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

November 5, 2021

Via Electronic Filing

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

Re: UM 2165, Investigation into a Transportation Electrification Investment Framework

Filing Center:

Portland General Electric (PGE) appreciates the opportunity to participate in and offer follow-up comments on Staff's October 20 UM 2165 workshop and draft interim guidance, definitions, and pathways for HB 2165 implementation. We look forward to seeing Staff's final guidance and recommendations to the Commission.

PGE's key observations regarding the draft guidance, definitions and proposed pathways shared at the workshop are as follows:

- We believe that with some key modifications, the budgeting process outlined by Staff for the allocation of the 2022 TE Charge is reasonable. For future years, we recommend that utilities submit multi-year budgets as part of the TE Plan and in alignment with realistic program lifecycles. Given their interim nature, budgets for the 2022 TE Charge may be an exception while the Division 87 rules are revised, and utilities prepare their new TE Plans for submittal in Q3 2022.
- Regarding the definitions of underserved communities discussed during the workshop, we support the establishment of a statewide mechanism to identify qualifying communities by geographic area – like systems already used in other states or tools available from federal agencies. We also encourage the Commission to adopt a consistent definition of low-income, and to work creatively with utilities and stakeholders to ease the customer burden to demonstrate eligibility (e.g., if a customer qualifies for state or federal energy assistance programs, they are categorically considered low-income for TE program purposes).
- PGE prefers Pathway #2 for implementing TE Plan filings and rulemaking in 2022, with rulemaking first, then TE Plan filings once final rules are adopted.

TE Charge Collection and Budget

On October 21, 2021, PGE filed Advice No. 21-26, Schedule 150 to implement the TE Charge for PGE customers. We believe the tariff filing is consistent with the guidance outlined by Staff and look forward to review by Staff and the Commission to allow collection of the charge beginning January 1, 2022.

PGE views the TE Charge as part of a broader portfolio of transportation electrification actions and supports Staff's comment in the workshop that TE Charge funds may be used to support or augment existing programs. TE Charge funds might, for example, be used to enhance access or benefits to underserved communities from a separately funded program or infrastructure investment. PGE intends to propose programs funded by the TE Charge that are integrated with the rest of the company's TE portfolio.

With some modifications as noted below, we find Staff's proposed guidance for the 2022 TE Charge budgeting process to be workable on an interim basis.

For TE Charge budgets filed for budget year 2023 and beyond, we encourage Staff to consider specifically inviting utilities to submit multi-year budgets as part of each TE Plan. This would allow utilities to:

- Better align budgets with the TE Plans;
- Better reflect TE Charge collection and program lifecycles, because funds will not necessarily be expended the year they are collected, programs take time to fully stand up, and administrative expenditures are typically front-weighted, resulting in significant year-over-year fluctuations as programs mature;
- Maintain consistency with utility flexible load planning and distribution system planning; and
- Support a portfolio-level approach that parties in UM 2165 have agreed is desirable in utility TE Planning and programs.

Regarding Staff's document shared October 29, "HB 2165 Implementation - Draft Interim Guidance, Definitions and Pathways," we offer the following observations and responses:

- PGE believes that in some instances Staff's interpretation of HB 2165 requirements may be inconsistent with the bill text in ways that may preclude the TE Charge from being integrated into the multi-year TE portfolio supported by PGE and many stakeholders.
  - Staff explains that "The funds collected under this charge are the minimum amount that utilities must spend on TE per year." While the bill contains language to make clear that the TE Charge funds are a floor not a ceiling on utility TE spending, PGE disagrees with Staff's interpretation to the extent that this interpretation requires 100% of the funds collected in a single year be spent that same year. PGE supports prioritizing timely deployment of collected funds but understands HB 2165 to require that utilities expend at least half the annual amount collected to support transportation electrification in underserved communities, without specifying that the expenditure take place that same year.
  - Staff explains that "The monthly meter charge budget must be approved by the PUC every year."[1] PGE would be concerned by this interpretation if it precludes multi-year TE Charge budgets, which are preferable for the reasons outlined above. While PGE

[1] The law requires electric companies to spend the funds collected by the meter charge to support and integrate TE and directs that the spending be consistent with a budget approved by the PUC. See Enrolled House Bill 2165, Section 2(3). PGE does not see an annual budget approval process required by the law, noting that the Commission has discretion to prescribe the periodicity.

recognizes that the budget must be approved by PUC and supports timely deployment of funds, PGE supports Staff's proposal (7) for integrating review of the TE Charge budget into the multi-year TE portfolio.

- PGE provides the following specific responses to Staff's draft interim guidance:

Staff Interim Guidance	PGE Response
1. Section 2(3) specifies "a budget approved by the Public Utility Commission": Staff proposal: PGE and Pacific Power file a monthly meter charge budget for a calendar year that covers the monthly meter charge expenditures grouped by all TE programs to be funded by the meter charge revenue.	PGE interprets "monthly meter charge budget" to mean a budget for the monthly meter charge funds, not a monthly budget for the meter charge, and does not see a need for budgets to be broken down by month. If we have interpreted Staff's proposal correctly, PGE requests that Staff clarify this in the final guidance. As referenced above and given the practical complexities of program design and launch, PGE does not support a requirement that 100% of the funds collected in a single year be spent in that same year, nor do we read this as a requirement of HB 2165. PGE instead recommends that utilities submit multi-year budgets, if necessary to meet programmatic goals, for expenditure of the funds to be collected in 2022. PGE further recommends that subsequent budgets enumerate funds collected, actual spending, forecasted spending, and a rolling balance.
2. The expenditures in the monthly meter charge budget must be made on elements contained in an accepted TE Plan. Staff proposal: To constitute an element for use, programs must be reflective of proposed programs in an accepted TE Plan.	While Staff's guidance relies on the wording in HB 2165 requiring spending to be made "on elements" contained in an accepted TE Plan, PGE encourages a broad interpretation of elements noting that electric companies do not propose programs in TE Plans. The Commission's Division 87 rules state that the electric companies summarize "future transportation electrification concepts and actions"[2] in their TE Plans. PGE requests that Staff clarify its interpretation of "elements." PGE further notes that PGE and Pacific Power's most recent TE Plans were filed in advance of HB 2165's passage, and recommends that Staff recognize that in 2022, the alignment between

[2] OAR 860-087-0020, at https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=4089

	TE Charge budgets and the utility's most recent accepted TE Plan may be less specific than in future years.
3. Staff proposal: Expenditures in the monthly meter charge budget shall contain both capital expenditures and expenses. Capital expenditures on generation or distribution capacity that are attributable to new EV load created by the monthly meter charge, or attributable incremental energy costs, can be beyond the budget's scope. Expenses shall be broken down by administrative costs, O&M on investments, incentives paid to program participants, and any other unique category that may become relevant.	PGE supports Staff's proposal that both capital and operating expenses be reflected in TE Charge budgets. PGE also supports excluding cost categories that are part of the utility's normal course of business, such as generation and distribution capacity and incremental energy costs, from TE Charge budgets.
4. Staff proposal: The filed budget contain a forecast of expected revenue from the monthly meter charge and a forecast of expenditures by program. The budget will also need to forecast spending on underserved communities.	PGE supports Staff's proposal.
5. Section 2(4) directs utilities to "account separately for all revenues and expenditures": Staff proposal: Expenditures be marked at the transaction level as spent with monthly meter charge funds, to allow reporting with line item detail. Spending on underserved communities should also be identified at the transaction level.	PGE notes the difficulty of attributing line-item administrative costs to underserved communities, and recommends that Staff instead consider an alternative approach, such as permitting administrative expenses or other shared costs to be divided proportionately based on the number of program enrollments or participation of members of underserved communities.
6. Section 2(4) "shall report the revenues and expenditures on a schedule and in the manner prescribed by the commission": Staff proposal: a. Utilities file a compliance filing at the end of the calendar year, reporting actual revenue collection and actual spending. b. Utilities should provide a spending summary that matches the format of the previous year's monthly meter charge budget. This summary will be filed to the electric company's TE Plan docket in the first quarter of 2023. c. The report should also include a supporting spreadsheet shared through Huddle, listing all line item expenditures of the HB 2165 monthly meter charge for the previous calendar year. These reports will be reviewed in the next TE	PGE supports Pacific Power's proposal that utility compliance report filing be shifted later in the year, to allow for lagging transactions. PGE does not object to providing line-item expenditures, but finds Staff's recommendation about transaction-level expenditures in item C to be unnecessarily detailed. PGE suggests that the level of detail provided by Staff in recommendation 5 is sufficient.

Plan and rate case. These transaction-level expenditures should also be identified by program and whether the expenditure was on underserved communities. This granularity can come in two ways: 1) it could be written into the transaction description. Or 2) the transaction description can be matched with another SQL column in the utility's data base of expenditures.	
7. Staff proposal: After 2022, Commission review of the monthly meter charge budget will be part of the entire TE portfolio budget, to maximize stakeholder engagement and holistic planning.	PGE supports Staff's proposal, and further recommends that TE portfolio budgets and TE Charge budgets be folded into the TE Plan submittal and evaluation process.
8. Staff proposal: Utilities directly engage members of underserved communities to identify preferred spending of the earmarked 50 percent of the monthly meter charge, preferred standards for geographic designation, and to inform prioritization of populations served. For 2022, utilities can conduct this engagement before TE Plans and associated TE Plan budgets are filed. This engagement should follow the techniques of the City of Portland's Pricing Options for Equitable Mobility (POEM) model and the community engagement principles of the Greenlining Institute.	PGE believes that the approach to geographic designation of underserved communities for purposes of TE Charge funds should be set at the state level rather than by individual utilities. The approach and tools for this work should be addressed in the Division 87 rulemaking slated to begin in 2022.

Defining Underserved Communities

In general, we believe HB 2165 offered clear language describing underserved communities, and that Staff's discussion at the October 20 workshop and reiterated in Staff's draft definition of underserved communities offer appropriate context where clarification may be needed. We would add only a few points:

- We encourage the Commission to consider geographically based mechanisms to allow identification of underserved communities at the community level, as has been done in California[3]. This reduces the need for the utility to collect and evaluate data that others with greater expertise in these areas have already collected and evaluated, simplifying the process and reducing administrative burdens and costs. It also allows utilities to meet the needs of underserved communities by accelerating incentives to businesses within these geographic areas, even though the business itself may not be classified as low-income, a person of color, etc.
- We encourage approaches that reduce the burden of proof on customers wishing to participate in income-qualified programs, for instance by determining that if a customer has qualified for another specified program, they also qualify for the program at hand. We

[3] California utilities use the state's Disadvantaged Communities designation, based on CalEPA's CalEnviroScreen tool, to design their TE programs. More at https://oehha.ca.gov/calenviroscreen/sb535

recommend that the Commission use consistent income-eligibility thresholds across program areas. The DEQ and ETO programs cited during the workshop set a threshold at 120 percent of Area Median Income or State Median Income—a standard that is generally considered low-to-moderate income—while other programs set different criteria, creating situations where a utility customer might qualify as low-income for purposes of one program but fail to qualify for another program.[4]

Implementation pathways for TE Plans and rulemaking

As noted previously, PGE prefers Pathway #2 and recommends that rulemaking be completed before utilities file their next TE Plans later in 2022, requiring a waiver of current filing requirements.

We share the concern expressed by CUB during the October 20 workshop that timely program development and implementation is critical but believe with Staff's guidance we can propose beneficial advances in TE programming in the interim before the next round of TE Plans is filed, and that the benefits of updating the Division 87 rules before filing those plans outweighs the disadvantages of the filing delay. Programs and activities proposed during the interim will be consistent with existing TE Plans and/or TE-related statutes.

PGE anticipates active stakeholder engagement and TE Plan development concurrent with the Commission's rulemaking process—especially including outreach to EJ communities—with the hope that we can file our next plan shortly after final rules are adopted. It is our intention to provide context in the next TE Plan for TE-related programs and activities undertaken during the 2022 interim, to include a 2023 TE Charge budget within the plan, and to suggest a consolidated compliance reporting structure for TE programs.[5]

Conclusion

We thank Staff for their ongoing efforts in this docket and look forward to final guidance on the TE Charge budgeting process for 2022 – as well as productive dialogue and active engagement in the TE rulemaking process next year. Please let us know if you have questions or need clarification on any of the points made above.

Thank you,

/s/ Karla Wenzel

Karla Wenzel
Manager, Regulatory Policy & Strategy

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[4] PGE notes that in Docket UM 2475, OPUC Staff Scala has asked information requests related to the various low income definitions that govern program participation. PGE suggests that information may be helpful here.

[5] For example, PGE has reporting requirements on TE stemming from its UM 1811 TE Plan (filed in December 2016) and would like to work with Staff and stakeholders to update and consolidate reporting going forward.