

November 2, 2021

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem, OR 97301-3398

RE: UM 2165—PacifiCorp’s Comments on Workshop Series

INTRODUCTION

PacifiCorp d/b/a Pacific Power (PacifiCorp or Company) appreciates the opportunity to provide the Public Utility Commission of Oregon (Commission) its comments on the workshop series hosted by Staff in UM 2165 – Investigation of Transportation Electrification (TE) Investment Framework. PacifiCorp found the workshop series enlightening, supportive and engaging, allowing for feedback, and encouraging a thoughtful process as the Commission explores a TE Investment Framework.

PacifiCorp is committed to promoting TE and believes its role is fundamental in the transition towards TE. The Company supports the establishment of a framework for evaluating utility investments in TE programs in support of legislative goals. In developing a new TE investment framework, PacifiCorp offers the following comments.

COMMENTS

Benefit-Cost Analysis/Grid Integration Allowance Analysis

PacifiCorp appreciates the exploration of various cost-benefit tests during UM 2165 workshops. Many of these frameworks, such as the grid integration allowance, presented by the Oregon Citizens’ Utility Board (CUB), provide a reasonable underpinning for utility investments in TE. The grid integration allowance relies on expected future utility revenues from TE to determine electric vehicle investment levels. This perspective, while informative, risks under investment in lagging markets, particularly in the near term. Additionally, PacifiCorp believes that TE policy in Oregon is driven only partially by traditional utility economics. Other drivers of TE, particularly the desire to reduce greenhouse gas emissions from the transportation sector, seem appropriate for inclusion in any investment framework.

Market transformation is a fundamental objective of TE, as such, TE investment frameworks will benefit from a holistic perspective reviewing portfolio of investments designed to encourage and support electric vehicle adoption and utilization. Frameworks evaluating market transformation commonly assess costs and benefits on a portfolio basis, acknowledging that a complementary collection of strategies and approaches is needed to achieve market transformation and reach market maturity. Flexibility offered by a portfolio analysis will also help support partnerships that are responsive to individual community needs and specific market barriers.

Many of the benefit/cost frameworks discussed early on in UM 2165 workshops did not articulate a clear mechanism to incorporate equity considerations in their calculations. These considerations are valuable even if they do not fit neatly into a traditional cost-benefit framework. Therefore, it may be appropriate to evaluate equity impacts separately using a performance-based assessment of utility progress towards equity metrics. Thus, ensuring the benefits of TE are delivered equitably to customers across customer demographics and locations.

Relationship with Existing Regulatory Processes

PacifiCorp appreciates the thoughtfulness proposed in the last workshop regarding alignment with existing regulatory processes and leveraging the TE plan timelines and processes. PacifiCorp encourages the Commission to continue to take advantage of existing forums and mechanisms to advance each utility's TE portfolio.

Engaging and Defining Underserved Communities

PacifiCorp serves roughly 600,000 customers in over 200 communities across the state of Oregon. Underserved communities in PacifiCorp territory include all the named underserved community groups: 1) residents of rental or multifamily housing, 2) communities experiencing lower incomes, 3) tribal communities, 4) rural communities, 6) coastal communities and 7) communities adversely harmed by environmental or health hazards. PacifiCorp plans to engage with communities, stakeholders, existing equity groups and new groups to design the TE program portfolio. To that effect, PacifiCorp believes that adequate allotment of budget and support should be made available to engage and serve these communities within the investment framework.

Overarching Staff Guidance

During the October 20, 2021 Workshop (Workshop 7), Staff presented key aspects of the guidance it was proposing for UM 2165. PacifiCorp provides the following comments related to the guidance that was presented.

Process for Commission Approval

PacifiCorp supports moving the budget approval process in alignment with the submission and acceptance of the TE plans, provided that this does not delay future implementation activities that may be a part of the future customer programs.

Reporting Requirements for Expenditures

Staff guidance states that an annual compliance filing in Q1 for the previous year's spending would be required by the utility. To ensure annual compliance adequately captures all expenses associated with the previous calendar year (which can include invoices getting paid in Q1 for work in Q4 of the prior year), PacifiCorp recommends annual compliance filings due no later than May of the following year.

Definitions

During Workshop 7, Commission Staff presented possible definitions for communities identified in House Bill (HB) 2165.¹ PacifiCorp generally agrees with the definitions presented by Staff and finds that they are well supported in existing rules and programs within the state. With respect to definitions of low-income, Staff presented two options relying on either area median income or state median income as the basis for the proposed definition. While state median income is easier to implement and would ensure that broader areas of low-income Oregonians are appropriately designated and represented, median area income recognizes income's relationship to an area's cost of living. Both definitions have distinct trade-offs and the reliance on one definition over the other may unintentionally preclude an investment that is aligned with the language of HB 2165. To this end, PacifiCorp would offer that the commission and Staff consider allowing either definition be used when qualifying a customer or investment as low-income.

Proposed Implementation Pathway

PacifiCorp appreciates the proposed options for implementation pathways. PacifiCorp suggests that Option 2 will streamline aspects of the program by starting with rulemaking and delaying the current TE plan schedule. PacifiCorp will work to undertake stakeholder engagement during Q1 and Q2 of 2022.

PacifiCorp appreciates the opportunity to provide comment and looks forward to continuing its engagement in in this proceeding.

Sincerely,



Shelley McCoy
Director, Regulation

¹ [UM 2165 Workshop 7 Presentation.](#)