

HB 4066 -3, -5, -6, -8 STAFF MEASURE SUMMARY

House Committee On Energy and Environment

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Meeting Dates: 2/4, 2/13

WHAT THE MEASURE DOES:

Authorizes Public Utility Commission to allow electric companies to recover costs for prudent investments or expenses in infrastructure measures that support adoption of electric vehicles if certain criteria are met. Requires investments to support reductions of transportation sector greenhouse gas emissions over time and benefit ratepayers in certain ways. Declares emergency, effective on passage.

Fiscal Impact: No statement yet issued.

Revenue Impact: No statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-3 Authorizes the PUC to allow an electric company to recover costs from rate payers for prudent investments related to infrastructure measures that support the adoption and service of electric vehicles, if consistent with certain factors. Stipulates an investment, made or incurred by an electric company, in expenses related to EV infrastructure is a utility benefit and a benefit to ratepayers if it can be reasonably expected to: support reductions of transportation sector greenhouse gas emissions; and benefit ratepayers in certain ways. Requires an electric company to allow for customer choice in the selection of the type of electric vehicle charging station. Authorizes electric company to prequalify multiple types of electric vehicle charging stations. Declares that nothing restricts or prohibits certain entities that furnish natural gas, electricity, ethanol, methanol, methane, biodiesel or other alternative fuel for use in motor vehicles and does not furnish any utility service from furnishing electricity to any number of customers for use in motor vehicles.

-5 Requires an **electric company** to have and operate in compliance with a risk-based wildfire protection plan (Plan) approved by the Oregon Public Utility Commission (PUC). Requires the Plan to be submitted by the electric company every three years. Requires at a minimum that the plan: 1) identify areas at heightened risk of wildfire; 2) identify cost effective means for mitigating risk that reflects a balancing of mitigation costs with reduction of wildfire risk; 3) identify preventive actions and programs; 4) identify protocol for deenergizing power lines and adjusting system operations; 5) describe infrastructure inspection procedures, standards and time frames in identified heightened risk areas; 6) describe vegetation management procedures, standards and time frames in identified heightened risk areas; 7) identify the development, implementation and administration costs of the plan; and 8) identify community and public outreach efforts. Requires PUC in consultation with State Forestry Department and local emergency service agencies to review the Plan and approve the submitted Plan or disapprove the plan and inform the electric company of necessary modifications. Requires PUC to adopt rules for the review process. Requires a **consumer-owned utility** (COU) to have and operate in compliance with a risk-based wildfire mitigation plan (Mitigation Plan) approved by governing body. Requires COU's Mitigation Plan to be updated on a schedule the governing body deems consistent with prudent utility practices. Requires the COU to submit a copy of the Mitigation Plan to the PUC to facilitate statewide wildfire mitigation planning and

preparedness functions. Requires PUC to convene periodic workshops. Stipulates electric company must submit first plan no later than December 31, 2020 and a COU must submit no later than December 31, 2021. Stipulates language does not affect the terms or conditions of easements held by electric utility over private land.

-6 Replaces measure with exception of emergency clause. Defines key terms. Makes legislative findings. Authorizes the Public Utility Commission (PUC) to allow an electric company to recover costs from retail electricity consumers for prudent infrastructure measures to support transportation electrification (EV Infrastructure) if it is consistent with and meet certain requirements. Stipulates that EV Infrastructure measures taken by electric company is a benefit to the customer if it can be reasonably anticipate to support reductions of greenhouse gas emissions over time; and provide customer benefits that include: distribution or transmission management; revenues from charging to offset fixed costs; system efficiencies or other economic values; or increased customer choice. Requires PUC to consider certain factors when considering expenditures for an EV infrastructure program that is not an infrastructure measure. Requires that if an electric company is undertaking measures that involve the instillation of one or more charging stations the company must allow for customer choice in the selection of the type of electric vehicle charging station. Authorizes electric company to prequalify multiple types of electric vehicle charging stations. Declares that nothing restricts or prohibits certain entities that furnish natural gas, electricity, ethanol, methanol, methane, biodiesel or other alternative fuel for use in motor vehicles and does not furnish any utility service from furnishing electricity to any number of customers for use in motor vehicles. Requires a consumer-owned utility to register as a credit aggregator and credit generator under the clean fuels program. Requires consumer-owned utility participating in the clean fuels program to use revenue from the sale of credits generated from the sale of electricity for residential charging programs, that meets certain requirements, to accelerate transportation electrification. Requires electric company to file proposed programs with the PUC. Specifies requirements for qualifying electrification programs and authorizes PUC to adopt additional requirements via rulemaking. Requires the PUC to submit and annual report on the programs funded using clean fuels program revenues. Requires the governing body of a consumer-owned utility to submit and annual report on the programs funded using clean fuels program revenues. Repeals portion of Act regarding consumer-owned utilities January 2, 2026. Stipulates that Act refers to clean fuels program revenue and programs implemented on or after January 1, 2021

-8 Mirrors the language in the -5 amendment with the additional requirement that the PUC consider the benefits of risk-based wildfire protection plan to the electric company customers and investors in their review process.

BACKGROUND:

Senate Bill 978 (2017) directed the Oregon Public Utility Commission to establish a public process for investigating how developing industry trends, technologies, and policy drivers impact the existing regulatory system and incentives the PUC currently employs. One of the items identified by some participants in the Senate Bill 978 (2017) report was that an efficient way to reduce emissions was by electric utilities working to reduce emissions outside of the electric sector through beneficial electrification of other fuel uses, such as electric vehicles and other forms of electrified transportation.

House Bill 4066 would authorize the PUC to allow electric companies to recover costs for prudent investments in infrastructure measures that support the adoption of electric vehicles if certain criteria are met.