



## **AR 654 Hearing**

# **Staff Guidance for Transportation Electrification Division 87 Rules Implementation**

**August 9, 2022**



# Agenda

- Docket schedule and next steps
- Function of Staff Guidance Document
- Context – TE Investment Framework and Rules
- Overview of Staff Guidance with discussion for each section:
  - 1. TEINA as Commission-approved tool to estimate infrastructure need for budget “guardrail”
  - 2. Metrics for portfolio performance areas
  - 3. Benefic/cost analysis
  - 4. Definitions of “underserved communities”
  - 5. Equity considerations for outreach and investments
  - 6. Coordinating updates to forecasts
  - 7. Utility fleet electrification
  - 8. Clean Fuels Program design principle and review process
- Final discussion and next steps

## **Staff Guidance Document Draft – UM 2165**

<https://edocs.puc.state.or.us/efdocs/HAH/um2165hah1718.pdf>

## **Commission Order No. 22-158, May 10, 2022 directing formal Division 87 rulemaking**

<https://apps.puc.state.or.us/orders/2022ords/22-158.pdf>

## **Draft Division 87 Rules**

Stakeholder Comments and Staff response  
<https://edocs.puc.state.or.us/efdocs/HAC/ar654hac17143.pdf>

## **TE Investment Framework – UM 2165**

Staff Memo and Commission Order No. 21-484, Dec. 27, 2021:  
<https://apps.puc.state.or.us/orders/2021ords/21-484.pdf>

# Public Process and Schedule

Docket Activities	
UM 2165 Public Workshops <ul style="list-style-type: none"> <li>Included Staff Guidance on HB 2165 monthly meter charge budget</li> </ul>	May – October 2021
AR 654 Public workshops <ul style="list-style-type: none"> <li>AR 654 kickoff</li> <li>TE portfolio budgets and use of TE Infrastructure Needs Analysis (TEINA) methodology to establish maximum budget for public charging infrastructure</li> <li>Review of Staff’s second rule revision</li> </ul>	February – April 2022
Two comment periods on Staff’s rule revisions	March - April
Staff Memo and final draft rules published	April 28
Commission consideration of draft rules and request to open formal rulemaking	May 5 PM
Formal rulemaking period	May - August
UM 2165 Stakeholder workshop on Staff Guidance	July 6
Written comments due	July 19
Draft Staff Guidance published	August 2
<b>Hearing for discussion of Guidance</b>	<b>August 9</b>
Deadline for written comments on draft rules	August 12
Commission consideration of rules and Staff Guidance	August 23 PM
<b>Draft TE Plan filings by utilities for 2022-25</b>	<b>Q4 2022</b>



# Function of Staff Guidance Document

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- Support utility implementation of revised Division 87 TE Planning rules
- Clarify references and reflect stakeholder feedback from proceedings
- Serve as nimble reference to be updated annually or as needed

# Context: TE Investment Framework in Draft Rules

## Infrastructure Budget “Guardrail”

- Section 20 (3)(a)(F)
- Requires use of Commission-approved tool to forecast maximum public charging infrastructure need
- General reference with Staff Guidance document to specify ODOT’s TEINA methodology as current best practice

## Portfolio Performance Areas

- Section 20 (3)(c) requires discussion of how investments advance:
  - Environmental benefits
  - EV adoption
  - Underserved community engagement and inclusion
  - Equity of program offerings
  - Distribution system impacts and benefits
  - Program participation, adoption
  - Infrastructure performance, including charging adequacy, affordability and accessibility

## Benefit/Cost Analysis

- Section 20 (3)(g)(A)
- Requires standard “cost tests” to review relative cost-effectiveness of programs
- Requires estimated ratepayer impact of TE portfolio
- Both forecast and actual, through Annual Reports

### Draft Division 87 Rules

**Informed by Stakeholder feedback:** Comments and Staff response  
<https://edocs.puc.state.or.us/efdocs/HAC/ar654hac17143.pdf>

**Adopted by Commission:** Order No. 22-158, May 10, 2022  
<https://apps.puc.state.or.us/orders/2022ords/22-158.pdf>

### TE Investment Framework

Staff Memo and Commission Order No. 21-484, Dec. 27, 2021:  
<https://apps.puc.state.or.us/orders/2021ords/21-484.pdf>

# 1 - Commission-approved Tool for Infrastructure “Guardrail”

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- ODOT’s *Transportation Electrification Infrastructure Needs Analysis* (TEINA) minimum standard for method of estimation for public charging
  - Rigor
  - Granularity
- May be improved
- Based on an updated EV adoption forecast in utility service territory

Draft Rules: Section 20  
(3)(a)(F)

Staff Guidance Document:

Oregon Department of Transportation, *Transportation Electrification Needs Analysis*, June 28, 2021

[https://www.oregon.gov/odot/Programs/Documents/Climate%20Office/TEINA\\_Final\\_Report\\_June282021.pdf](https://www.oregon.gov/odot/Programs/Documents/Climate%20Office/TEINA_Final_Report_June282021.pdf)

# 2 - Metrics for Portfolio Performance Areas

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- Utilities and Joint Parties developed metrics for each performance area below:
  - 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 which considers, but is not limited to reliability, affordability, and accessibility
- Three kinds of metrics: tracking, baseline, and performance
- Twelve metrics, four performance metrics

Draft Rules: Section 20  
(3)(a)(F)

Staff Guidance Document:

**Joint Parties comments, AR 654, April 20, 2022:**

[2022-04-20 Joint Comments AR 654 April Draft Rule Language \(state.or.us\)](#)

## 2 – Proposed Staff Additions to Metrics

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- Environmental benefits including greenhouse gas emissions impacts
  - SO<sub>x</sub>
- Electric vehicle adoption
  - EV adoption impact description
- Underserved community inclusion and engagement
  - See pg. 8 Guidance for ‘Definitions of Underserved Communities’
- Equity of program offerings to meet underserved communities
  - See pg. 9 Guidance for ‘Equity of Outreach and Investments’



# 3- Benefit/Cost Analysis

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- Staff would like to see Societal Cost Test (SCT) and other standard “cost tests” including Utility Cost Test and Total Resource Cost
- Performed at program and infrastructure measure level, and portfolio level
- Also included in both TE Plan and Report: Estimated rate impact over time by customer class
- Performed at portfolio level

Draft Rules: Section 20  
(3)(a)(F)

Staff Guidance Document:

# 4 - Underserved Communities - Definitions

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- Residents of rental or multifamily housing
- Communities of color
- Communities experiencing lower incomes
- Tribal communities
- Rural communities
- Frontier communities
- Coastal communities
- Other communities adversely harmed by environmental and health hazards

Draft Rules: Section 10(5)

Staff Guidance Document:

Staff Guidance, HB 2165 Implementation, November 24, 2021,  
<https://edocs.puc.state.or.us/efdocs/HAU/um2165hau1331.pdf>

# 4- Underserved Communities - Geographic Definition

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- Interim guidance pending State method developed under HB 4077, Environmental Justice Council
- EPA EJScreen - combines demographic and income factors, <https://www.epa.gov/ejscreen>
- TEINA's "disadvantaged communities"
- Utilities free to customize
- Consult with the communities being defined

Draft Rules: Section 10(5)

Staff Guidance Document: pg. 8

# Portfolio Performance Area: 5 – Underserved Community Outreach and Engagement

- Direct consultation with relevant communities to self-identify priorities
- Joint Party AR 654 comments on underserved community engagement. "Outreach, capacity building to and participation of underserved communities, low-income service providers, community-based and community service organizations, non-profit organizations, small businesses (particularly minority and women owned businesses), and tribes in the development and implementation of a utility TE portfolio
- POEM and Greenlining Institute best practices

Draft Rules: Section 20 (3)(c) (A-G)

Staff Guidance Document: pg. 9

Staff Memo TE Investment Framework and Commission Order No. 21-484, Dec. 27, 2021:  
<https://apps.puc.state.or.us/orders/2021ords/21-484.pdf>

Joint Party comments on equity metrics AR 654, April 20, 2022: <https://edocs.puc.state.or.us/efdocs/HAC/ar654hac14466.pdf>

Staff Guidance, HB 2165 Implementation, Nov. 24, 2021: <https://edocs.puc.state.or.us/efdocs/HAU/um2165hau1331.pdf>

# Portfolio Performance Area:

## 5 - Equity of Program Offerings

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- HB 2165 monthly meter charge budget minimum standard
- TE Plans should support increased access and adoption by historically underserved communities
- Possible benchmark: Infrastructure buildout as a percentage of needs analysis, by census tract
- Additionally: Joint Party AR 654 comments on equity metrics

Draft Rules: Section 20 (3)(c) (A-G)

Staff Guidance Document: pg. 9

Staff Guidance, HB 2165 Implementation, Nov. 24, 2021: <https://edocs.puc.state.or.us/efdocs/HAU/um2165hau1331.pdf>

Staff Memo TE Investment Framework and Commission Order No. 21-484, Dec. 27, 2021: <https://apps.puc.state.or.us/orders/2021ords/21-484.pdf>

Joint Party comments on equity metrics AR 654, April 20, 2022: <https://edocs.puc.state.or.us/efdocs/HAC/ar654hac14466.pdf>

# Portfolio Performance Area: 5 - Equity of Program Offerings

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## Joint Party AR 654 comments

- Percent of utility-owned and supported EVSE by use case located within and/or providing direct benefits and services to underserved communities
- Average reduction in a low-income customers' transportation energy burden due to participation in a utility program
- Transit agencies' annual service hours, number of routes, and number of routes serving underserved communities that the utility helps electrify
- Types of electric transportation technology supported by a utility portfolio as a percent of total investments i.e. micro-mobility, transit, etc.

## 6 – Coordinating forecasts for EV adoption, load, and power flow analysis

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- Ensuring updates to EV adoption and load forecasts on “off years” for DSP
- Coordinating Distribution system impacts and benefits, through DSP power flow analysis

Staff Guidance Document:

# 7 - Electric Company Fleet Electrification

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- Cost premium over the internal combustion engine alternative
- Not required for inclusion in TE Budget
- Utilities can choose
  - In TE Budget – weighed by TE policy considerations
  - Outside TE Budget – weighed by traditional prudence standard

Staff Guidance Document:



# Clean Fuels Program Coordination

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## Amend Order No. 18-376

- Remove the fourth principle: “Programs are designed to be independent from ratepayer support”
- Keep five of the six program design principles:
  - Support the goal of electrifying Oregon’s transportation sector
  - Provide majority of benefits to residential customers
  - Provide benefits to traditionally underserved communities
  - Programs are developed collaboratively and transparently
  - Maximize use of funds for implementation of programs
- Remove the separate review process to integrate with TE Plan review
  - Better context for stakeholder engagement
  - Approval of ratepayer expenditures contingent on how utilities maximize external funding

Draft Rules:

Staff Guidance Document:

Commission Order No. 18-376, October 1, 2018

<https://apps.puc.state.or.us/orders/2018ords/18-376.pdf>

# Next Steps

## AR 654 Schedule

- Take comments at today's hearing
- Public Meeting for adoption of Rules and Guidance - August 23



Final Questions and Discussion

Thank you for your engagement!