



# **AR 654 – Division 87 Rulemaking**

## **Public Workshop: Transportation Electrification Portfolio Budgeting**

**March 16, 2022**



# Operating Agreements

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1. Be energy efficient. (Allow room for multiple perspectives. Leave time for everyone.)
2. Stay engaged (connected) without tripping the circuit breaker. (Don't overheat.)
3. Consider environmental conditions. (Mute when not speaking.)
4. Seek understanding. (Listen to understand, not to respond.)
5. Group Norms. (Suggestions from participants.)

# Who's Who

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## Hosts and Presenters (OPUC)

Sarah Hall, Resource & Programs Development Manager

Ezell Watson, Director of Diversity, Equity and Inclusion

Eric Shierman, Senior Utility Analyst

Jill Goatcher, Assistant Attorney General, DOJ

# Who's Who

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Please introduce yourselves in chat.

Name and any organizational affiliation

# Today's Agenda

Section	Time
<b>Welcome and Operating Agreements</b> <ul style="list-style-type: none"><li>– Sarah Hall, Resource &amp; Programs Development Manager, OPUC</li><li>– Ezell Watson, Director of Diversity, Equity, and Inclusion, OPUC</li></ul>	11:00 – 11:10 am
<b>Staff Presentation and Discussion –</b> <b>Utility TE Portfolio Budget, Methodology and Assessment</b>  <b>Proposed Biennial TE Planning Cycle</b> <ul style="list-style-type: none"><li>– Eric Shierman, Senior Utility Analyst, OPUC</li><li>– Sarah Hall</li><li>– Jill Goatcher, Assistant Attorney General, DOJ</li></ul>	11:10 – 12:30 pm  12:30 – 12:45
<b>Additional Comments</b>	12:45 – 12:55
<b>Next Steps and Closing</b>	12:55 – 1:00

# AR 654 Docket Schedule

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Date	Description
March 17, 2022	First informal written comments due on draft Division 87 rules
Week of March 28	Revised draft rules posted to docket
Week of March 28	Public workshop to discuss revised draft rules
April 8,	Second informal written comments due
April 27	Staff Report published with recommended draft rules and request to open formal rulemaking
May 5	Staff Report presented to Commission at Public Meeting
May – July	Formal Division 87 rulemaking phase
August 2022	Revised Division 87 rules effective

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# Staff's Recommended TE Investment Framework

## TE Portfolio Plan and Budget with broad scope, holistic process

### Infrastructure Guardrail sets “upper bounds” for utility infrastructure investment in public charging

ODOT's *Transportation Electrification Infrastructure Needs Analysis* (TEINA) based on State's EV adoption targets for light-duty EVs (SB 1044).

- Produces maximum need of chargers and ports per use case
- Utilities associate reasonable costs

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### Portfolio Performance Areas

#### Direct focus and reporting in key areas

- Environmental benefits including greenhouse gas emissions impacts;
- Electric vehicle adoption;
- (Underserved community inclusion and engagement;
- Equity of program offerings to meet underserved communities;
- Distribution system impacts and grid integration benefits;
- Program participation and adoption;
- Infrastructure performance including charging adequacy;
- Learnings for readiness to advance innovation and efficiency.

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### Benefit/Cost Analysis

#### Applied to portfolios to improve transparency, inform decision-making

- Non-binding costs tests – 2022-2024
  - Jurisdiction-Specific Test developed for binding approval (2025 – onward)
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# Staff's Approach to TE Portfolio Budgets

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- For TE programs, **promoting EV adoption**
- For infrastructure measures, **meeting the need** to fuel expected EV adoption
- Identify
  - Limit of the need, cost of need
  - External funding available, subsidy needed
- Not a mandated level of spending
- TE portfolio funded by
  - HB 2165 monthly meter surcharge
  - Clean Fuels Program
  - Division 87 ratepayer funds

# Utility TE Portfolio Budget – Scope Sample

TE Investment Framework	Type of TE Activity	Examples	Delivery	Expenditure	Cost Categories	Examples	Examples Expenditure
Infrastructure Need	Infrastructure Measure	Distribution system infrastructure that supports transportation electrification	Utility owned	Capital	Capital Expenditure	PAC Transportation Line Extension Allowance (ADV 1148)	No forecast available
				Expense	Capital Carrying Cost		
		Communication and control technologies that support transportation electrification	Utility-owned	Capital	Capital Expenditure	PGE Residential EV Demand Response	\$ 516,000
				Expense	Capital Carrying Cost		
			Customer-owned	Expense	Administrative		
		Behind the meter infrastructure that supports transportation electrification	Utility-owned	Capital	Capital Expenditure	PGE Schedule 56 Fleet Make-Ready	\$ 595,772
				Expense	Capital Carrying Cost		
		Customer-owned	Expense	Administrative	Incentive		
EV Adoption	Program	Outreach and education	Utility Provided	Capital	Capital Expenditure	PAC Dealer Engagement	\$ 25,000
				Expense	Capital Carrying Cost		
			Third-party Provided	Expense	Administrative		
		Technical assistance	Utility Provided	Capital	Capital Expenditure	PGE Nonresidential Technical Assistance	\$ 28,103
				Expense	Capital Carrying Cost		
			Third-party Provided	Expense	Administrative		
		EV purchase assistance	Utility Provided	Capital	Capital Expenditure	PAC Electric Mobility Grant Fund	\$ 1,025,000
				Expense	Capital Carrying Cost		
			Third-party Provided	Expense	Administrative		

# Utility TE Portfolio Budget – Scope Sample

TEINA data informs calculation of maximum allowable budget

Monthly meter charge, Division 87 ratepayer funds, and Clean Fuels Program credits may fund both types of activity

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# TE Portfolio Budget Scope

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Not in scope - Capacity cost already in general rates

- Generation
- Distribution

In scope - Added expenditures beyond “general customer” policies

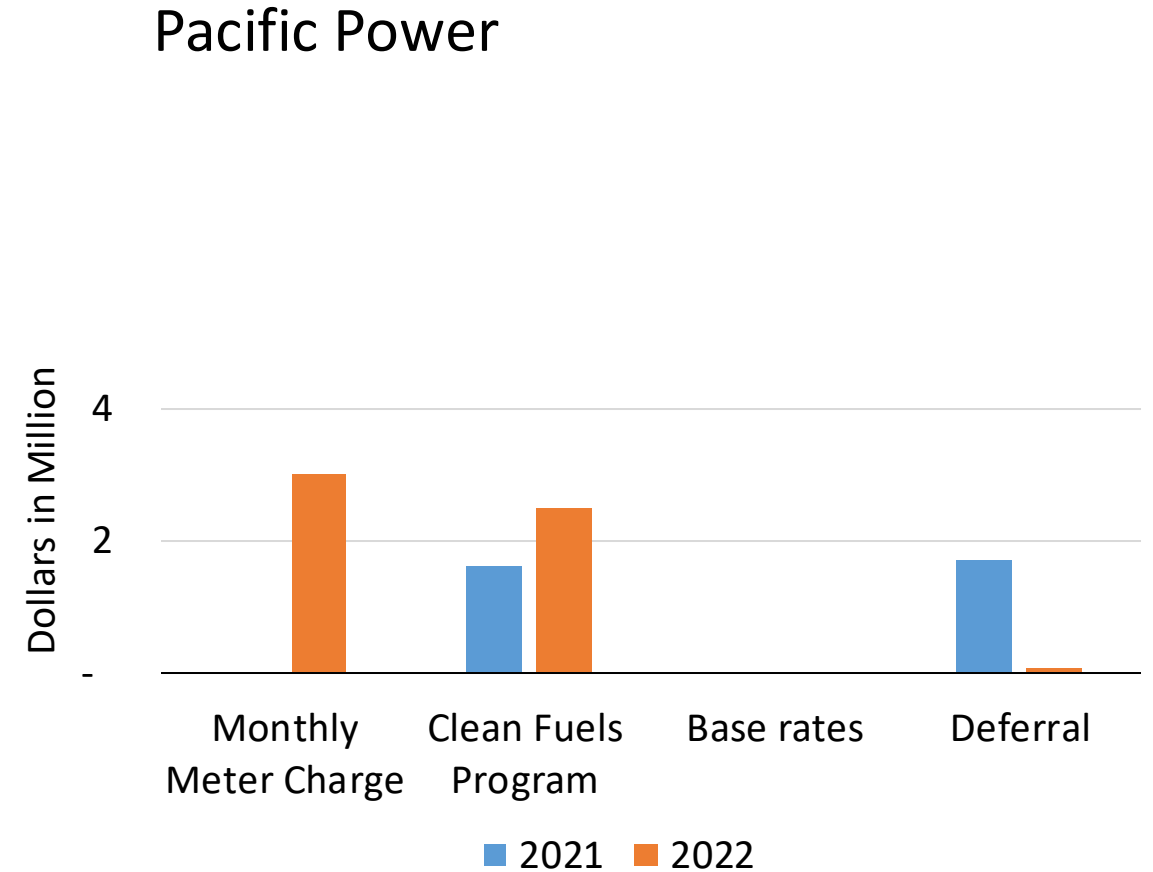
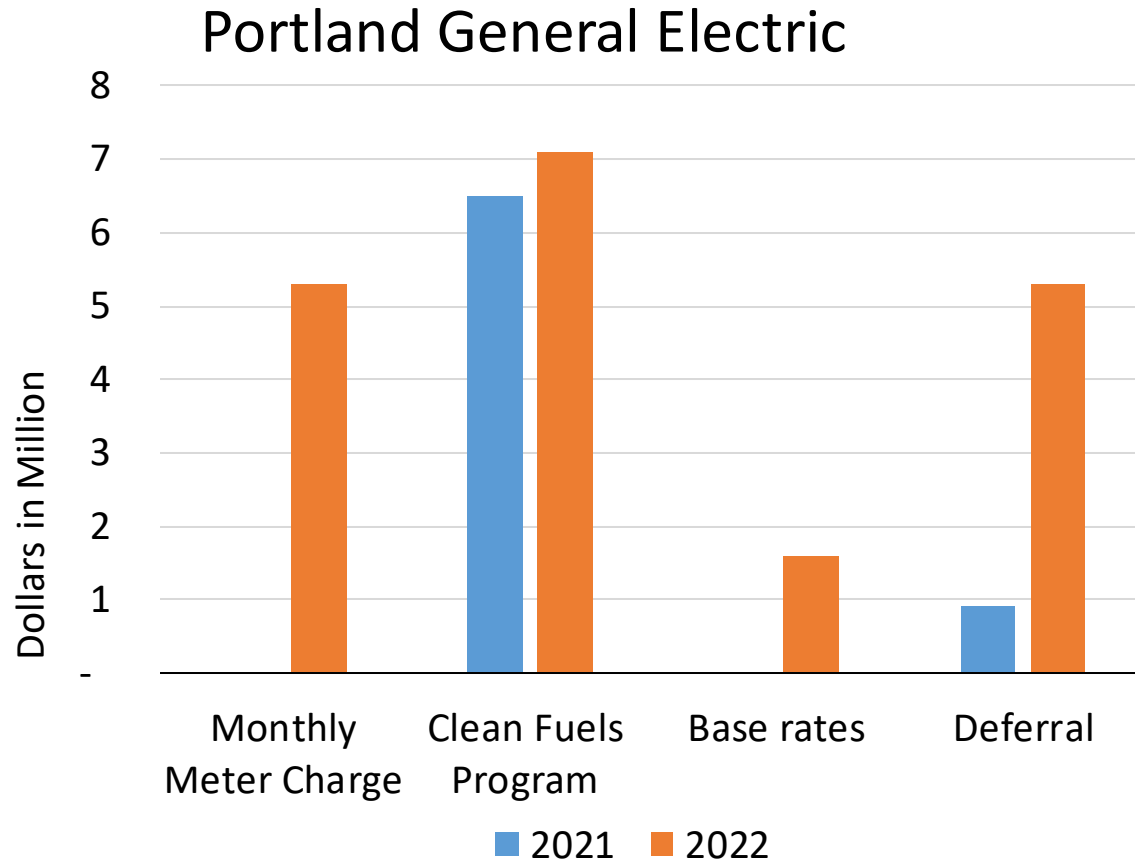
- PAC transportation line extension allowance
- PGE residential EV transformer upgrade exemption
- Fleet electrification

# TE Portfolio Budget Components

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- Expenditures and funding
- Capital
  - Amortization
  - Capital carrying cost
- Expenses
  - Administration
  - O&M on investments
  - Incentives
  - Other categories that may become appropriate
- Underserved communities

# Baseline Estimates - TE Budgets



**Assumptions:**

- Utility 2022 tariffs for Monthly Meter Charge forecasts
- Approved Clean Fuels Program budgets
- Approved TE pilots and deferrals

# Establishing Infrastructure Need

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## ODOT's "Transportation Electrification Needs Analysis" Methodology (TEINA)

Most rigorous method of estimating number of public charging ports needed, by use case, for service territory and Census tract level

TEINA establishes the **estimated # of ports** to meet SB 1044 targets. Stakeholders, utilities, and OPUC own **the budget creation process**.

Utilities should use:

- Updated forecasts of achievable EV adoption in service territory to drive infrastructure investments
- TEINA's methodology, or alternative method if better
- Utility's current cost data

# About TEINA: Use Cases

Use Case	Weight Class	Private vs. Public	Included in TEINA
Urban Workplace Level 2	Light Duty	Private	X
Urban Public Level 2	Light Duty	Public	X
Urban Direct Current Fast Charge (DCFC)	Light Duty	Public	X
Rural Workplace Level 2	Light Duty	Private	X
Rural Public Level 2	Light Duty	Public	X
Rural Direct Current Fast Charge (DCFC)	Light Duty	Public	X
Corridor	Light Duty	Public	X
Local Commercial and Industrial	Medium Duty	Public	X
School and Transit Buses	Heavy Duty	Private	X
Transportation Network Companies	Light Duty	Public	X
Long-Haul Trucking	Heavy Duty	Public	X
Disadvantaged Communities	Light Duty	Public	X
Home Charging	Light Duty	Private	
Fleet Depot Charging	Variable	Private	



# Annualized Estimated Total Construction Costs for Public Charging - Based on TEINA 2025 Ports for Light Duty Vehicles

Use Case	Ports			Cost		
	PGE	PAC	Idaho Power	PGE	PAC	Idaho Power
Rural Workplace Charging	86	32	13	\$ 1,300,000	\$ 500,000	\$ 200,000
Urban Workplace Charging	943	214	0	\$14,000,000	\$ 3,200,000	\$ 0
Rural Public Level 2	288	215	16	\$4,300,000	\$ 3,200,000	\$ 200,000
Urban Public Level 2	324	17	0	\$4,800,000	\$ 300,000	\$ 0
Rural Public DCFC	274	131	9	\$26,900,000	\$ 12,900,000	\$ 900,000
Urban Public DCFC	131	7	0	\$12,900,000	\$ 700,000	\$ 0
Transportation Network Companies	6	2	0	\$ 600,000	\$ 200,000	\$ 0
Corridor	229	59	1	\$ 22,500,000	\$ 5,800,000	\$ 100,000
<b>Total</b>				<b>\$ 87,300,000</b>	<b>\$ 26,800,000</b>	<b>\$ 1,400,000</b>

- Illustrative purposes only
- Estimated cost assumptions
- Not mandated level of spending
- Budgets subject to stakeholder and Commission review
- TEINA *Business as Usual* scenario

# TEINA Use Case Example – 2025 Need Level 2 Light-Duty Vehicle Public Charging

Census Tract	Workplace Level 2	Public Level 2	Public DCFC Urban Tract	Urban Workplace	Urban L2	Urban DCFC	
32609	6	4	1	1	6	4	1
32610	8	5	1	1	8	5	1
32700	15	9	3	1	15	9	3
32800	3	2	1	1	3	2	1
32901	16	10	3	1	16	10	3
32902	19	11	4	1	19	11	4
33000	15	9	3	1	15	9	3
33101	7	4	1	1	7	4	1
33102	10	6	2	1	10	6	2
33200	17	10	3	1	17	10	3
33302	15	9	3	1	15	9	3
33400	6	3	1	1	6	3	1
33500	11	6	2	1	11	6	2
33600	6	3	1	1	6	3	1
30101	21	12	4	1	21	12	4
30102	17	10	3	1	17	10	3
30201	9	7	7	0	-	-	-
30202	8	6	6	0	-	-	-
30301	14	10	10	0	-	-	-
30302	3	2	2	0	-	-	-
30400	11	9	8	0	-	-	-
30501	13	8	2	1	13	8	2
30502	9	5	2	1	9	5	2
30602	8	6	6	0	-	-	-
30900	14	8	3	1	14	8	3
31000	6	4	4	0	-	-	-
<b>Total</b>	<b>3,286</b>	<b>2,653</b>	<b>1,383</b>				
Urban					<b>3,028</b>	<b>1,789</b>	<b>561</b>
Rural					<b>258</b>	<b>864</b>	<b>822</b>

### Source and Inputs:

PGE's Census Tracts  
 ODOT TEINA "Business as Usual" scenario  
 LDV (Urban and Rural) model V4

# Reducing Risk of Utility Overinvestment

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Investment risk mitigation bounded by need, and by:

- External funding
- Two-year assessment
- Two-year approval

Benefit/cost analysis

- Development of “jurisdiction-specific test” with stakeholders
- Pilots set to expire in 2024
- TE Plan review

Commissioner discretion

# Review of Proposed Biennial TE Planning

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## Section 30

- Program application moves from advice filings to TE Plan
- Sets the program element of HB 2165
- Separate portion for infrastructure measures

## TE Budget

- All TE activities
- Two-year budgets
- Filed as an appendix to TE Plan

## Section 40

- Replaces ad hoc program assessment to become part of TE Plan
- Add to HB 2165's TE Report

# Submitting Public Comments

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- By email – [PUC.FilingCenter@puc.oregon.gov](mailto:PUC.FilingCenter@puc.oregon.gov) Include “COMMENTS – DOCKET NO. AR 654” in subject line
- By Mail – Oregon Public Utility Commission, Attn: AR 654 Public Comment, PO Box 1088, Salem, OR 97308-1088
- By Phone – 503-378-6600 or 800-522-2404 or TTY 800-648-3458, weekdays from 8 a.m. - 5 p.m. Pacific Time

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# Thank You

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## Staff Contacts

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[Sarah.L.Hall@puc.oregon.gov](mailto:Sarah.L.Hall@puc.oregon.gov) (971) 273-9512