

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: March 5, 2024**

**REGULAR** \_\_\_\_\_ **CONSENT**  X  **EFFECTIVE DATE** \_\_\_\_\_  N/A

**DATE:** February 1, 2024

**TO:** Public Utility Commission

**FROM:** Kathy Zarate

**THROUGH:** Bryan Conway and Marc Hellman **SIGNED**

**SUBJECT:** PORTLAND GENERAL ELECTRIC:  
Docket No. UM 2003(4)  
Application for Reauthorization of Deferral of Costs Associated with PGE's  
Electric Vehicle Charging Pilot.

**STAFF RECOMMENDATION:**

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Portland General Electric's (PGE or Company) application to reauthorize deferred accounting of costs and revenues associated with its Electric Vehicle (EV) Charging Pilots for the 12-month period beginning February 22, 2023, ending February 21, 2024.

**DISCUSSION:**

Issue

Whether the Commission should approve the reauthorization of deferral accounting of costs and revenues associated with Electric Vehicle Charging Pilots.

Applicable Law

ORS 757.259 allows the Commission to authorize deferred accounting for later incorporation into rates. Specific amounts eligible for deferred accounting treatment with interest authorized by the Commission include, "[i]dentifiable utility expenses or revenues, the recovery or refund of which the Commission finds should be deferred in order to minimize the frequency of rate changes or the fluctuations of rate levels or to match appropriately the costs borne by and benefits received by ratepayers."  
ORS 757.259(2)(e).

In OAR 860-027-0300(3), the Commission has set the requirements for the contents of deferred accounting applications. Applications for reauthorization must include a description and explanation of the entries in the deferred account, up to the date of the application for reauthorization, as well as the reason for continuation of deferred accounting. OAR 860-027-0300(4). Notice of the application must be provided pursuant to OAR 860-027-0300(6).

Unless subject to an automatic adjustment clause under ORS 757.210(1), amounts deferred under ORS 757.259(5) and OAR 860-027-0300 are allowed in rates only to the extent authorized by the Commission in a proceeding under ORS 757.210 to change rates and upon a prudence review and review of the utility's earnings. With some exceptions, a company's amortization of amounts deferred under ORS 757.259(5) cannot exceed an amount equal to three percent of the company's gross revenues from the preceding year. ORS 757.259(6).

## Analysis

### *Background*

Public Utility Commission of Oregon (Commission or OPUC) Order No. 18-054 adopted a stipulation that authorized PGE to undertake three transportation electrification pilots and provided guidance for PGE to propose two additional pilots. The stipulating parties agreed that PGE will propose one residential and one business EV Charging Pilot within one year of the February 16, 2018, date of Order No. 18-054. In compliance, PGE submitted its EV Charging Pilot proposals as part of the initial filing in this docket on February 15, 2019. On February 22, 2019, PGE filed an amended application to correct the effective date of the deferral application and the filing condition related to rate spread/rate design. Then in UE 394, PGE asked to recover deferred costs for UM 2003 through Schedule 150 and according to House Bill (HB) 2165 which allows for costs to be allocated to all customers based on total revenues.

In addition, on April 25, 2022, Order 22-129 affirmed that PGE can collect for current EV pilots under Schedule 150 but denied the ability to allocate costs under HB 2165 and instead ordered costs for existing EV pilot programs to be recovered consistent with distribution revenues.

PGE filed and received authorizations for the TE pilot-related deferrals as shown in Table 1 on the following page:

**Table 1**

<b>Filing Date</b>	<b>Renewal Period</b>	<b>Order No.</b>
2/15/2019	2/22/19 – 2/21/20	20-381
2/21/2020	2/22/20 – 2/21/21	20-381
2/11/2021	2/22/21 – 2/21/22	21-132
2/22/2022	2/22/22 – 2/21/23	22-263

*Residential EV Charging Pilot*

The Residential EV Charging Pilot had a soft launch on October 22, 2020, and was focused on PGE employees and targeted EV owners. Pilot participants were asked to provide feedback on their experience and were actively engaged in improving the customer experience.

Twenty-four PGE customers were enrolled in the Pilot by January 3, 2021, with 12 customers requesting enrollments into the Schedule 7 Time-of-Use rate.

On January 4, 2021, PGE began efforts to market the residential pilot to the entire residential segment. As of January 1, 2023, there are 2,230 enrolled customers with a three percent unenrollment rate.

See Table 2 below for additional details. PGE is targeting residential pilot enrollment of 3,880 customers by year end 2023.

**Table 2**  
**Enrollment Data for Residential EV Pilot**

<b>Rebate/Incentive Type</b>	<b>Enrollments</b>	<b>Unenrollments</b>	<b>Total Enrollments</b>
Standard	1,105	33	1,072
Income Eligible	93	6	87
Bring Your Own Charger (BYOC)	28	2	26
Vehicle Telematics	1,072	27	1,045
<b>TOTAL</b>	<b>2,298</b>	<b>68</b>	<b>2,230</b>

*Business EV Charging Rebate Pilot*

PGE’s Business EV Charging Rebate Pilot is designed to mitigate issues with cost, complexity, and effort that otherwise may preclude businesses from installing charging infrastructure. Through the pilot, PGE supports nonresidential customer deployments of charging infrastructure and reduces their associated costs.

On July 17, 2020, PGE submitted a modified proposal for the Business EV Charging program pilot, designed to reflect the amended stipulation adopted by Commission Order No. 19-385 in Docket No. UM 1811. The modified proposal entailed a rebate of

\$500 per charging port for non-residential customers installing qualified networked chargers and a rebate of \$2,300 per charging port for income-qualified multifamily properties. On December 15, 2020, the Commission approved PGE Schedule 52, which implemented the modified proposal effective December 18, 2020.

*Description of Expense*

On May 27, 2021, PGE submitted ADV 1273, a tariff amendment to increase the value of the standard rebate from \$500 to \$1000 per qualifying Level 2 port, effective July 1, 2021. On June 29, 2021, the Commission approved the tariff amendment in ADV 1273. Because the overall budget for the business pilot was established in the stipulation for Commission Order 19-385, this change did not increase the budget—and instead reduced the number of rebates issued—from approximately 1,000 to 588 rebates.

In 2022, there were 22 total applicants for this program. Seventy-four ports were installed, and \$74,000 in rebate payments were issued to 17 customers. The cost actuals for 2022 rebate payments include payments made to customers who submitted 2021 applications, which needed additional documentation, and were paid in calendar 2022. Four applicants were not qualified for the rebate because they did not install qualified chargers. One application received late in 2022 needed additional review and will be processed in 2023.

*Reason for Deferral*

Pursuant to ORS 757.259(2)(e), and for the reasons discussed above, PGE seeks deferred accounting treatment for the incremental O&M costs associated with the EV Charging Pilots.

*Proposed Accounting*

PGE proposes to record the deferred amount as a regulatory asset in FERC Account 182.3, Other Regulatory Assets, with a credit to the appropriate FERC accounts.

*Estimated Deferrals in Authorization Period*

PGE expects to incur O&M costs of approximately \$1.7 million in 2023 for the Residential EV Charging Pilot.<sup>1</sup>

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<sup>1</sup> See, Table 3: Residential EV Charging Pilot Expected Costs, Company application, UM 2003 Application for Deferral Reauthorization Page 5.

The total cost of the Business EV Charging Rebate Pilot is capped at \$1 million pursuant to Commission Order No. 19-385. PGE expects to incur O&M costs of approximately \$432,000 in 2023.<sup>2</sup>

*Information Related to Future Amortization*

- Earnings Review – Staff recommends an earnings test not be applied given this is a pilot supported by the Commission.
- Prudence Review – Prior to amortization, a prudence review will be conducted. The prudence review will include the verification of the accounting methodology used to determine the final amortization balance, as well as a review of all costs and revenues proposed for amortization. For example, in reviewing the prudence of the program evaluation costs, Staff will look for compliance with OAR 860-087-0030 and OAR 860-087-0040.
- Sharing – These deferrals are not subject to a sharing mechanism.
- Rate Spread/Rate Design – Costs will be allocated to each schedule using the applicable schedule's forecasted energy based on an equal percent revenue applied on a cents-per-kWh basis.
- Three Percent Test (ORS 757.259(6)) – The amortization of the Pilots' deferred costs will be subject to the three percent test, which measures the annual overall average effect on customer rates resulting from deferral amortizations. The three percent test limits (with exceptions) the aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year.

Conclusion

Based on Staff's review of PGE's application, Staff concludes that the Company's application is reasonable and meets with requirements of ORS 757.259 and OAR 860-027-0300 without detriment to the consumer.

The Company has reviewed this memo and voiced no concerns.

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<sup>2</sup> See, Table 4: Business EV Charging Rebate Pilot Expected Costs, Company application, UM 2003 Application for Deferral Reauthorization Page 6.

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**PROPOSED COMMISSION MOTION:**

Approve PGE's application for deferred accounting of costs and revenues associated with EV Charging Pilots for the 12-month period beginning February 22, 2023.

PGE UM 2003(4) EV Charging Cost Deferral