

The HB 2165 includes further detail and requirements for expenditures and tracking of the monthly meter charge. Utilities are required by law to account and report the revenues and expenditures in a manner prescribed by the Commission. The expenditures the utilities make must be made on elements in the utility's Commission-accepted TE Plan. Additionally, utilities must make "reasonable efforts" to spend at least 50 percent of that funding on activities to support TE in "underserved communities."

Analysis

Background

In this memo Staff will provide background behind the development of PGE's Monthly Meter Charge Budget, discuss the Budget requirements, and summarize PGE's proposed Budget. The memo will review the enhancements to two existing infrastructure measures, two new infrastructure measures, and the reasons for Staff's recommendation. The memo will conclude with context for this one-off Budget approval in the broader transition to a new transportation electrification investment framework.

Portland General Electric and PacifiCorp were required by HB 2165 to begin collecting the monthly meter charge from retail customers starting January 1, 2022. Prior to the legislation going into effect, Staff was investigating utility TE planning and investment frameworks within Docket No. UM 2165. In that docket the Commission directed Staff to open a rulemaking to revise Division 87, which outlines the requirements for TE program applications and plan filings. Those draft rules, in Docket No. AR 654, prescribe the budget approval and review process for the monthly meter charge, and were adopted by the Commission on September 6, 2022.

The monthly meter charge section of HB 2165 went into effect before the new Division 87 rules. Because of this, Staff presented interim process guidance and definitions for the implementation of the new law.¹ Staff worked with parties to UM 2165 to establish implementation guidance for the 2022 monthly meter charge budgets.²

In this Budget, PGE proposes to launch four infrastructure measures. Two of them involve enhancements of activities the Commission previously approved: Business EV Charging and Residential EV Smart Charging Pilot. The other two measures entail new activities: Municipal Charging Collaborations Pilot and Affordable Housing EV-Ready Funding. The Company also proposes expenditures in the categories of education and outreach and TE Plan enablement.

¹ See Docket No. UM 2165, *Interim process guidance and definitions for implementation of HB 2165 implementation*, November 24, 2021.

² *Id.* at pp 1 – 11.

This Budget was originally on the regular agenda of the October 4, 2022, Public Meeting, but was pulled when Staff realized that it had miscommunicated the application requirements of the new Division 87 rules to the Company. Staff regrets that it missed an opportunity to communicate to the Company that the new application requirements will apply to the new infrastructure measures of Affordable Housing EV-Ready Funding and the Municipal Charging Collaborations Pilot. As a result, the Company did not revise these applications according to the new rules. On October 3, 2022, the Company submitted filings for enhancements to two existing infrastructure measures, based on the new Division 87 application requirement.³

Staff met with PGE on October 3, 2022, to come to an agreement on the approach proposed in this memo. Staff recommends approval of the Company's full 2022 Monthly Meter Surcharge Budget and four associated infrastructure measures. Staff recognizes that PGE has made a good faith effort to comply with the changing rules in Division 87 and with HB 2165 before new rules went into effect. Additionally, Staff recognizes the importance of moving forward swiftly with these Budget expenditures. Staff expects a new measure application for the Municipal Collaboration Charging in the next TE Plan.

Statutory Requirements and Staff's Interim Guidance

The standard of review for the utilities' Monthly Meter Charge Budget and plan is derived from both the statute and Staff's interim guidance memo. Under statute, utilities are required to:

- **Monthly meter surcharge assessment:** Collect a charge from each retail electricity customer served through its distribution system that is set to one quarter of one percent of the total revenues collected by the Company from all retail electricity customers.⁴
- **Budget format:** Account and report revenues and expenditures from the monthly meter charge separately and in a manner prescribed by the Commission.⁵
- **Types of expenditures:** Spend the funds collected under the monthly meter charge to support and integrate TE, consistent with a budget approved by the Commission and made on elements contained in the Company's accepted TE Plan.⁶

³ See Docket No. UM 2033, PGE, UM 2033 Residential and Nonresidential Electric Vehicle Charging Rebate Infrastructure Measure Applications, to accompany Portland General Electric's Proposed 2022 Monthly Meter Charge Budget, October 3, 2022.

⁴ Oregon Laws 0221, chapter 95 Section 2(2).

⁵ Id. at Section 2(4).

⁶ Id. at Section 2(3).

- **Expenditures on underserved communities:** Make “reasonable efforts” to expend fifty percent of the funds collected from the monthly meter charge each year on “underserved communities.”⁷

Under Staff’s interim guidance, utilities are required to:

- **Budget cadence and contents:** File a budget for 2022 that includes an annual estimate of spending by program, as well as an annual forecast of spending on underserved communities.
- **Underserved community definitions:** Apply the guidance and suggested tools in Staff’s memo to clarify the definition of “underserved communities” used in the statutory language.
- **Engagement and outreach to underserved communities in plan development:** Directly engage members of underserved communities to identify preferred spending of the monthly meter charge, preferred standards for geographic designation, and prioritization of populations served.

Review of PGE’s 2022 Monthly Meter Charge Budget and Plan

The Company filed the 2022 Budget on July 29, 2022, after consulting with stakeholders. This filing was within the timeframe of Staff’s interim guidance.

PGE expects to collect approximately \$5.2 million in 2022. Through this proposed Budget, the Company plans to include that full amount in the 2022 Budget. As detailed in Table 1, PGE plans to allocate these revenues specifically to fund: Business EV Charging rebates, residential panel upgrade rebates, trade ally network, Affordable Housing EV-Ready, Municipal Charging Collaboration Pilot, “ride and drives,” web education, statewide education campaign, community engagement, product development, and project management.⁸

Table 1: PGE’s 2022 Monthly Meter Charge Budget

Description	Amount
Business EV Charging Rebates	\$1,950,000
Residential Panel Upgrade Rebates	\$607,500
Trade Ally Network	\$130,000
Affordable Housing EV-Ready Funding	\$1,000,000
Municipal Charging Collaborations Pilot	\$500,000

⁷ Id. at Section 2(6).

⁸ See Docket No. UM 2033, PGE, *PGE’s Proposed Monthly Meter Charge Budget for 2022 and Municipal Charging Collaboration Pilot Proposal*, July 29, 2022, p 9.

Description	Amount
Ride and Drives	\$50,000
Web Education	\$60,000
Statewide Education Campaign	\$445,000
Community Engagement	\$150,000
Product Development	\$132,500
Project Management	\$175,000
Total	\$5,200,000

Enhancement to Existing Measures

PGE proposes to devote 52 percent of the Budget to enhance existing measures. PGE plans to modify the Business EV Charging and Residential EV Smart Charging pilots.

PGE proposes to expand the Business EV Charging Rebates under Schedule 52 by offering rebates of 80 percent of make-ready costs up to a maximum of \$6,000 per Level 2 (L2) port and \$36,000 per site and offering higher rebates for direct current fast charging (DCFC) of \$350 per kW up to \$25,000 per DCFC port. To be launched on November 16, 2022, PGE expects the new Schedule 52 to result in 250 L2 make-ready installations and 20 DCFC ports by the end of 2023. The expanded incentives include DCFC rebates of \$350 per kW (e.g., a \$10,500 rebate for a 30 kW DCFC and a \$17,500 rebate for a 50 kW DCFC). DCFC sites would not be eligible for make-ready rebates unless the customer paired DCFC with L2 chargers.

The Company discusses the way in which the measure will advance the portfolio performance areas set forth in the new Division 87 rules. The Company notes that the measure will lead to increased charging adequacy, including chargers that are visible and available at the retail, workplace, multifamily and other destinations residential customers frequent. This may help potential EV drivers feel more confident in their ability to successfully transition to electric fuel, thus boosting EV adoption across PGE's service area. PGE does not anticipate distribution system impacts stemming from this pilot expansion. The grid benefit is limited to incenting networked products that may provide later benefit. PGE anticipates that customers will submit rebates for 20 DCFC chargers. It is expected that 250 customers will submit incentives to L2 make-ready infrastructure and installation.

Among other technical requirements, PGE clarifies the Company will require compliance with Open Charge Point Protocol (OCPP) v1.6 or later. This open application protocol allows EV charging stations and central management systems from different vendors to communicate with each other. In addition to being networked, PGE will require compliance with Open Automated Demand Response (OpenADR) 2.0B. This communication platform enables coordination with distributed energy resources

(DER) and for DR, National Electrical Manufacturers Association (NEMA) Type 3R or 4, which certifies that equipment is weatherproof and certified for either indoor or outdoor use.

As a pilot, Schedule 52 has learning objectives. PGE lists them as tracking customer participation and satisfaction levels with pilot offerings (e.g. rebates, equipment choices), understanding PGE's ability to influence customers' decisions to install charging equipment and/or (as appropriate) operate EV fleets, documenting charging installation successes and challenges, and customers' perceptions of working with PGE, understand the load curves of EV charging based on site type, and potential implications for the distribution grid; and identifying pilot implementation successes and challenges, and improvement opportunities.

PGE proposes to expand the **Residential EV Smart Charging Pilot** under Schedule 8. This will include offering a standard \$1,000 rebate and \$5,000 income qualified rebate for panel upgrades and develop the trade ally network of electricians.

Staff notes the panel upgrade costs that ratepayers subsidize should be net of federal subsidies. The recently passed Inflation Reduction Act expanded the Energy Efficient Home Improvement Credit from a lifetime cap of \$500 to an annual cap of \$1,200. The new law makes panel upgrades for EV charging infrastructure a qualified improvement that can receive up to \$600 in credit.⁹

PGE filed an application for ratepayers to fund panel upgrades. To be launched on November 16, 2022, rebates for panel upgrades are expected to fund 300 standard panel upgrades and 50 income-eligible panel upgrades.

PGE discusses the expected impact providing rebates for panel upgrades will have on the performance areas set forth in the new Division 87 rules. Increased home charging adequacy may help potential EV drivers feel more confident in their ability to successfully transition to electric fuel, thus boosting EV adoption across PGE's service area. PGE does not anticipate distribution system impacts stemming from this pilot.

The technical standards are limited to the capacity of the new panel. PGE will require that new panels provide a minimum of 200 amperes of service.

As a pilot, Schedule 8 has learning objectives. PGE lists them as tracking customer participation and satisfaction levels with pilot offerings (e.g., rebates, equipment choices), understand PGE's ability to influence customers' decisions to install charging

⁹ Mengle, Rockey. *Save More on Green Home Improvements Under the Inflation Reduction Act* Kiplinger's, September 16, 2022.

equipment, documenting charging installation successes and challenges, and customers' perceptions of working with PGE, understand the load curves of EV charging based on site type, and potential implications for the distribution grid, and identifying Pilot implementation successes and challenges and improvement opportunities.

New Infrastructure Measure Investments

PGE proposes to devote 29 percent of the Budget to the launch of two new infrastructure measures. They are the Affordable Housing EV-Ready Funding and Municipal Charging Collaborations Pilot.

The **Affordable Housing EV-Ready Funding** will offer \$2,500 per parking stall for make-ready in affordable housing development. PGE estimates this can fund the make-ready for 360 parking stalls. The Company will issue a request for proposal for community-based organizations to manage the distribution of these funds.

PGE designed this funding to help low-income housing projects meet the new building code requirements from HB 2180, which requires that all new multifamily buildings (5 units or more) have installed conduit for Level 2 EVSE at 20 percent of the building's parking stalls. The bill allows local governments to require more. The Oregon Land Conservation and Development Commission adopted a temporary rule in June 2022 that requires cities within metropolitan areas to do so.

Staff notes, make-ready investments that are required by code should generally not be subsidized by ratepayers. Such expenditures attempt to support something that a program participant is required to do by law. However, PGE's limited grant program in this case appears to be a response to the possibility that these projects might not go forward. In this Budget, PGE describes the support as an effort to assist "projects in the pipeline today that may have secured fixed funding, but have not yet submitted permit applications, and will face the need to meet the new building code by the time they do so."¹⁰ The Company is then anticipating a temporary impact of implementation the new building code legislation. PGE does not intend to renew this Affordable Housing EV-Ready Funding beyond the proposed 2022 Budget.

PGE's proposed Affordable Housing EV-Ready Funding was not filed with an application. This is consistent with Staff's guidance earlier this year when no rules existed for the Monthly Meter Charge Budget. Staff told PGE that the absence of such rules means there was no legal requirement for an application for programs or measures that are entirely funded by the Monthly Meter Charge. Though that changed

¹⁰ See Docket No. UM 2033, PGE, *PGE's Proposed Monthly Meter Charge Budget for 2022 and Municipal Charging Collaboration Pilot Proposal*, July 29, 2022, p 18.

with the approval of new rules that trigger this requirement, Staff recommends the Commission waive the new requirement in this instance. Staff finds the information PGE has provided to be sufficient for the Commission to approve expenditures in the Budget.

The **Municipal Charging Collaborations Pilot** will design, own, and maintain electric vehicle (EV) chargers in public right-of-way and public property. The measure's intent is to leverage the siting of public property in underserved communities to install electric vehicle service equipment in areas that are least served by the current market. This measure is intended to be limited to building out 60 pole-mounted Level 2 ports, as a pilot. The Budget will support the launch of this pilot, funding standards development, outreach and education work, data analytics, and other startup operation and maintenance costs.

Among other technical requirements, PGE clarifies the Company will build these sites with a Society of Automotive Engineers (SAE) J-1772 standard with connectors that are compatible with all road-legal EVs for sale in the United States and equipment that is Open Charge Point Protocol (OCPP) v1.6 compliant (and remotely upgradable), enabling the flexibility to operate with a variety of network service providers.

PGE identifies learning objectives for this pilot. Among them PGE will identify additional customer barriers to TE, identify the attractiveness of the pilot to the municipalities, the ease of working with PGE, the general happiness with the pilot, and track impact on underserved communities, document success.

Staff finds PGE provided sufficient information for the Municipal Collaboration Pilot for the Commission to approve a budget for 2022. PGE's filing was based on the older Division 87 Section 30 requirements. PGE agrees to include an application for an expanded offering that will build from this pilot in the Company's next TE Plan that meets the new requirements.

Education and Outreach

PGE proposes to devote 11 percent of the Budget to three existing outreach and education activities:

1. "Ride and Drive" events, which are opportunities for consumers to try out electric vehicles by test driving or riding in them. This provides an earlier exposure than shopping at a dealership.
2. Web education, including:
 - a. EV Costs and Savings Calculator, and
 - b. Contract-based costs for web content.

3. The statewide education campaign is a joint brand-neutral communication effort in collaboration with PacifiCorp and Oregon Electric Vehicle Collaborative. This has previously been funded by Clean Fuels Program credit revenue. The goal of the campaign is “to engage and educate all Oregonians on transportation electrification and accelerate transportation electrification in the state.”¹¹ Additional funds from the 2022 monthly meter charge budget will cover purchased media management and dealer engagement. The expected outcome of this campaign is to deliver two messages to all Oregonians:
 - a. Electric transportation is available today for everyone (in multi-modal applications that meet a variety of transportation needs including rural, urban, on-road, off-road, micromobility, and public transit applications);
 - b. Transportation electrification is a critical piece of meeting the state’s environmental and climate goals.¹²

TE Plan Enablement

PGE proposes to devote nine percent of the Budget to develop the next TE Plan. PGE plans to:

1. Fund a contract with Espousal Strategies for collaborative problem solving, equity and inclusion, and community engagement: The Company aims to contract these services to conduct a needs assessment focusing on community-based organizations and direct outreach to members of underserved communities;
2. Product development: This is an administrative cost for the development of new products for the next TE Plan, “including rates development; retail charging strategy and customer experience; micromobility strategy, operational readiness for infrastructure measures; and expansion of the portfolio more broadly.”¹³
Project management: This is an administrative cost for managing the next TE Plan. PGE has contracted for project management services.

Stakeholder Comment

Flo filed written comments on August 16, 2022. Flo offered support for PGE’s budget, particularly the rebates for residential panel upgrades and the expansion of pole mounted chargers billing at Schedule 50 rates. Flo made two recommendations: 1) Require PGE to document the process to permit chargers in cities’ right-of-way to identify best practices, and 2) Specify a formula for PGE to measure compliance with its

¹¹ See Docket No. UM 2033, PGE, PGE’s Proposed Monthly Meter Charge Budget for 2022 and Municipal Charging Collaboration Pilot Proposal, July 29, 2022, p 20.

¹² Ibid p 21.

¹³ See Docket No. UM 2033, PGE, PGE’s Proposed Monthly Meter Charge Budget for 2022 and Municipal Charging Collaboration Pilot Proposal, July 29, 2022, p 22.

proposed 98 percent uptime target and apply all reliability requirements to publicly available chargers funded via the proposed budget.

PGE filed reply comments on September 1, 2022. PGE said the Company will integrate the documentation of right-of-way permitting best practices into PGE's pilot evaluation. Regarding a formula to measure uptime performance, PGE recommends this get taken up in the TE planning process and TE Plan Report metrics.

The City of Portland (City) filed comments in support of PGE's Municipal Charging Collaboration Pilot. The City states that PGE's proposal aligns and supports several citywide policy priorities. It will help the City reduce carbon emissions and provide equitable access to affordable charging rates to EV owners unable to charge at home.

Staff Recommendation and Rationale

Staff recommends the Commission approve PGE's Budget because it satisfies both the statutory requirements and Staff's interim guidance. PGE's Budget complies with statutory requirements in the following ways:

- **Monthly meter surcharge assessment:** As noted, HB 2165 requires the monthly meter charge to be assessed at one quarter of one percent of the Company's total revenue from retail customers. The Company's forecast of around \$5.2 million is around this amount based on observed gross revenue from 2021.¹⁴
- **Budget format:** PGE has presented the Budget with the granularity Staff recommended at the November 30, 2021, Special Public Meeting. The Company's Budget breaks expenditures down by activity, expenditure type, and estimates expenditures on underserved communities.
- **Types of expenditures:** Staff reviewed the budget PGE filed compared to its TE Plan that was accepted by the Commission and found that the budget was made on elements contained in the TE Plan as required by statute.
- **Expenditures on underserved communities:** HB 2165 requires electric companies to make reasonable efforts to expend not less than one-half of the amount collected from the monthly meter charge on underserved communities. PGE plans to expend 56 percent of this Budget on underserved communities.¹⁵

PGE's Budget satisfies Staff's interim guidance aligns in the following ways:

¹⁴ OPUC. *Oregon Utility Statistics* forthcoming, p 8.

¹⁵ See Docket No. UM 2033, PGE, *PGE's Proposed Monthly Meter Charge Budget for 2022 and Municipal Charging Collaboration Pilot Proposal*, July 29, 2022, p 9.

- **Budget cadence and contents:** PGE satisfied this requirement by filing the budget for calendar year 2022 and broke out both an annual estimate of spending by program and an annual forecast of its spending on underserved communities.
- **Underserved community definitions:** PGE makes a reasonable effort to ensure that expenditures on underserved communities are validated by the definitions that Staff recommended at the November 30, 2021, Special Public Meeting. Staff recommended utilities verify a program participant is a member of an HB 2165 underserved community or that a TE investment is sited within a geographic definition of an underserved community. The Company is using both means of verification.
- **Engagement and outreach to underserved communities in plan development:** PGE plans to directly engage members of underserved communities to identify preferred spending of the earmarked spending of the monthly meter on those communities. The Company is developing plans to consult directly with representatives of underserved communities.

Other Considerations

Staff notes that this Budget is a one-off approval for 2022 made necessary for compliance with HB 2165. From AR 654, new draft rules for Division 87 now spell out a more holistic budget review process for a three-year planning cycle. Staff makes a recommendation to approve this Budget with the understanding that a more complete picture of the Company's entire portfolio of TE activities will soon follow. In filing this Budget, PGE has made a good faith effort to meet the requirements of the new law while the Company is also preparing for a more robust public review of the more detailed TE Plan.

Conclusion

Staff recommends the Commission approve PGE's 2022 Monthly Meter Charge Budget. The Budget meets the statutory requirements of HB 2165 and Staff guidance from the November 30, 2021, Special Public Meeting. Staff recommends the Commission waive PGE's requirement to file an application for the Affordable Housing EV-Ready Funding, and accept the Company's application for the Municipal Charging Collaborations Pilot based on the previous Division 87 rules, with the expectation the Company will file a Municipal Charging Collaborations application based on the new rules in the forthcoming TE Plan. The Company has provided sufficient information for approval of these 2022 Budget expenditures. A more complete review of PGE's entire TE portfolio is expected to begin later this year with PGE's next TE Plan.

Docket No. UM 2033
October 10, 2022
Page 12

PROPOSED COMMISSION MOTION:

Approve PGE's 2022 Monthly Meter Charge Budget and associated infrastructure measure applications.

RA1 UM 2033