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April 18, 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 comment on Oregon Public Utility Commission (OPUC) Staff's proposed second-draft revisions to Division 87 Transportation Electrification rules. The second draft makes substantial improvements reflecting comments and input from all parties, which streamline and clarify the rules. We look forward to continued refinement as we move toward formal rulemaking and appreciate Staff's constructive approach during the informal review and engagement process.

In addition to specific recommendations described below, PGE asks that Staff clarify in its public meeting memo, before opening formal rulemaking, how utilities should interpret these rules for purposes of filing the Transportation Electrification Plan (TE Plan) in 2022. Currently, the revised draft rules require filing a draft TE Plan by May 1, with stakeholder workshops, comment, and utility reply comments to follow before filing a revised plan for Commission review and acceptance. While PGE supports this process, which in the future should allow for draft plan filing mid-year, revision, and Commission acceptance in time for implementation the next calendar year, we will need a different timeline for plans filed in 2022 for implementation in 2023. We believe the spirit of these rules could be fulfilled through a less formal stakeholder engagement process in 2022 that would allow plan filing shortly after these rules are finalized, but look for stakeholder input and Staff guidance on this question.

Our specific recommendations with respect to Staff's revised draft rules are as follows. Section references listed below refer to the clean draft of Staff's revised rules as included in the April 12 Errata Announcement in AR 654.¹

OAR 860-087-0010 Definitions

PGE supports the changes made from the first draft with respect to the definitions. We have one additional recommendation:

(6) The definition of "Transportation Electrification Budget" should be modified to include sources of projected revenues as well as planned expenditures.

¹ Errata Announcement, Docket AR 654 - Division 87 Transportation Electrification (TE) Rulemaking Second Revised Draft Rules Update, April 12, 2022, Available at <https://edocs.puc.state.or.us/efdocs/HAH/ar654hah163050.pdf>

OAR 860-087-0020 Transportation Electrification Plan

PGE supports the changes made from the first draft and recommends the following clarifications:

(1) PGE notes that this section refers variously to the need for the plan to contain “the electric company’s portfolio of investments and long-term strategy to support transportation electrification” and include “the electric company’s portfolio of near-term and long-term transportation electrification actions” while later in the rules referring to TE plans as a “portfolio of programs and future TE concepts and actions.”

While these varied uses of the term portfolio are not necessarily at odds, rule clarity could be improved by making more consistent use of the term throughout.

(2) (a) PGE appreciates the clarification of the term “acceptance” and its linkage to approval of program/measure applications and the budget.

(b) through (e) PGE appreciates Staff’s clarification of the plan submittal process but recommends the rule include a timeframe for review and acceptance of plans so the process is not entirely open-ended.

PGE interprets Staff’s intent to be that the formal submission, review and revision process for *draft* plans will provide an initial forum for Staff and stakeholder dialogue, input and suggested revisions to utility draft plans. Submission of a *final* plan would follow the requirements of a regular Commission public proceeding ending with a Commission decision. The advantage of the initial forum to review and revise the draft plan would be that it would result in a better developed and better-informed final plan that would more closely meet stakeholder expectations, thus lessening misconception and contention and cultivating better understanding and clarity. If this is the intent, PGE fully supports Staff’s proposed approach. However, (2)(b) requires the *draft* plan be submitted for Commission acceptance by May 1. If the Commission Staff intends to run a review process, then it is the *final* plan that would be submitted to the Commission for acceptance. Further, subsection (d) contemplates the filing of final TE Plan but only as a presentation to the Commission. PGE believes it is the final plan which Staff intends to have the Commission accept, deny or modify. Additionally, PGE is concerned that there may be two interpretations of the process outlined in subsection 2. Either the draft plan would go through a formal review and comment period but not necessarily the final plan or both the draft and the final would go through a formal review and comment process. We assume Staff wants an informal and a formal process. Therefore, we suggest the following revisions:

(b) An electric company must present a draft TE Plan to Commission Staff and stakeholders for review and comment by May 1, every three years or as directed by the Commission.

(c) The utilities will work with Commission Staff to propose to parties a schedule for draft TE Plan review, comment and workshops.

(d) After public review of the draft TE Plan, the electric company must file a final TE Plan noting how the utility responded to parties’ comments.

PGE proposes this revision to Staff’s proposed rules having learned from the Smart Grid Testbed Demand Response Review Committee, where an informal public, collaborative review and engagement process has served the parties and the project well. This process assists with engagement, lowers tensions and creates a more robust proposal for Commission review.

(f) PGE appreciates the clarification of material changes that might require a TE Plan update. We recommend the phrase “funded by ratepayers” be clarified further and suggest the following language:

“Material changes are considered to be new TE program or infrastructure measure applications, or program or infrastructure measure changes that require new incremental ratepayer dollars.”

(3) (a) No further PGE comment.

(b) As noted above, we recommend greater consistency in the use of the term “portfolio” throughout the rule.

(c) PGE recommends that (H) be deleted. “Learnings for readiness to advance innovation and efficiency” is not a clear metric or performance area category. Each of the TE Pan activities will have goals and milestones and a discussion of anticipated learnings. The reporting requirements in 860-087-0300 provide the opportunity to track progress against goals and milestones. Lessons learned in pursuit of these goals and milestones are a natural outcome of regular reporting, which forces assessment and raises questions of revision or cessation. The learnings inform how revisions would be undertaken or why cessation is recommended.

If this item is retained, PGE asks that the language be clarified to explain whether the focus on innovation and efficiency is meant to track and influence technology in the market or to inform utility program innovation and efficiency of program approach and design.

(d) through (f) No further PGE comment.

(4) PGE recommends that this section be amended to read, “An electric company shall file new TE program and infrastructure measure applications, if any, as an appendix to the TE Plan.” This would clarify that the appendix is necessary only if the electric company intends to initiate new programs or measures. PGE envisions future scenarios where a TE Plan may not include new programs but simply present cessation, revision, continuation or scaling of current activity.

PGE also recommends that this section be amended to read, “The applications shall cover all new programs and infrastructure measures planned by the utility for the TE Plan cycle.” Existing, approved program and infrastructure measures and tariffs should not require a new application with every new TE Plan. Existing activity will be summarized, new budget requirements identified, and status and outcomes described in the Plan. The Commission can address those programs or measures in their order.

The requirement that the electric company file a tariff in compliance with the acceptance order for each approved program and infrastructure activity is unnecessary as this is already required by statute.² Further, PGE envisions that some activities (e.g., education and outreach campaigns) may not require tariffs.

(a) (A) PGE recommends that this subsection be modified to combine the content currently required in (J) with that required in (xi) and (xii), in a new subsection (xi), to read: “Where applicable, a discussion addressing technical requirements that will be imposed on participating technology or customers, interoperability of invested equipment, and any national standards for measurement and communication.”

² Oregon Revised Statutes, Sections 757.230 and 757.247

(B) through (I) No further PGE comment.

(J) This subsection should be folded into (A) and modified as recommended above.

(5) PGE respectfully notes that while we recommended in our March 17, 2022 comments³ that the subsection of the rule addressing the TE Budget follow the subsection addressing program and measure application requirements, on reviewing Staff's new draft rule revisions we see that it could make more sense for the TE Budget requirements to be folded into subsection (3), relating to TE Plan contents.

(a) and (b) No further PGE comment.

(c) PGE reiterates that revenue from Clean Fuels Program (CFP) credits is challenging to predict because of the dynamics involved in the Oregon Clean Fuels market and the assumptions required to calculate clean fuels credit generation. While PGE anticipates a rough and reasonable estimate could likely be produced, this market is subject to uncertainty similar to the Renewable Energy Certificate (REC) market. Given that RECs must be retired to generate incremental CFP credits, REC market volatility also influences revenue from CFP credits. For these reasons, PGE recommends that the rule require a "discussion" of expected Clean Fuels revenues rather than a "forecast," or that an estimate only be produced for the next year.

(e) and (f) These subsections, relating to alignment of TE Plan acceptance and TE Budget approval, and TE Budget updates, may be redundant to 860-087-0200(2)(a) and (2)(f) of the revised draft rules, unless Staff intends that TE Budget updates are to be addressed differently than TE Plan updates. If Staff intends to draw a distinction between TE Budget and TE Plan updates, we request that this be clarified.

OAR 860-087-0030 - Transportation Electrification Plan Report

(1) PGE recommends that this section be simplified and clarified. The revised draft and discussion among Staff and Parties in the April 1 AR 654 workshop imply a difference between the initial yearly report(s) in a planning cycle and the final report, but the subsection draft revisions do not differentiate requirements for preliminary versus final reports. PGE recommends simply requiring a yearly report, on which the Commission may or may not take action. Further, the draft rules should be revised to reflect best evaluation practices. Demand side measures whether energy efficiency, demand response, or flexible load are rarely evaluated yearly by a third party. The ability to evaluate requires field activity to mature to an evaluable state. Further, the cost of yearly third-party evaluation would significantly affect total costs. Therefore, PGE recommends any requirements regarding program or infrastructure measure evaluation should clarify that third-party evaluation reports follow the timetable outlined in the proposed and approved program or infrastructure measure application.

(2) PGE believes the Commission should and does have the right to request TE Plan updates at any time. However, we do not think the modifying phrases in Staff's draft revisions to this subsection are necessary as they unduly scope what the Commission can or should be asking for; therefore, we offer a simplification of the proposed rule language: "The Commission may request additional TE Plan updates at any time to assess whether to continue, discontinue, or modify approved programs and infrastructure measures."

³ PGE's March 17, 2022 Comments at 3, [ar654hac163124.pdf\(state.or.us\)](#).

Conclusion

PGE thanks Staff for the opportunity to comment. 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