



December 6, 2019

Public Utility Commission of Oregon
Attn: Jason Salmi Klotz
201 High Street SE, Suite 100
Salem, OR 97301

Re: UM 1811: Climate Solutions and Oregon Environmental Council's Joint Comments on Portland General Electric's Transportation Electrification (TE) Draft Plan

Dear Commissioners and Staff:

Climate Solutions and Oregon Environmental Council are pleased to provide these coordinated comments on PGE's draft TE Plan. We have been working collaboratively on accelerating transportation electrification for the past two years.

There is a growing awareness that Oregon, the United States and the planet are in a climate crisis that demands urgent transitions away from greenhouse gas producing fossil fuels. In Oregon, the transportation sector accounts for the largest share of GHG emissions at roughly 40% and growing. In contrast, the electricity sector has been reducing its emissions due to government policy such as the renewable portfolio standard and coal phase out legislation, and due to leadership from utilities, particularly from PGE in moving to a clean energy future. We heartily applaud PGE for its commitment to reduce GHG emissions by 80% by 2050.

Due to the rapid cleaning of Oregon's electricity grid and to the rising emissions in the transportation sector, it is imperative for Oregon to rapidly transition away from internal combustion vehicles to electric vehicles. Recent dire reports from the international scientific community amplify the need for Oregon to accelerate this transition in the next five years.

The legislature took an important step in that direction with passage of SB 1044 in 2019. It creates new and ambitious metrics for increasing electric vehicles in Oregon – 250,000 registered EVs by 2025; and 50% of all new vehicles by 2030. Three years earlier, in 2016, the legislature created a pathway for pilot investments by utilities in transportation infrastructure through SB 1547. But with SB 1044, and the ambitious targets it creates for EVs, the legislature has clearly recognized it is time to move beyond pilots and small investments by utilities and to achieve scaled investments over the next five years.

The PUC Commission recognized this shifting paradigm recently in the SB 1547 pilot projects docket, UM 1811, when it stated:

“Though we approve the amended stipulation, we note that we have issued no order or guidance suggesting that PGE's future program proposals could not be larger in scale. Nor have we

prevented PGE from proposing new or expanded programs in response to evolution in the transportation electrification market. In fact, we have encouraged consideration of the broad scope of the legislative goals and directives expressed in SB 1547, and we expect that the framework provided by PGE's transportation electrification plan will give us the opportunity to review and consider the costs and benefits of larger and more ambitious program proposals developed to help further the legislature's vision in a manner that satisfies SB 1547 and benefits ratepayers and the electricity system.”

It is our belief that PGE needs to invest at least \$50 million per year in TE infrastructure, outreach and programs, over the next three years (and probably higher investments over time), to put Oregon on track to achieve the legislative targets and climate imperative. In comparison, California utilities already are investing in this order of magnitude on TE. In 2018, California regulators approved \$776.5 million in TE investments (including \$137 million for San Diego Gas and Electric, \$258 million for PG&E, and \$343 million for Southern California Edison). This level of investment would be on a scale comparable to what PGE already is spending on renewable energy development (for example, the proposed Wheatridge wind and solar facility, alone, is projected to cost \$160 million for 350 MW of renewable energy). The TE investments also would be required to show a net benefit to all ratepayers, not just EV drivers, with greater electricity demand and use of existing distribution infrastructure as well as the opportunity to shift portions of demand to nighttime charging etc.

PGE already has demonstrated that increased EVs in its service territory have resulted and will continue to result in a large net benefit to all customers – PGE projects that in 2020, EVs will use about 10 MWa of energy, generate over \$9 million in revenue, while create a marginal cost of \$3.7 million. (P. 143 of the Draft Plan). They further anticipate up to \$65 million of clean fuels value for passenger vehicles alone to PGE and customers by 2025. (Id.).

Given this background, we provide the following specific comments to PGE’s draft TE plan:

* Overall, we think the plan is extremely thorough and well thought out, with a great deal of good research and data to back it up. It's a model for most utilities around the country and we applaud PGE for the time, effort, and creativity that went into this plan.

* However, the draft plan does not provide sufficient clarity around PGE’s proposed level of investment over the next three years and that is needed. It references state goals and policy, including SB 1044 goals, but does not attempt to draw a line from those ambitious goals back to the policies, programs and investment that PGE will need to pursue to help the state reach those goals. As mentioned above, we think PGE should propose in this TE plan to invest at least \$50 million per year over the next three years to achieve the utility and legislature’s goals.

* The plan clearly identifies major barriers to EV adoption, and which ones PGE can help overcome. For most of these barriers, PGE then outlines current, proposed, and potential future strategies and programs in some detail. However, we are concerned that the glaring exception is around consumer awareness. Awareness is a well-documented problem, discussed by PGE in section 1.2.3, but the only program discussed to address this barrier is dealer engagement - and

that program is much less well defined than equivalent programs around smart charging, "charging as a service," etc. Even PGE's 2017 plan had more detail in this area, outlining a minimum number of annual ride & drive events and other engagement strategies. We would like to see the final plan include more detailed discussion of how PGE is planning to address this barrier in the short, medium, and long term.

* The plan's discussion of Clean Fuels program revenue and its future uses is also a concern. It appears that PGE is funding virtually all of its consumer engagement activities using Clean Fuels funds, and discusses how these funds and programs "converge" with rate-based investments under SB1547. Even straightforward costs like informational signs at fast charging pods are being paid for from Clean Fuels funds, not through the approved fast charging program through SB 1547. We believe that consumer engagement and awareness activities should be funded through SB 1547 filings and not through Clean Fuels funds. The approved principles for investment of Clean Fuels make it clear that these funds should not replace ratepayer program funds, or duplicate efforts, or simply promote PGE in the community - they should be used for supplemental and innovative programs, such as the Drive Change grant program, or pilot projects to develop proposals for future inclusion in PUC filings as part of SB 1547.

* Finally, we recommend that the Plan more clearly present the opportunity for PGE investment in charging infrastructure both for public transit agencies like TriMet and school districts. Electrifying transit and school buses will be an important win win for PGE customers and for improved public health to residents in PGE service territory. The next five years should demonstrate a large uptake in electric bus integration and PGE participation in paying for and operating the charging infrastructure will accelerate this progress. Accordingly, it should be highlighted as one of the targeted investment areas for PGE. We recognize there is a description of the pilot school bus program in the appendix (at P 109 and 136) but suggest you include a discussion of this important opportunity in the main text both for public transit and for school buses.

Thank you for considering these comments and we look forward to continue working with PGE, other stakeholders, the PUC and the Legislature in continuing to scale up utility investments in the TE sector.

Sincerely,



Meredith Connolly
Oregon Director
Climate Solutions



Jana Gastellum
Deputy Director
Oregon Environmental Council