



Portland General Electric

121 SW Salmon Street • Portland, OR 97204
portlandgeneral.com

September 29, 2023

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
PO Box 1088
Salem, OR 97308-1088

Re: Docket No. UM 2033, Staff Report on PGE Transportation Electrification Plan

Filing Center:

On September 15, 2023 Public Utility Commission of Oregon (Commission or OPUC) Staff filed their report and recommendation in UM 2033 for Commission action on Portland General Electric's (PGE's or the Company's) final Transportation Electrification Plan (TEP), which the Company filed on August 25, 2023. PGE appreciates that Staff has recommended Commission acceptance of the plan without conditions, and by extension, approval of the Company's TEP Budget.

This is the first TEP PGE has filed under the OAR Chapter 860, Division 87 rule revisions the Commission adopted last year. We look forward to continued collaboration with Staff and stakeholders to identify any areas of uncertainty and resolve any disagreements regarding compliance as we evaluate our progress during the 2023-2025 implementation cycle.

PGE appreciates this opportunity to respond to several points raised in Staff's report:

Programs and measures

Staff explains that PGE's TE portfolio consists of 18 programs and measures and correctly observes that the breadth and duration of our activities speak to the ongoing development of the TE market in our service area. Staff states that none of these activities are new and thus the Commission does not need to approve program or measure applications as part of this proceeding. The evolution of the statutory and rulemaking landscape during the period over which we developed this TEP - and in particular the creation and implementation of the HB 2165 Monthly Meter Charge (MMC) - has resulted in a substantial expansion of the scope of PGE's TE-related activities and offerings. However, these activities and offerings have been subject to prior Commission action and thus do not require approval here. PGE did file new activity applications in Appendix C of the TEP, to reflect expansions and modifications to our previously-approved Municipal Charging Collaboration and Electric Avenue and Business and Multi-family Make-ready Solutions measures. These modifications include changes made in the final TEP to reflect stakeholder feedback on the draft TEP. PGE defers to Staff's interpretation of the action required from the Commission; however, we note that the Company also filed Advice No. 23-14 to update Schedules 8, 52 and 56 to reflect TEP-related changes. We requested an effective date of October 18, 2023 in anticipation of Commission action on both the TEP and the Advice filing at an October 17 public meeting, consistent with the UM 2033 docket schedule.

TEP Budget

In reviewing PGE's proposed TEP Budget, it is important to note enactment of legislative policy changes and developing market factors since PGE filed its last TEP, such as the creation of the MMC, inclusion of Clean Fuels Program funding in the broader TEP Budget, and inflation-driven cost increases to purchase and install EV-

related equipment. The 253 percent increase in annual TE expenditures Staff highlights in the report reflects these changes and factors, as well as Staff and stakeholder input obtained during the TEP development process. As explained above, the increase is not the result of significant new initiatives, but of expanded offerings built on existing successes and platforms. PGE adjusted the scope and budget of the TEP in response to feedback received and maximized the use of mandated and alternative funding sources to minimize customer rate impact from the plan. Thus, the incremental rate-base-supported increase resulting from our plan over the three-year implementation period is just \$9.8 million, resulting in an overall rate impact of 0.15 percent. PGE will continue to seek an appropriate balance in fulfilling our legislative requirement to support TE while minimizing the impact on utility customer prices.

Staff also raises the treatment of certain non-programmatic administrative costs that enable PGE's TE-related activities. PGE did not include those costs within the TEP Budget because they are not attributed to specific TE programs or measures. Development of the TEP, for instance, and participation in other TE-related regulatory proceedings as well as overall market research and awareness, planning, general non-labor O&M, and nascent product development efforts are core utility activities and responsibilities that are part of on-going business. Similar to activities that enable our energy efficiency, demand response and other customer-focused initiatives, these types of expenditures should not be assigned to specific customer programs or measures as they are separate and distinct functions. In particular, it would be inappropriate and inconsistent to assign these types of non-programmatic costs to programs for purposes of calculating cost effectiveness. PGE suggests that these non-programmatic expenditures are properly included in a general rate case proceeding. This treatment is typical of other utility programs and reflects accepted utility ratemaking practices that allow the utility to manage its business within overall rates established by the Commission. The TEP is not a ratemaking proceeding. Any rate-base O&M expenditures relating to TE that are accepted within a TEP (or TEP update) will have no corresponding cost recovery mechanism if they diverge from the budget factored into the most recent GRC. In response to concerns expressed by Staff, the Company reviewed its O&M allocations and provided additional detail in the final TEP. We recognize the Division 87 rule language that asks utilities to provide a forecast of "all funding sources" including base rates and we will continue to discuss with Staff methods to ensure appropriate reporting of expenditures in future TEPs, TEP Budgets and TEP updates.

Modeling and data analysis

During the review of PGE's draft TEP and in subsequent discussions with Staff we have worked to understand and be appropriately responsive to Staff's requests for data and analysis beyond that included in the TEP and have provided additional access and information to help Staff assess the forecast results produced by AdopDER. PGE appreciates the discussion around the impact and challenge of EV integration and possible pathways to manage system impacts to reduce overall costs to serve this new load. We look forward to future refinements to our approach to integrating data into various planning activities as market adoption matures, technology and customer trends converge, and we have the benefit of longer historical periods from which to derive insight.

That being said, we would like to respond to Staff's interpretations of how PGE uses EV load profiles from AdopDER to assess capacity impacts during times of system peak. First, it is important to note that AdopDER is not PGE's tool for assessing system coincident peak charging and related capacity need. Those calculations are handled in the Integrated Resource Plan (IRP) in order to ensure alignment and consistency with all other resource types. AdopDER provides outputs that are fed into those IRP analyses for things like expected EV charging load shapes. Table 86 in the final TEP simply shows the peak hours associated with the MW of peak EV charging that PGE put forth in reply to Staff's IR 032, which asked for "the equivalent coincident peak in MW...for

the energy values in Table 12 [of the draft TEP].”¹ PGE will continue to socialize our methodology around planning for and assessing EV load impacts through our Learning Labs and future stakeholder meetings.

In addition, Staff’s report states “AdopDER also treats known off-peak hours past midnight as high-risk hours, further degrading the model’s calculation of the capacity need of EVs” in reference to data in the “Peak Hours” column of Table 86. PGE notes that in response to Staff’s IR 054, we clarified that the data was presented as representing only the start hour of the 2 to 4 hour peak event window, expressed in a date-time format that reflected Coordinated Universal Time (UTC).² This does not represent a range of clock time that spans, for example, 5 pm to 7 am. We will clarify date-times for future filings to avoid confusion.

Staff notes in their report that they have developed an arrangement with PGE for a more transparent review of AdopDER’s results and that they find that arrangement to be workable. We remain committed to providing Staff with the information and analysis needed within the data-sharing requirements in Division 87.

Generally speaking, PGE uses outside resources when doing so provides the best support and analysis for utility programs. These resources cannot always be made publicly available. Our TEP is an example of a highly complex planning document, and we have relied on expert consultants and proprietary models to help develop the plan to be consistent with stakeholder, regulatory and customer expectations. That said, we recognize there is interest in greater accessibility of our data and modeling, and PGE is exploring development of a user-friendly interface that would allow Staff greater access to different inputs and outputs from AdopDER in order to further stakeholder discussions around the future of TE planning in Oregon.

Data collection and reporting

PGE has observed – as Staff notes – that not all of the very extensive TE data and analysis Staff requested in UM 2033 and UE 416 appears to bear on whether the programs, measures and budget in the TEP meet the requirements of ORS 757.357 or the Division 87 rules. Put another way, findings from gathering this data and conducting this analysis would not necessarily inform or cause us to modify the proposals and activities described in the TEP.

Staff argues that PGE misses a larger point, that this data-gathering and analysis serves an essential public good for policymakers, and states that “An important part of the policy justification of electric companies’ TE activities is the public good from disseminating this TE data.”

PGE appreciates and acknowledges the role of utilities in this larger TE data ecosystem and the importance of ensuring our TEP proposals and activities are supported with strong data collection and analysis. That is why we included funding to gather and consolidate our sources of TE data into a single database, to facilitate future analysis, as part of our UE 416 O&M request. We agree that our TEP can provide valuable information about the TE ecosystem, generally, but believe that “disseminating TE data” is not one of the policy justifications for utility TEPs, nor is it required by, or mentioned in, ORS 757.357 or the Division 87 rules. The TEP must include data and analysis to support the utility’s proposals in its TEP, but we do not see support for requiring additional data or analysis. Statute and rule are clear that the policy justification for electric companies’ TE activities is their critical role in providing the fuel for their customers’ electric vehicles. Data collection, analysis and reporting must support that work, but is not intended to be an end in itself.

¹ Because the annual energy values (in aMW) in Table 12 are a summary taken from AdopDER, we interpreted Staff’s request as being a request to provide equivalent calculations for peak MW associated with EV charging, meaning, leveraging the same internal methodology that AdopDER uses for energy impacts reporting. This difference is merely a reporting nuance and does not impact PGE planning for system peak impacts established within the IRP or any other planning venues, since as described those processes take the 8,760 hourly charging load impact and do not rely on AdopDER’s calculation of system peak hours.

² Coordinated Universal Time (UTC) format denotes the hour in a given time zone with a reference to a single global reference point by subtracting a given number of hours. For example, in the Pacific Time Zone, the reference is a “minus 7” or a “minus 8” depending on whether or not the date in question falls during Daylight Savings.

Conclusion

PGE acknowledges Staff's thoughtful review of our TEP and Staff's recommendation to accept it without conditions. We appreciate the thorough, comprehensive review of our plan by Staff and other stakeholders, as well as Staff's partnership over the past many months of plan development and review. We look forward to further addressing Staff's comments and recommendations through continued collaboration and dialogue as we implement and report on our TEP during the 2023-25 planning cycle. This work is important for our customers and our collective efforts to equitably achieve the state's climate and other energy-related goals. PGE is proud to be a constructive and essential participant in Oregon's evolving TE ecosystem. Please do not hesitate to contact me if you have questions or need clarification of the above.

Thank you,

/s/ Riley Peck

Riley Peck
Senior Manager, Regulatory Strategy and Engagement