

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 15, 2022**

REGULAR **CONSENT** **EFFECTIVE DATE** November 16, 2022

DATE: November 7, 2022

TO: Public Utility Commission

FROM: Eric Shierman

THROUGH: Bryan Conway, JP Batmale, and Sarah Hall **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1433/Advice No. 22-22)
Schedule 8 and 52 residential and nonresidential EV charging update.

STAFF RECOMMENDATION:

Approve Portland General Electric's Advice No. 22-22.

DISCUSSION:

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve Portland General Electric (PGE or the Company) Advice No. 22-22, which revises Schedule 8 to include a rebate for home panel upgrades for electric vehicle (EV) charging, and Schedule 52 to add rebates for EV make-ready construction costs.

Applicable Rule or Law

Under ORS 757.205(1):

Every public utility shall file with the Public Utility Commission, within a time to be fixed by the commission, schedules which shall be open to public inspection, showing all rates, tolls and charges which it has established and which are in force at the time for any service performed by it within the state, or for any service in connection therewith or performed by any public utility controlled or operated by it.

The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable. ORS 757.210. OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing; the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

ORS 757.357 requires the Commission to direct each electric company to file programs that accelerate transportation electrification (TE). The statute gives considerations that the Commission is required to include in its review of such programs. House Bill (HB) 2165 went into effect on January 1, 2022, and amends ORS 757.357 in significant ways. HB 2165 directed utilities to implement a monthly meter charge equal to 0.25 percent of total revenues as a dedicated funding source for TE investments.

HB 2165 includes further detail and requirements for expenditures and tracking of the monthly meter charge. Utilities are required by law to account and report the revenues and expenditures in a manner prescribed by the Commission. The expenditures the utilities make must be made on elements in the utility's Commission-accepted TE Plan. Additionally, utilities must make "reasonable efforts" to spend at least 50 percent of that funding on activities to support TE in "underserved communities."

Analysis

Background

On July 29, 2022, PGE filed a proposed 2022 Monthly Meter Charge Budget.¹ PGE then filed on October 3, 2022, infrastructure measure applications for enhancements to the Company's residential and nonresidential EV pilots. On the same day, PGE filed new tariff sheets for Schedules 8 and 52 to reflect these pilot upgrades. On October 18, 2022, the Commission approved PGE's 2022 Monthly Meter Charge Budget, approving the upgrades—a new rebate for panel upgrades for Schedule 8 and enhanced rebates for nonresidential charging for Schedule 52.²

Upgrades to Schedule 8

The Commission approved PGE's plan to expand the Residential EV Smart Charging Pilot under Schedule 8. This will include offering a standard \$1,000 rebate and \$5,000 income qualified rebate for panel upgrades.

¹ See Docket No. UM 2033, PGE, Proposed Monthly Meter Charge Budget for 2022 and Municipal Charging Collaboration Pilot Proposal, July 29, 2022.

² See Docket No. UM 2033, OPUC, Order No. 22-381, October 20, 2022, p 1.

Staff notes the panel upgrade costs that ratepayers subsidize should be net of federal subsidies. The recently passed Inflation Reduction Act expanded the Energy Efficient Home Improvement Credit from a lifetime cap of \$500 to an annual cap of \$1,200. The new law makes panel upgrades for EV charging infrastructure a qualified improvement that can receive up to \$600 in credit.³ The wording of these tariffs does not require PGE rebate the portion of a customer's panel upgrade project that is funded by federal subsidy.

Upgrades to Schedule 52

The Commission approved PGE's plan to expand the Business EV Charging Rebates under Schedule 52. PGE will offer rebates of 80 percent of make-ready costs up to a maximum of \$6,000 per Level 2 (L2) port and \$36,000 per site. The Company will also offer higher rebates for direct current fast charging (DCFC) of \$350 per kW, up to \$25,000 per DCFC port (e.g., a \$10,500 rebate for a 30 kW DCFC and a \$17,500 rebate for a 50 kW DCFC). DCFC sites would not be eligible for make-ready rebates unless the customer paired DCFC with L2 chargers.

New Planning Process

These tariff filings fall within the context of a new framework for electric company TE investments. In UM 2165, Staff investigated a new TE investment framework. During that time, the Governor signed HB 2165 into law, which affected the scope of Staff's ultimate recommendation at the December 14, 2021, Public Meeting which the Commission adopted in Order No. 21-484. On September 8, 2022, the Commission approved new administrative rules for Division 87 that implemented the TE investment framework into formal rules and implementation-level guidance. A central tenant of that framework is for the Commission to make approval decisions at the portfolio level rather than on a tariff-by-tariff basis.

Staff's standard of reviewing TE tariffs has changed accordingly. Previously, the Commission has approved TE activities by electric companies, associated budget expenditures, and associated tariff changes separately through consideration of advice filings. Now the Commission is moving to a process where the programmatic changes and budget approval occur at a portfolio level in a TE planning docket rather than separate approvals in advice dockets.

In this case, the Commission has already approved the programmatic changes and associated budget for these changes to Schedules 8 and 52. In reviewing these tariffs, the new scope of Staff's review is to confirm that the tariff sheet language is congruent with the electric company's prior filing.

³ Mengle, Rockey, *Save More on Green Home Improvements Under the Inflation Reduction Act* Kiplinger's, September 16, 2022.

Staff has reviewed the proposed tariff sheets PGE filed in Advice No. 22-22. The updates of these tariffs fall within the changes to the infrastructure measures that the Commission has approved.

The Commission's next portfolio-level decision on PGE's TE expenditures will be for the entire TE Portfolio for calendar years 2023-2025. That will include all TE expenditures, including the Monthly Meter Charge.

Conclusion

Staff recommends the Commission approve PGE's updates to Schedules 8 and 52. These tariff changes reflect the changes the Commission approved in UM 2033 when the Commission approved PGE's 2022 Monthly Meter Charge Budget.

PROPOSED COMMISSION MOTION:

Approve Portland General Electric's Advice No. 22-22.