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Oregon Public Utility Commission  
VIA Email

September 10, 2021

RE: NW Energy Coalition's response to the UM 2165 workshop discussion questions from August 27th

The NW Energy Coalition (NVEC) appreciates the opportunity to provide written comments on the topics discussed at the PUC's UM 2165 workshop on August 27th. These comments are in response to the discussion questions outlined in the August 27<sup>th</sup> workshop agenda.<sup>1</sup>

HB 2156 provides an opportunity for the Commission to further refine its approach to TE, and to ensure that TE investments will benefit underserved communities. We recommend that the Commission continue to pursue a comprehensive portfolio approach to utility TE investment, while effectively integrating a new revenue source and avoiding additional criteria that might create new barriers to TE.

#### **Discussion Questions from the August 27<sup>th</sup> Workshop**

*HB 2165 establishes a new monthly meter surcharge for PGE and PAC of one quarter of one percent of the total revenues collected from all retail customers. The utility is required to spend this money on TE investments in their service territory, based on a budget that is approved by the Commission and an accepted TE Plan. In addition to approving new tariffs to collect this surcharge from customers of PGE and PAC, and customers of ESSs, the Commission must develop a process to approve budgets, clarify utility accounting, and specify reporting procedures for revenues and expenditures from this charge.*

- *How do utilities and stakeholders think these requirements should be implemented?*

The Commission should provide guidance to utilities to ensure they are able to start collecting the monthly meter surcharge from all retail customers on January 1, 2022. Future budget approval processes, additional utility accounting guidelines, reporting requirements, and other essential oversight provisions that require further guidance should be established through rulemaking, along with ratepayer dollar TE portfolio criteria outlined in the final TE Investment Framework.

- *How would budget development and a reporting process occur?*

NVEC is assuming the "budget" refers to the one quarter of one percent of the total revenues collected from all retail customers from the monthly meter surcharge and that the PUC is seeking input on how to approve the total amount collected by the utility. If this is correct, the annual budget could be proposed within the utility's TE Plan and reporting could be included within each subsequent TE Plan. Because the TE Plan is currently on a two-year schedule, the utilities could propose the annual budget for the next two years.

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<sup>1</sup> <https://edocs.puc.state.or.us/efdocs/HAH/um2165hah131919.pdf>

- *What are your thoughts on how new TE tariffs should be structured and approved?*

If this is referring to the TE tariff specific to the monthly meter surcharge, NWECC does not have a position at this time on the structure of the TE tariff. TE tariff approval should require utilities to notify customers about the purpose of the monthly meter surcharge and general program areas customers can expect as a result of the surcharge.

- *How do you envision that accounting and expenditures would evolve over time?*

Rules providing guidance on utility expenditures should not be overly restrictive to allow utilities to adapt to the needs of customers. Unlike utility Clean Fuels Programs, utilities should propose multi-year programs based on budgets approved through the TE Plan and additional criteria required by rule. The PUC should not prohibit utilities from using multiple revenue sources (i.e. meter surcharge revenue, clean fuels program revenue, or other ratepayer dollars) to support single programs or a portfolio of programs but the PUC should require separate accounting for each revenue source.

Criteria for approving TE expenditures should be outlined in the final rules adopted by the PUC (see response to first question).

- *What information do PGE and PAC need to file proposed tariffs to be effective January 1, 2021-2022?*

N/A

- *When are the utilities planning to file their proposed tariffs?*

N/A

- *How do utilities and stakeholders think UM 2165 workshops can help inform this process?*

UM 2165 process should develop a list of criteria to approve TE expenditures. Criteria could include methods for evaluating how portions of the meter surcharge revenue are allocated to different program areas, methods for evaluating costs and benefits, metrics to track program performance, targets to indicate how the utility intends for the portfolio to perform, and additional criteria such as interoperability, reliability, and payment method standards.

*Section 6 of HB 2165 specifies that utilities are required to spend a minimum of half of these funds annually to support TE in underserved communities.*

- *What does underserved mean in this context and why?*

Section 2(6)(a-d) lists a variety of customers that 50 percent of the monthly meter surcharge revenue could benefit. This list aligns with the definition of environmental justice communities

in HB 2475 (2021) and eligible TE expenditures supported by advocates in the Clean Fuel Program Electricity 2021 rulemaking.<sup>23</sup> We recommend underserved communities have the same definition as environmental justice communities and that the PUC explore whether further prioritization would be helpful to ensure investments benefit customers who have historically been and are currently the most underserved.

- *How do utilities and stakeholders think this process should be developed and how should metrics be developed to demonstrate program effectiveness?*

The utility, in coordination with environmental justice advocates, local community-based organizations, and local municipalities, should develop and implement projects and/or programs that promote transportation electrification in underserved communities. Utilities should resource environmental justice advocates and community-based organization for their time spent developing and implementing projects and/or programs.

It may be helpful to align metrics with any metrics required within the TE Investment Framework. As a starting place, metrics could be outlined as follows:

- Infrastructure metrics (e.g. number of EV chargers deployed)
- Financial metrics (e.g. cost per port)
- Affordability metrics (e.g. Number of customers without access to home charging that are charging on rates comparable to residential rates)
- Environmental metrics (e.g. emissions reductions)
- Equity metrics (e.g. reduction in vulnerable customers' transportation energy burden)
- Public health metrics (e.g. air pollution reduction)
- Load management metrics (e.g. load shifted to off peak periods)

The PUC could use future workshops and breakout groups to further build out this set of metrics.

- *Who should be at the table to guide utility selections to invest in TE for underserved communities, and in what forums?*

We believe that this docket is the appropriate forum in which to develop a list of eligible expenditures, and the selection of specific utility investments for underserved communities is appropriate to determine through the TE plans. Utilities should include representatives from underserved communities, and organizations that serve underserved communities in the development of their TE plans.

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<sup>2</sup><https://olis.oregonlegislature.gov/liz/2021R1/Downloads/MeasureDocument/HB2475/Enrolled>

<sup>3</sup> See joint comments submitted by Climate Solutions, NW Energy Coalition, Oregon Citizen's Utility Board, Forth, Oregon Environmental Council, Union of Concerned Scientists, and Verde outlining a list of recommended TE expenditures designed to benefit impacted communities.

<https://www.oregon.gov/deq/Regulations/rulemaking/RuleDocuments/CFPE2021m4Comments.pdf>

- *What should the Commission do to help this process?*

NWEC recommends the PUC provide an outline of what guidance the Commission would like to have developed by the end of the year and the proposed scope for any subsequent rulemaking.

- *Do PGE and PAC intend to discuss these investments with the Community Benefits and Impacts Advisory Groups required by HB 2021?*

N/A

*Sections 4 and 5 of HB 2165 provide language for new TE expenditures and considerations for utilities, including adding a “TE Infrastructure” category.*

- *What are the implications in developing a framework to evaluate TE expenditures with respect to infrastructure measures, and non-infrastructure measures?*

With the new monthly meter surcharge revenue, Clean Fuels Program revenue, and now this distinction between ratepayer dollar investments in infrastructure measures and non-infrastructure measures, NWEC is concerned that the Commission might develop a complicated set of criteria to individually account for and evaluate various types of utility TE investments. This could have the unintended consequence of exacerbating the existing barriers to utility investments in TE. Additionally, complicating the evaluation process will make it more difficult to get meaningful stakeholder input. We urge the PUC to avoid this outcome.

We recommend that utilities propose infrastructure measures and non-infrastructure measures within a TE portfolio, and the PUC TE Investment Framework should provide guidance for how a utility should demonstrate that the investments will result in benefits to customers as outlined in Section 4(5) of HB 2165.

Thank you for your consideration of NW Energy Coalition’s comments.

Sincerely,

Annabel Drayton  
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NW Energy Coalition