



Portland General Electric

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February 9, 2022

Via Electronic Filing

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

Re: AR 654, Division 87 Revisions

Filing Center:

Portland General Electric (PGE) appreciates the opportunity to participate in the discussion and provide comments on topics raised during Staff's February 4, 2022, AR 654 kickoff workshop for the Division 87 rulemaking process. We also offer comment to further the ongoing Transportation Electrification (TE) Investment Framework dialogue.

As Staff prepares to share draft amendments to the Division 87 rules, PGE offers the following observations and suggestions:

- PGE generally supports Staff's goal of future-proofing the Division 87 rules while providing clarity and flexibility.
- PGE recommends the amended Division 87 rules specify the required basic structural components for utility Transportation Electrification Plans, including programs, infrastructure measures, and compliance filings and reporting.
- To enable flexibility for each utility submitting TE plans and programs, the specific detail and data needed to evaluate those plans and programs should be required in separate Commission orders, rather than in the Division 87 rules.
- The methodology used in the Oregon Department of Transportation's (ODOT) Transportation Electrification Infrastructure Needs Assessment (TEINA) study can help provide valuable context to the utility TE planning process. As several parties noted at the Feb. 4 public workshop, however, the TEINA describes total public electric vehicle (EV) infrastructure needs irrespective of the utility's role and does not cover all use cases. Utilities will need to include additional analysis and data sources to better inform a detailed, utility-specific TE budget. PGE strongly recommends holding a technical workshop devoted to exploring how the TEINA methodology should be applied. PGE further recommends that this workshop be held as soon as possible, because utilities and stakeholders will be less equipped to weigh in on draft rules if they do not understand the role envisioned for the TEINA in establishing guidelines.

Specific to the discussion topics and planning questions Staff presented on February 4:

Stakeholder engagement in consolidated planning process

- *How do we consolidate TE planning to maximize stakeholders' available time to participate in decision-making review?*

- *What is enough engagement with utilities for the public review of a TE Plan and TE Budget?*

PGE defers to representatives of the stakeholder groups to weigh in on these questions, while reaffirming our commitment to robust and meaningful stakeholder engagement in all aspects of our TE planning and related execution efforts. Like the Commission, PGE is seeking engagement with stakeholders, especially representatives of underserved communities, across multiple planning and program development areas. We acknowledge the strain this places on groups with limited staffing and resources. We welcome input and suggestions for ways to consolidate, streamline and provide support in the engagement process.

Managing changes to TE programs and TE Plan budget

- *Should utilities include all program applications in TE Plans rather than through advice filings?*

The current Division 87 rules create significant duplication of effort for all parties, including Staff, in reviewing TE Plans, TE program applications, and tariff filings. PGE recommends that the utility include program applications as part of its TE Plan, and that the TE plan review process result in approval for the programs and measures applied for in the plan. Program proposal guidelines have worked well in the PGE Testbed and Multi-Year Plan process, and Section 30 of the current Division 87 rules provides a starting point for TE program proposal guidelines.

Utilities' TE Plans should also include, where possible, program concepts and measures not yet mature enough to meet proposal guidelines. This approach would enable utilities to identify, and earmark budget for, areas of potential future program development. Once program designs mature, the utility could submit an off-cycle application that contains the same level of transparency and stakeholder involvement as those program proposals included in the TE Plan. An additional narrative component to these applications would allow Staff and stakeholders to understand how the proposed activity complements the overall strategy described in the most recent plan.

- *Should there be a new infrastructure measure application section?*

Infrastructure measures are a central pillar of the utility role in supporting and advancing transportation electrification. HB 2165 places specific emphasis on infrastructure measures to support TE, including investments in, expenses related to, or rebates for distribution system or behind the meter infrastructure or related communication and control technologies. The Bill separates out non-infrastructure activities such as education and outreach while recognizing that they are also important utility TE activities. All these activities belong in a comprehensive utility portfolio to support TE. Therefore, it makes sense for the Division 87 rules to require utilities to explain in their TE Plans how their planned TE infrastructure measures align with their program strategy, specific program needs, and, where appropriate, how the measures dovetail with the utility's Distribution System Plan. PGE suggests this question requires further discussion among Staff, utilities, and stakeholders.

- *Between TE Plan filings, what process should be available to utilities for material changes to TE programs, Plans, and Budgets?*

As noted above, there should be a mechanism within the Division 87 rules to allow for program applications outside the TE Plan submission cycle. It is also appropriate for utilities to reserve a portion of the portfolio budget they propose within their TE Plan to allow for unforeseen needs or opportunities mid-cycle.

Investment Framework Questions

- *Do you have thoughts on how the TEINA model should be referenced as an “upper bound” for utility infrastructure investments?*

The TEINA study can help provide valuable context to the utility TE planning process. However, the applicability of the TEINA methodology to specific utility TE plans will require additional analysis and data sources to better inform an overall, more detailed, TE budget or investment framework. PGE strongly supports holding a technical workshop devoted to clarifying how the TEINA methodology should be applied.

The TEINA model is a useful tool for the use cases it includes, but was not designed to address many essential elements of utility activities relating to transportation electrification, including private (single and multi-family, fleet) charging needs, specific needs of individual utility service areas, addressing the true forecasted need (as opposed to state policy goals), appropriate utility investment levels and priorities, and non-infrastructure program needs (such as community engagement, education, and meeting the needs of underserved communities). In light of the passage of the federal Infrastructure Investment and Jobs Act, there will also be additional opportunities to advance TE infrastructure in Oregon that will be supported by federal dollars. It remains unclear if the TEINA model fully appreciates this policy change. Utilities will need to address these areas in their TE plans.

The TE investment framework needs to clarify how the Commission expects utilities to use the TEINA study and TEINA methodology to inform utility TE planning and budgeting, while also affirming that other, non-public-infrastructure needs must be taken into account as part of TE Plans.

Lastly, utility TE portfolio budgets will not be implemented in isolation from other utility investments and expenses. Customer prices will also be a factor in evaluating how and when utilities can make TE-related expenditures.

- *Performance areas: How much detail should be specified? (Specific metrics for tracking and reporting)*

We thank Staff for the opportunity to share our current thinking on development and use of metrics at the Feb. 4 public workshop. Although the Commission can and should clarify in the Division 87 rules and TE investment framework how they intend to use metrics and targets for portfolio evaluation and cost recovery, PGE recommends the Division 87 rules not adopt specific metrics for use in evaluating utility TE program performance. PGE recommends metrics be used to evaluate a utility's TE portfolio holistically and that specific metric targets be proposed by the utility as part of its TE Plan.

The Commission can provide further guidance in Commission order(s), specifying the types of metrics needed to help evaluate TE plans and programs, with performance metrics, baselining metrics, and tracking metrics in categories that may include those described in PGE's Feb. 4 presentation.

- *Which benefit/cost analysis (BCA) “cost tests” should the rules require? At both program and portfolio levels?*

PGE refers to comments it submitted previously in UM 2165¹. PGE recommends TE infrastructure measures not be evaluated through benefit-cost analysis. PGE supports the use of BCA to inform Commission evaluation of utility TE activities at the portfolio level, excluding Clean Fuels Program funds. However, for all the reasons discussed in UM 2165, that BCA tests do not facilitate the equitable

¹ PGE's July 14, 2021, comments submitted in UM 2165 [um2165hac17859.pdf \(state.or.us\)](#).

clean energy outcomes that we and stakeholders seek, PGE does not recommend BCA as the sole determinant for TE program approval or disapproval.

- *Do you have other thoughts on how the investment framework should be incorporated in the administrative rules?*

PGE recommends the Division 87 rules allow cross-referencing of information in different regulatory documents (e.g., TE Plans, DSPs, and TE program applications), to avoid unnecessary duplication and affirm the links between these documents and planning areas.

We also encourage Staff to consider a reporting and compliance filing structure for TE-related programs and activities that is unified, simplified, and submitted on a regular cadence. This should ease the burden of preparation on the utility and the burden of review on Staff and stakeholders.

Process and Timeline

PGE appreciates Staff's willingness to provide opportunities for multiple rounds of utility and stakeholder comment on the draft rules. This will ultimately lead to better informed rules and increase the likelihood of consensus on the formal draft rules.

Staff has expressed their intention of posting draft rules for public comment by Feb. 11 (ahead of the Feb. 16 date listed in the docket schedule). Written comments are then due March 4, with a Staff memo publication date of March 30.

With respect, PGE offers two potential alternative paths for Staff's consideration, to modify the rulemaking calendar to accommodate a second round of comments while staying within the overall schedule:

	Public Comment Path A	Public Comment Path B
Staff posts red-line draft	February 11	February 16
Public comments due (1 st round)	February 21	February 23
Staff posts revised draft	March 4	March 9
Public comments due (2 nd round)	March 11	March 16
Staff memo published	March 30	March 30

Conclusion

We thank Staff for the helpful discussion of these matters at the workshop on Feb. 4 and look forward to a constructive informal process as we continue into formal rulemaking this spring. Please let us know if you have questions or need clarification on any of the points made above.

Thank you,

/s/ Jason Salmi Klotz

Jason Salmi Klotz
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