

ORDER NO. 24-471

ENTERED Dec 31 2024

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2003(5)

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Application for Reauthorization to Defer
Costs and Revenues Associated with the
Electric Vehicle Charging Pilots.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on December 31, 2024, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



Alison Lackey

Chief Administrative Law Judge



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA12

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 31, 2024**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ **N/A**

DATE: December 3, 2024

TO: Public Utility Commission

FROM: Kathy Zarate and Eric Shierman

THROUGH: Caroline Moore, Scott Gibbens, and Michelle Scala **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2003(5))
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, 2024, and ending February 21, 2025.

DISCUSSION:

Issue

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

Applicable Rule or 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).

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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, and 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 would 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 both correct the effective date of the deferral application and the filing condition related to Rate Spread/Rate Design. Following this, in Docket No. UE 394 (PGE's 2022 General Rate Case), PGE requested 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 Order No. 22-129, the Commission authorized the collection of current EV pilots through 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 this deferral as shown in Table 1.

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Table 1

Filing Date	Renewal Period	Order No.
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
2/22/2023	2/22/23 – 2/21/24	Pending

Staff notes that the PGE filing submitted on February 22, 2023, is not pending as shown in the table above, but that filing UM 2003(4), was approved by the Commission at the March 5, 2024, Public Meeting and subsequently issued Order No. 24-065.

Residential EV Charging Pilot

The Residential EV Charging Pilot aims to support EV adoption while managing incoming load to the grid by financially supporting and facilitating the installation of qualified connected charging stations.

In addition, the residential pilot explores mechanisms to realize the value of the delivery of grid services (demand response, daily load shifting, and load following) via the connected chargers or vehicle telematics. As part of the Residential EV Charging Pilot, PGE provides rebates (standard, income eligible, bring-your-own, and vehicle telematics) to customers for the hardwired installation of qualifying Level 2 connected EV home chargers.¹

All enrolled customers also receive seasonal performance incentives for participation in grid services. 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 residential pilot by January 3, 2021, with 12 requesting enrollments into the Schedule 7 Time of Use rate.

Additionally, As of January 1, 2024, there are 4,529 enrolled chargers/vehicles with a six percent unenrollment rate. See Table 2 for additional details. PGE is targeting residential pilot enrollment of 7,829 chargers/vehicles by year end 2024.

¹ The exact characteristics of a qualifying charger will be based on a Request for Information and related responses by vendors.

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Table 2
Enrollment Data for Residential EV Pilot

Rebate/Incentive Type	Enrollments	Unenrollments	Total Enrollments
Standard	2,522	116	2,406
Income Eligible	306	23	283
Bring Your Own Charger (BYOC)	68	6	62
Vehicle Telematics	1,922	144	1,778
TOTAL	4,818	289	4,529

Business EV Charging Rebate Pilot

PGE's Business EV Charging Rebate Pilot aims to enable business customers to deploy charging infrastructure while assembling a portfolio of distributed energy resources that will be able to create future system value.

The Company also 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 Rebate 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. Consequently, the Business EV Charging Rebate Pilot launched on December 18, 2020, with a new website, a list of 12 qualified products, application checklist, online application, and Frequently Asked Questions.

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 2023, there were thirty-three total applicants for this program. One hundred thirty ports were installed, and \$193,700 in rebate payments were issued to 30 customers. Three applicants were not qualified for the rebate because they did not install qualified chargers.

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PGE filed an annual report reflecting the total number of rebates in calendar year 2023.² Participation in residential smart charging exceeded the measure's goal by 17 percent.

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.

Also, when specific identification of the particular source of the regulatory asset cannot be reasonably made, then FERC Account 407.4 (Regulatory Credits) will be credited.

Estimated Deferrals in Authorization Period

The total cost of the Business EV Charging Rebate Pilot is capped at \$1 million pursuant to Commission Order No. 19-385.

Also, the Company expects to incur O&M costs of approximately \$596,100 in 2024. Future reporting on these costs will be included in PGE's TE Plan as a part of UM 2033.

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 – No 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.

² See Docket No. UM 2033, PGE, TE Plan Report, May 1, 2024, pp 9, 10.

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- Three Percent Test – 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.

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, 2024.

PGE UM 2003(5) EV Charging Cost Deferral