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To: Oregon Public Utility Commission

From: Melissa Walton Hendricks, Division of Asset Management, City of Portland

Date: August 25, 2020

RE: Oregon PUC Investigation into Distribution System Planning, Docket No. UM 2005, Response to Staff's Stakeholder Questions for August 25, 2020 Special Public Meeting discussion

The City of Portland, Division of Asset Management appreciates the opportunity to provide public comment in response to Staff's Stakeholder Questions for August 25, 2020 Special Public Meeting discussion. We would like to speak to question 5 as it relates to our operations and fleet decarbonization efforts.

In what ways do stakeholders foresee DSP affecting utilities' current business model? Do these represent incentives to pursue DSP, or barriers? Are there any changes that need to be made to Oregon's approach to regulation in order to succeed at advancing DERs cost-effectively? Which barriers and uncertainties to long-term DSP are most significant from your perspective?

As a customer, we need to ensure that whomever sells charging as a service has a reasonable ability to build a stable, sustainable business model at an affordable price. In turn that means that they need to have affordable and levelized prices for feeder upgrades, line extensions and make-ready installations, regardless of location. If the charging infrastructure vendor is responsible for the feeder and make-ready costs on top of their charging infrastructure costs, they will need to incorporate these costs into their business model and their service will likely be cost-prohibitive for the City.

The City of Portland has little say in where we locate our fleet charging infrastructure due to our operating model and long-term real estate commitments. In most cases, we cannot move our operations to areas with existing adequate feeder lines and make ready already built out. Thus, if some locations are cost-prohibitive to build out, we simply will not make the conversion regardless of the social benefit that might ensue.

The big picture is that building transportation electrification infrastructure will require significant dollars for capital improvements and infrastructure build-out. We also know that long-term, the transition to an electrified fleet will benefit all ratepayers and society-at-large by reducing greenhouse gas emissions, lowering particulate levels in the air, and combatting our climate crises.

Taken together, this suggests that the current way that utilities charge for interconnection might need to change; it would be ideal to have distribution system upgrades simply funded through the utilities' normal capacity enhancement budgets (for which they will earn a return on their capital already) and that "make ready" be a rate class of its own with the costs socialized between all members of the rate base



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(regardless of actual location site costs). Ultimately, the City of Portland will need to transition our fleet to electric vehicles. We bear the capital cost of transitioning 2600 vehicles to EV. And a charging infrastructure vendor will bear the capital costs of purchasing and installing chargers on our behalf. But without changes to the way we structure interconnection/make-ready costs, the costs to transition a large, diverse fleet deployed around the City of Portland will be cost-prohibitive for utility customers, like the City of Portland.

Thank you again for the opportunity to provide input.



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