate the effectiveness of the program.~~

~~(vi) Any other evaluative information requested by the Commission.~~

~~(G) For infrastructure measures, a description of how the measure addresses the requirements of Oregon Laws 2021, chapter 95 Section 4(b); and~~

~~(H h) For Ttransportation Eelectrification programs, aA description of how the program addresses the considerations in Oregon Laws 2016, chapter 028, section 20(4)(a)-(f).~~

~~(2) An electric company must file applications for one or more Transportation Electrification Programs on or before December 31, 2016.~~

860-087-00304 Transportation Electrification Program Reporting Requirements Plan Report

~~(1) TE Plan filings, utilities must file a An electric company must report the results of its evaluation for each Transportation Electrification Plan Report prior to filings its next TE Plan and that summarizes the performance of its last TE Plan. Program approved by the Commission. A program evaluation must include, but is not limited to:~~

~~(a) The Report must include:~~

~~(A) All spending in the previous two calendar years in the format of the approved TE Budget;~~

~~(B) All sources of funding for the TE Plan portfolio in the previous two calendar years.~~

~~(C) A spreadsheet listing all line-item expenditures on the TE Plan portfolio in the previous two calendar years with each funding source identified;~~

~~(D) An evaluation of each Transportation Electrification program or infrastructure measure in the company's portfolio of existing programs;~~

~~(E) A discussion of how the TE Plan portfolio met the performance area categories described in Section (3)(d)(A)-(G) in this rule, and key lessons learned;~~

~~(F) A benefit-cost analysis of the TE Plan portfolio over the previous two calendar years in the form of "cost tests"; and~~

~~(G) Analysis of the estimated ratepayer impact of the TE Plan portfolio over the past two calendar years.~~

~~(a) The information required under OAR 860-087-0030(1)(g)(A)-(F);~~

~~(b) An assessment of program costs and benefits realized by ratepayers and the electric company;~~

~~(c) A tracking of program costs over the life of the program;~~

- ~~(d) Progress against identified market barriers and implementation barriers;~~
- ~~(e) Current risk that investment will result in stranded costs;~~
- ~~(f) Whether any program modifications are recommended to help meet expected outcomes;~~
- ~~(g) Updated market data, including a description of changes in the condition of the transportation electrification market within the electric company's service territory; and~~
- ~~(h) An evaluation of whether and how the program has:
 - ~~(A) Accelerated transportation electrification;~~
 - ~~(B) Stimulated innovation, competition, and customer choice; and~~
 - ~~(C) Supported system efficiency and operational flexibility, including the ability to integrate variable resources.~~~~

(2) The Commission may request additional Transportation Electrification Plan updates, including milestones and progress against ~~success indicators~~ performance area categories, to assess whether to continue, discontinue, or modify approved Transportation Electrification Programs.