

UM 2165 - TE Investment Framework

Welcome to Public Workshop 7

Staff Guidance and Implementation Pathways
House Bill 2165

October 20, 2021



Operating Agreements

1. Be energy efficient: (Allow room for multiple perspectives. Leave time for everyone.)
2. Stay engaged (connected) without tripping the circuit breaker: (Don't overheat.)
3. Consider environmental conditions: (Mute when not speaking.)
4. Seek understanding: (Listen to understand, not to respond.)
5. Group Norms: (suggestions from participants)



Who's Who

Hosts and Presenters (OPUC)

Sarah Hall, Resource & Programs Development Manager
Ezell Watson, Director of Diversity, Equity and Inclusion
Eric Shierman, Senior Utility Analyst

Facilitator and Team

David Farnsworth, Principal, Regulatory Assistance Project
Garrett Martin, Policy Advisor, OPUC
Jill Goatcher, Assistant Attorney General, DOJ



Who's Who

Please introduce yourselves in chat.

Name and any organizational affiliation



Today's Discussion

1. Staff's draft interim guidance for monthly meter surcharge budget, submission, accounting and reporting (HB 2165)
2. Staff draft definition for underserved communities (HB 2165)
3. Implementation pathways to coordinate utility TE Plan filings and rulemaking in 2022

As next steps, Staff invites you to:

- Complete survey after workshop *OR*
- File written comment by Nov. 1



Context: Projected future annual spending from HB 2165 surcharge, based on 2020 revenue

| Ratepayer Funds | PGE | Pacific Power |
|------------------------------------|--------------------|--------------------|
| Gross Retail Revenue | \$1,846,082,453 | \$ 1,293,711,531 |
| Surcharge (25 Basis Points) | \$4,615,206 | \$3,234,278 |
| Underserved Minimum | \$2,307,603 | \$1,617,139 |



HB 2165 Staff Interim Guidance

- (a) budget requirements
- (b) process for Commission approval
- (b) accounting expectations
- (c) reporting requirements for expenditures



HB 2165 Surcharge Budget Scope

- Calendar year
- All programs that are planned for funding by monthly surcharge (infrastructure, non-infrastructure)
- Related to an element of accepted TE Plan:
 - Reflective of proposed programs
 - Explains purpose and scope of program



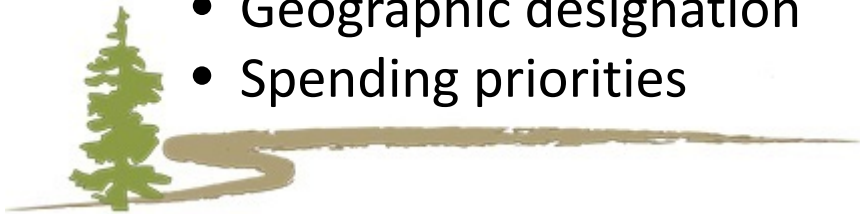
HB 2165 Surcharge Budget Scope

- Forecast of surcharge revenue
- Forecast of expenditures, and a separate forecast of expenditures on underserved communities
- Costs per program:
 - Capital
 - Administrative costs
 - O&M on investments
 - Incentives paid to program participants
 - Other unique categories



Engaging Underserved Communities

- 2022 surcharge budget: build on existing incentive programs?
- Staff recommends broader engagement in 2022 to inform TE Plans
- Directly engage underserved communities using City of Portland POEM and engagement principles from Greenlining Institute
- Seek guidance for:
 - Community prioritization
 - Geographic designation
 - Spending priorities



HB 2165 Surcharge Budget Submission - 2022

If filed before next TE Plan:

- Three weeks for public comment, followed by Public Meeting for Commission decision

If filed with next TE Plan:

- Reviewed for approval by Commission at same Public Meeting as TE Plan



Separate Accounting

Marked at the transaction level:

- Monthly meter expenditure
- Monthly meter expenditure on underserved communities



Reporting on Expenditures

- Annual compliance filing in Q1 for previous year's spending
- Two forms filed:
 - Summary follows format of budget
 - Supporting spreadsheet with line-item expenditures (Huddle)
- Underserved community engagement documentation
- Efficacy and outcomes of program expenditures
- Review during next TE Plan and rate case



Discussion

Comments? Questions?



HB 2165 Definitions

Staff seeks common understanding with stakeholders for the term “underserved communities”

- Starting point for conversation
- Sources are initial references - Staff welcomes improvements



HB 2165: Underserved Communities

- 1) Residents of rental or multifamily housing
- 2) Communities experiencing lower incomes
- 3) Tribal communities
- 4) Rural communities
- 5) Frontier communities
- 6) Coastal communities
- 7) Adversely harmed by environmental or health hazards



Residents of Rental Housing

Tenant under ORS 90.100(47)(A):

- A person, including a roomer, entitled under a rental agreement to occupy a dwelling unit to the exclusion of others, including a dwelling unit owned, operated or controlled by a public housing authority.



Residents of Multifamily Housing

ORS 456.515(8):

- Members of a household that reside in a structure or facility established primarily to provide housing that provides more than one living unit, and may also provide facilities that are functionally related and subordinate to the living units for use by the occupants in social, health, educational or recreational activities.



Communities of Color

City of Portland, Office of Equity and Human Rights,
Shared City-Wide Definition of Racial Equity Terms:

- People who are not identified as white, emphasizing common experiences of racism



Lower Incomes

DEQ *Charge Ahead* context:

- Residential customers whose household income is equal to or below 120 percent of established Area Median Income

Energy Trust of Oregon context:

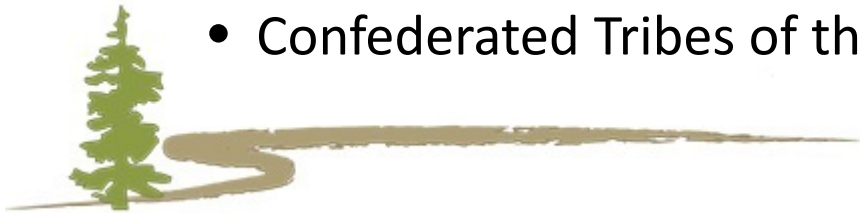
- Residential customers whose household income is less than or equal to 120 percent of State Median Income, adjusted for household size



Tribal Communities

Nine recognized Tribes in Oregon:

- Burns Paiute Tribe
- Confederated Tribes of Coos, Lower Umpqua and Siuslaw Indians
- Coquille Tribe
- Cow Creek Band of Umpqua Tribe of Indians
- Confederated Tribes of the Grand Ronde Community of Oregon
- The Klamath Tribes
- Confederated Tribes of Siletz
- Confederated Tribes of the Umatilla Indian Reservation
- Confederated Tribes of the Warm Springs Indian Reservation



Rural, Frontier, and Coastal

EO 07-02:

- Rural: people residing 30 or more miles by road from an urban community of 50,000 people or more
- Frontier: people residing 75 miles by road from a community of less than 2,000 individuals
- Coastal: people residing west of the Coastal Mountains.



Adverse harm from environmental or health hazards

- Found no established working definition
- People residing in a part of Oregon that is adversely harmed by:
 - Criteria pollutants
 - Climate change



Discussion

Comments? Questions?



Proposed Implementation Pathways 2022

OPTION 1

Use UM 2165 to develop interim guidance document to inform utility TE Plans. TE Plans filed on existing 2022 schedule; Commission review of Plans will inform rulemaking ([OAR 860 Division 87](#)). Rulemaking begins after TE Plans are reviewed.

OPTION 2

Use UM 2165 to develop interim guidance document to inform rulemaking. Start rulemaking in January 2022, to conclude in Q2. TE Plan filings are delayed and filed after rulemaking.



HB 2165/HB 3055: TE & Transportation

| | 2021 | 2022 | | | | 2023 | |
|---------|---------------------------|----------------|-------------------------------|---|-------------------------------|------|----|
| | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| HB 2165 | Existing TE Plan Filings | PGE - Feb | IP-May, PAC-June | | | | |
| | HB 2165 Reports/ Budgets | | | | | | |
| | § 2: Guidance/Definitions | | | PUC Process to Codify Provisional Definitions & Processes | | | |
| | Workshops | | | PUC Process to Codify Provisional Definitions & Processes | | | |
| | Investment Framework | | | | | | |
| | Pathway #1 | Guidance | TE Plans – filing and review | | Launch and conduct rulemaking | | |
| | Pathway #2 | | Launch and conduct rulemaking | | TE Plans – filing and review | | |
| HB 3055 | § 23: Natural Gas | | | | | | |
| | | Staff Outreach | | | | | |

§ 2: Guidance and Definitions: Clarification of terms and new requirements is needed to inform actions on monthly meter surcharge. Staff to work with stakeholders in Q4, 2021 to seek: (1) Guidance on (a) budget requirements and process (b) accounting expectations (c) reporting requirements for expenditures and (d) process for estimating 50% spend on underserved communities; and (2) Definitions for (a) “Underserved communities.” Staff to report to Commissioners end of year for action as necessary.

TE Investment Framework: In response to [EO 20-04](#), the PUC opened [UM 2165](#) to develop a holistic TE investment framework. At the Oct 20 UM 2165 workshop, Staff will seek stakeholder input on two proposed pathways to integrate HB 2165 with TE Plans:

- (1) Use UM 2165 to develop interim guidance document to inform 2022 utility TE Plans, and use the TE Plans and approval to inform TE rulemaking ([OAR 860 Division 87](#)), or
- (2) Delay TE Plans and use UM 2165 to develop draft rules to inform delayed TE filings.

§ 23: Natural Gas Investments: HB 3055 allows natural gas utilities to recover costs of prudent investments in transportation infrastructure investments. Staff to conduct stakeholder outreach to determine proposed activity and need for guidance on investments and recovery

Note: Required tariff changes from HB 2165 to be addressed in combined Tariff Gantt Chart

10/7/21

Discussion

Comments? Questions?



Docket Schedule and Next Steps

| Activity and Date | Description |
|----------------------------|--|
| Week of October 25 | <ul style="list-style-type: none"> • Draft guidance and implementation pathways posted to UM 2165 docket • Survey posted to docket |
| November 25 | Revised Staff Memo posted to docket |
| November 30 Public Meeting | Staff Memo and presentation to Commission |
| November date TBD | UM 2165 public workshop on TE Investment framework elements |
| December 9 | UM 2165 Staff Memo posted to docket, reflecting stakeholder input |
| December 14 Public Meeting | Staff presents UM 2165 Memo with TE investment framework guidance to Commission, for any action |
| 2022 | Continued HB 2165 Implementation |



Next Steps – Survey or Brief Comments

Take upcoming quick survey by deadline OR

Please submit all comments on workshop topics by Nov. 1

- By email – PUC.FilingCenter@puc.oregon.gov Include “COMMENTS – DOCKET NO. UM 2165” in subject line
- By Mail – Oregon Public Utility Commission, Attn: UM 2165 Public Comment, PO Box 1088, Salem, OR 97308-1088
- By Phone – 503-378-6600 or 800-522-2404 or TTY 800-648-3458, weekdays from 8 a.m. - 5 p.m. Pacific Time



Thank You!

Staff Contacts

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