

ORDER NO. 25-250

ENTERED Jul 08 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2224(3)

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Application for Reauthorization to Defer
Costs and Revenues Associated with the
Transportation Electrification Charge in
House Bill 2165.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on July 8, 2025, 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. CA10

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 8, 2025**

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

DATE: June 20, 2025

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Scott Gibbens and Michelle Scala **SIGNED**

SUBJECT: PACIFIC POWER:
(Docket No. UM 2224(3))
Reauthorization of Deferred Accounting for Costs and Revenues
Associated with the Transportation Electrification Charge in House Bill
2165.

STAFF RECOMMENDATION:

Staff recommends the Oregon Public Utility Commission (the Commission) approve PacifiCorp's application for reauthorization to defer costs and revenues associated with the Transportation Electrification (TE) Charge for the 12 months beginning on January 7, 2025.

DISCUSSION:

Issue

Whether the Commission should approve PacifiCorp's application to defer costs and revenues associated with the House Bill 2165-related TE Charge.

Applicable Law

PacifiCorp makes this filing in accordance with ORS 757.259, OAR 860-027-0300, and Oregon law requiring electric companies to collect funds to support transportation electrification, referred from hereunder as House Bill (HB) 2165.¹

¹ See, Oregon Laws 2021, chapter 95, section 2, compiled as a note after ORS 757 .357 (2021).

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House Bill 2165 requires electric companies to collect funding to support and integrate transportation electrification. The legislative changes and additional consolidation and simplification of rate schedules became effective January 1, 2022. The legislation is set to sunset on January 2, 2031.²

ORS 757.259(2)(e) authorizes the Commission to allow a utility to defer identifiable utility expenses or revenues for later recovery in rates to minimize the frequency of rate changes or to match appropriately the costs borne by and benefits received by ratepayers. OAR 860-027-0300(3) sets forth the requirements for application to defer, which include:

- A description of the utility expense or revenue for which deferred accounting is requested;
- The reason(s) deferred accounting is being requested and a reference to the section(s) of ORS 757.259 or 759.200 under which deferral may be authorized;
- The account proposed for recording of the amounts to be deferred and the account which would be used for recording the amounts in the absence of approval of deferred accounting;
- An estimate of the amounts to be recorded in the deferred account for the 12-month period subsequent to the application; and (e) A copy of the notice of application for deferred accounting and list of persons served with the notice.

HB 2165(2)(2)³ states:

An electric company that makes sales of electricity to 25,000 or more retail electricity consumers in this state shall collect, through monthly meter charges, an amount from each retail electricity consumer served through the distribution system owned and operated by the electric company. The total amounts collected under this section must be set to one quarter of one percent of the total revenues collected by the electric company from all retail electricity consumers.

HB 2165(2)(3)⁴ states:

² See, OPUC Request UM 2224, Information Request No.3.

³ See, Oregon Laws 2021, chapter 95, section 2, compiled as a note after ORS 757.357 (2021).

⁴ See, Oregon Laws 2021, chapter 95, section 3, compiled as a note after ORS 757.357 (2021).

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Funds collected under subsection (2) of this section must be expended by the electric company to support and integrate transportation electrification and must be consistent with a budget approved by the Public Utility Commission for use of funds collected under this section. Expenditures made by an electric company pursuant to this subsection must be made on elements contained within the electric company's transportation plan accepted by the commission pursuant to ORS 757.357.

ORS 757.357(3)(a) requires utilities to develop a plan that integrates the Company's TE actions and submit such plan to the Commission for acceptance.

Analysis

Background

In May 2021, the Governor of Oregon signed into law HB 2165. Section 2 (2) of the bill requires PacifiCorp to charge all of its retail customers a meter charge equal to 0.25 percent of the total bill. The law went into effect on January 1, 2022. On November 15, 2021, PacifiCorp filed Advice Letter 21-022 to begin collecting the TE charge through the System Benefits Charge, Schedule 291, effective January 1, 2022.

The Commission approved the Company's filing on December 28, 2021. On January 7, 2022, PacifiCorp filed an application requesting authorization to defer the TE Charge Costs for the 12-month period beginning January 7, 2022. The Commission approved the application on June 2, 2022, in Order No. 22-199.

On January 6, 2023, also, PacifiCorp filed an application requesting reauthorization to defer the TE Charge Costs for the 12-month period beginning January 7, 2023. The Commission approved the application on August 9, 2023, in Order No. 23-288. And on August 7, 2024, the Commission approved the last application to defer TE charge costs for 12-month period in Order No. 24-258.

Description of the Expenses

HB 2165 Section 2 requires that the total amounts collected under this law be set to one quarter of one percent of the total revenues collected by the electric company from all retail electricity consumers. Section 3 requires that the funds collected must be expended by the electric company to support and integrate TE and must be consistent with a budget approved by the Commission. Section 3 also requires that expenditures

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made by an electric company must be made on elements contained within the electric company's TE plan⁵ accepted by the Commission pursuant to ORS 757.357.

Proposed Accounting

The Company proposes to record deferred amounts to Federal Energy Regulatory Commission account 182.3, Other Regulatory Assets.

According with the Company this account will accrue interest at the Commission-authorized rate for deferred accounts.

Reasons for Deferral

ORS 757.259(2)(e) allows the deferral of identifiable utility expenses in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne and benefits received by customers. Commission approval of PacifiCorp's application will support the continued use of an automatic adjustment clause and associated balancing account to track the costs and revenues from the program separate from PacifiCorp's other costs and revenues.

Additionally, and according with the Company:⁶

PacifiCorp reports on Schedule 291 Transportation Electrification Charge dollars through annual reporting requirements associated with UM 2056 PacifiCorp Oregon Transportation Electrification Plan¹. The annual reports share information regarding spent dollars, by year, by project and by metric of influence.

Estimate of Amounts

The Company estimates it will collect approximately \$3.6 million for transportation electrification programs through Schedule 291 in 2025.

Staff issued information requests on this filing. With respect to Staff Information Request No.1, which asked the following:

Please explain how this deferral works in connection with Schedule 291, System Benefits Charge Tariff Schedule. Please also explain how the deferral minimizes the frequency of rate changes or the fluctuation of rate

⁵ See, the Commission approved PacifiCorp's final 2023 TE Plan. See, In the Matter of PacifiCorp, dba Pacific Power, Oregon Transportation Electrification Plan, Docket No. UM 2056, Order No. 23-257 (July 13, 2023).

⁶ See, OPUC Request UM 2224, Information Request No. 2, PacifiCorp's Transportation Electrification 20223 and 2024 Annual Report.

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levels or to appropriately matches the costs borne and benefits received by customers?⁷

The Company response was as follows:⁸

.....Schedule 291, System Benefits Charge already collects the legislated amount related to Electric Vehicles and will not change in relation to this deferral. Deferring costs at the same time as revenues are collected means changes to the rates customers pay are not necessary and, therefore, minimized. Collecting revenues at the same time the revenues are being spent on programs appropriately matches the costs borne and benefits received by customers as they happen contemporaneously instead of the situation with some deferrals where future customers are paying for monies spent previously and deferred for future collection.

Staff views this response as reasonable and consistent with Schedule 291 application.

Information Related to Future Amortization

- Earnings Review - Staff does not recommend an earnings test be applied given the purposes of these expenditures.
- Prudence Review - A prudence review will be performed when updating the amounts for amortization as part of the automatic adjustment clause.
- Sharing - All prudently incurred costs are recoverable by PacifiCorp with no sharing mechanism.
- Rate Spread/Design - Costs will be allocated to each schedule using the applicable schedule's forecasted energy on the basis of an equal percent of revenue applied on a cents-per-kWh basis.
- Three Percent Test (ORS 757.259(6)) - Future amortization will be subject to the three percent test in accordance with ORS 757.259 (7) and (8)

Conclusion

Approval of this deferral is consistent with HB 2165 and past Commission activities regarding transportation electrification.

⁷ See, OPUC Request UM 2224, Information Request No. 1.

⁸ See, OPUC Request UM 2224, Information Request No. 1.

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Staff recommends that the Commission approve PacifiCorp's application to defer costs and revenues associated with the HB 2165-related TE charge.

The Company has reviewed this memo and has stated no objection.

PROPOSED COMMISSION MOTION:

Approve PacifiCorp's application for reauthorization to defer costs and revenues associated with the HB 2165-related TE Charge for the 12 months beginning on January 7, 2025.

PacifiCorp UM 2224(3)