BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

In the Matter of

PORTLAND GENERAL ELECTRIC COMPANY

Comments by

NW Energy Coalition

2023 Oregon Transportation Electrification Plan July 13, 2023

Introduction

NW Energy Coalition (NWEC) appreciates the opportunity to comment on the update to Portland General Electric's (PGE, or the Company) Transportation Electrification Plan (hereafter referred to as the TE Plan or simply the Plan) being developed in this docket. We believe that the current proposed plan does a good job of building on the previous TE Plan, continuing PGE's genuine commitment to transforming the transportation sector and supporting the growth of electric vehicles of all sizes.

In the comments that follow, we will provide input on three main areas: 1) the general TE Plan, with a focus on how TE impacts rates and how to implement overall implementation; 2) customer feedback that the company is collecting and using in the ongoing development of its TE Plan; and 3) equity concerns within the Plan.

Overall TE Plan Development

General Notes

As noted above, we recognize that the Company is building on the previous TE Plan, using the past Plan as a guidepost to determine next steps in the general approaches to transportation electrification. We believe this is the correct approach since the previous Plan has been effective in guiding modest TE investments.

We were gratified to see the discussion within the TE Plan document about how TE planning is being integrated into other plans, particularly the Distribution System Planning (DSP) process (discussion found on pages 78-80). TE planning is not happening in isolation and needs to be done in the context of the other major planning efforts. Because TE will particularly impact the distribution system, special attention is needed to ensure that the TE Plan integrates the principles and approaches being considered in the DSP. NWEC encourages the Company to continue to align all these processes.

One area where we saw a deficiency in the TE Plan was any discussion of how increased energy efficiency could play a role in "making room" for additional TE load. Page 76 of the draft Plan included discussion of load management. This would be an excellent place to include how more energy efficiency investments could reduce usage – always a desired outcome, especially in the context of emissions

reduction, which is also discussed on page 122 – but could also play a significant role in helping to manage overall load requirements. TE efforts will have a significant impact on the system and efficiency investments should be part of the load management planning. We recommend the Company add a brief narrative description of how energy efficiency investments could reduce usage and complement TE investments.

We also appreciated the discussion about how the pandemic has impacted TE planning since the Company's last Plan was put in place in 2019 (page 64 and 68). Obviously, we are in a different world post-COVID and the current draft plan does an excellent job of highlighting new considerations since the pandemic. While the immediacy of health impacts from the pandemic have subsided, there are ongoing social and economic impacts from COVID-19 that will continue to be felt. The Company highlighted potential impacts on the rate of adoption and the supply of electric vehicles, and we agree with those assessments. We encourage PGE to continue to consider this a key planning factor going forward for those post-pandemic impacts will reverberate for years to come.

Rate Impacts

We read with interest in several places where PGE states its intent to keep the rate impact of its TE plan to .15 percent. We applaud the diligence the company is taking to ensure that the financial impact of its TE program is kept in check. We also appreciate having a baseline that can serve as an evaluation tool. However, we would not want to see the .15 percent metric become an artificial constraint that would prevent needed investment. Throughout the Plan, the Company stresses the need for flexibility. Having a rigid commitment to a particular rate impact seems at odds with the flexibility mantra.

Rather, we hope that that the Company balances the general goal of .15 percent rate impact with assessing the value of investments to customers. Put another way, if rate impact rose to .20 percent, for example, but the value of the added investment delivered significant long-term value to customers, the Company and stakeholders may agree not to adhere to the original .15 percent. One way to assess the value of investments to customers would be to measure benefits across the applicable metrics outlined in Order No. 22-314. The metrics may provide a consistent tool to measure distribution of benefits and could help justify increased investments. The Company should notify stakeholders if it looks like investments will start to exceed the goal of a .15 percent rate impact. This will provide time for the Company to present the merits of the increased investment and consider stakeholder input in their decision-making process.

On a related note, we encourage the Company to explore other ways to manage rate impact, including the still-new authority granted to the Commission by HB 2475 (2021) to set differential rates with a rate class. Using this authority, the Company could help the Commission identify ways to set lower rates for customers with lower-incomes while making up the needed revenue on customers with higher-incomes. This could still be done within an overall rate impact target but could also support other equity goals of the Plan.

Cost Parity for Public Charging

We want to ensure that PGE recognizes and addresses the potential for significant cost disparity between customers who have access to EV charging at home on a residential rate and customers who do not have access to EV charging at home. As EVs become more prevalent, this cost disparity will disproportionately burden renters, low-income customers, and folks living in multifamily housing. We are concerned that this may have unintended consequences in potentially creating discriminatory rates for customers, so if you do not have access to at home charging you pay significantly more than customers who can charge on their regulated residential rate. We feel these warrants significant consideration in the design of utility programs and rates moving forward.

Recommendations for Access to Charging Infrastructure

The reality is that customers who do not have access to at home charging, whether it is because of their income or housing type, can be paying up to five (5) times more than customer with access to at home charging. This form of rate discrimination, where your housing is located, or what your income level is could determine the amount you pay for electricity as a transportation fuel will exacerbate existing income inequalities and disparities in energy burden. Oregon is aggressively working to electrify the transportation system but under the current regulatory landscape, certain customers will be harmed by this transition. This is why it is important for the Company to address this and for the Commission to retain its oversight over PGE's TE and overall business practices, which includes all aspects of PGE's tariffs, rates, and services. This includes PGE's contracts with site hosts that are receiving EV chargers subsidized through PSE's regulated rates. We encourage the Company to review the recommendations from stakeholders regarding technical requirements for Pacific Power's Oregon Transportation Electrification (TE) Plan.¹ NWEC continues to support these recommendations and urges PGE to incorporate them into their TE Plan.

Overall Goal for TE Penetration within the Plan's Timeframe

Lastly, in terms of the overall plan, a question that NWEC had after reviewing the Plan was that we did not have a good sense of the ultimate impact that the Plan was expected to have. That is, by the end of the Plan period, we did not see what the Company expected in terms of total EV load enrolled in managed charging, the number of program-enabled ports by use case, or other similar metrics from Order No. 22-314. PGE does acknowledge on page 123 that "(a)t present PGE's position is that the utility must plan for, serve, and manage the load.... (but)...there remain numerous variables over which PGE lacks control." While NWEC recognizes the difficulties involved in forecasting one outcome or another, ultimately, it would be good to have benchmarks so that we can evaluate how successful this Plan was and we can focus on those metrics as we develop future Plans. We request the Company include a table clearly displaying metrics consistent with Order No. 22-314 in subsequent TE Plan Reports.

Customer Feedback

NWEC was pleased with the discussion PGE included in the TE Plan about its stakeholder engagement activities (pages 81-85). Generally, the Company has been thoughtful about its outreach and working hard to collect genuine and concrete feedback from a wide variety of stakeholders.

Of particular importance has been the engagement from environmental justice advocates and communitybased organizations. If TE Plans are to have any hope of being fully realized and the benefits of TE equitably distributed, this early engagement is crucial. We are especially supportive of adopting "the best practices co-developed with community-based and community-serving organizations leading up to the recent DSP I and II filings," which we found to be very productive in that process. We are also supportive of providing compensation to individuals, particularly from CBOs and EJ organizations, for their participation using funds from the HB 2165 Monthly Meter Charge and the Oregon Clean Fuels Program. These are excellent practices that will ensure meaningful participation in the overall TE planning process. We do have more to say about getting targeted feedback specifically from BIPOC organizations and underserved communities, but we will address that in the next section focused on equity.

¹ <u>https://edocs.puc.state.or.us/efdocs/HAC/um2056hac162559.pdf</u>

Although we were pleased with the overall discussion on stakeholder engagement overall, we would like to see some commentary about how the Company intends to make engagement an ongoing priority. We believe PGE recognizes the importance that various stakeholders place on this engagement and are responsive to that interest. We hope that the commitment to ongoing engagement will become a key operating principle for the Company rather than simply responding to outside pressure. Some indication of how the Company is seeking to embed this level of outreach and engagement would be helpful as part of the TE Plan.

Finally, the TE Plan has a comprehensive discussion of various programs that will be available to customer groups, rebates and other incentives that will be available and the like. This information needs to be provided to customers in plain language and with very understandable techniques. Customers of any stripe should not be expected to fully understand the ins and outs of all the factors involved in electrifying the transportation sector. But they should have information to help them understand their choices and help make good decisions. NWEC cautions not to lose sight of that need and to ensure that the Company's ongoing customer engagement is to build the necessary relationships with stakeholder organizations that will assist in designing that communication to various customer groups and to establish meaningful relationships with the organizations that will be trusted messengers to the audiences that will need to be purchasing EVs and installing charging infrastructure.

<u>Equity</u>

The TE Plan is particularly good in outlining robust and meaningful equity goals. As an example, PGE's commitment to dedicating more than 45 percent of TE funds to benefiting underserved communities is laudable. Likewise, PGE's noting that it can work with other private sector entities to ensure EV presence and charging services in historically underserved areas is also very encouraging.

However, much of the very good discussion about equity was contained in the presentation that the Company made on June 1 during the Staff workshop. But very little of that very good information from the presentation was in the actual TE Plan. Although we do not believe that the equity information was an afterthought for the Company, to truly institutionalize the commitment to equity that PGE is striving for, that equity information should be part of the TE Plan.

On a parallel note, a commitment to equity also requires a way to measure progress toward equity and to enable course corrections if initial good intentions are not being met. Therefore, NWEC would like to see the Company report on the metrics outlined in Order No. 22-314 in subsequent TE Plan Reports. This will help provide stakeholders with real indications of how well the commitment to equity is actually being achieved, both throughout the course of this Plan and in the long term.

The company did provide helpful maps in its June 1 presentation that helped to outline where vulnerable communities are within the utility's service territory. But maps can only provide targets; they are not in themselves metrics. NWEC recommends that the Company work with stakeholders in BIPOC and underserved communities to determine whether additional metrics would be helpful and to create a transparent method to allow all stakeholders to easily track those metrics.

Lastly, as we noted in the Customer Feedback section, the Company is engaged in especially useful activities to connect with and receive genuine feedback from a broad swath of its customers. We highlighted some examples of current practices that we thought were especially helpful.

However, there was little discussion about what the Company was doing currently or intended to do longterm to get specific feedback from BIPOC and historically underserved communities. Perhaps references to CBOs and environmental justice advocates is shorthand for that type of targeted input but that is not clear. And while the involvement of those types of representative organizations is greatly needed, there also needs to be some work to communicate directly with BIPOC customers and customers who are from other historically underserved communities. NWEC acknowledges that this is difficult. But it is critical to the effort to ensure that transportation electrification is implemented broadly and equitably. Therefore, more detailed discussion about this type of very targeted outreach in the plan is especially important.

Conclusion

NWEC hopes that the Company recognizes that we believe the draft TE Plan has much to offer. PGE staff have clearly worked hard to develop a comprehensive plan, ensuring that we benefit from the work the Company and stakeholders have done in the past. We recognize that PGE is committed to creating a future where the transportation sector depends largely on the electric sector for the "fuel" needed to run the sector. And the Company recognizes that this massive undertaking needs to be done in a way that distributes the benefits of the transition equitably.

So, our recommendations are intended to make a very good product even better and to ensure that the commitment that the Company exhibits today to equity, meaningful stakeholder engagement, and steady, affordable progress toward an electrified transportation sector is continually reinforced and deepened within the Company's culture.

In summary, our recommendations are:

- Continue to align the TE Planning process with other processes, particularly the distribution system planning process;
- Provide a more detailed outline of how energy efficiency can be utilized to manage the load, ensuring that energy usage does not wildly balloon as we take on the energy needs of the transportation sector;
- Continue to consider the ongoing impacts of pandemic in implementing the TE Plan;
- Manage the rate impact of TE but not so rigidly as to lose long-term value for customers. Also consider how tools like HB 2475 can be used to mitigate rate impact on specific customer populations;
- Ensure cost-parity for charging infrastructure and equitable rate protections for customers;
- Review stakeholder recommendations regarding technical standards and incorporate them into the TE Plan;
- Be clear what the intended outcomes of the TE Plan will be so that stakeholders can assess its successes and where improvements are needed going forward;
- Continue to make meaningful customer engagement a priority and be clear how the Company intends to make that engagement an embedded value over the long-term;

- Provide details about how the Company's communications about the myriad of programs and incentive it will offer itself and how other related incentives can be conveyed clearly and understandably to customers;
- Be specific within customer engagement plans about how BIPOC and historically underserved communities will be able to provide input directly and over the long-term;
- Report on the metrics outlined in Order No. 22-314 and consider additional equity metrics so that the Company and stakeholders can track meaningful progress or be aware if changes are needed to meet equity commitments.

NWEC appreciates the opportunity to provide these comments. We look forward to continuing to be part of this critical conversation that will have a meaningful impact on reducing greenhouse gas emissions and bring benefits to the utility system and its customers.