House Bill 4135

Sponsored by Representative MCKEOWN, Senator ROBLAN; Representatives HELM, HOLVEY, LIVELY, MCLAIN, MEEK, MITCHELL, PILUSO, REARDON, SANCHEZ, SCHOUTEN, WILLIAMS (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Requires electric companies to expend any revenues from participation as credit aggregator or credit generator in clean fuels program on transportation electrification. Requires electric companies to invest no less than one percent of total rates collected annually from retail electricity consumers in programs to accelerate transportation electrification. Requires Public Utility Commission to report annually to Legislative Assembly on programs funded as required by Act. Sunsets January 2, 2026.

Authorizes commission to allow electric companies to recover costs for prudent investments or expenses in infrastructure measures that support transportation electrification if certain criteria are met.

Requires consumer-owned utilities to expend any revenues from participation as credit aggregator or credit generator in clean fuels program on transportation electrification. Requires consumer-owned utilities to invest no less than one percent of total rates collected annually from electricity customers in programs to accelerate transportation electrification. Requires governing bodies of consumer-owned utilities to report annually to Legislative Assembly on programs funded as required by Act. Sunsets January 2, 2026.

A BILL FOR AN ACT

Relating to transportation electrification; creating new provisions; and amending ORS 757.357.

Be It Enacted by the People of the State of Oregon:

PROVISIONS RELATED TO ELECTRIC COMPANIES

SECTION 1. Sections 2 to 4 and 6 of this 2020 Act and ORS 757.357 are added to and made a part of ORS chapter 757.

SECTION 2. As used in sections 2 to 4 of this 2020 Act:

(1) “Clean fuels program” has the meaning given that term in ORS 468A.265.

(2) “Credit” has the meaning given that term in ORS 468A.265.

(3) “Credit aggregator” has the meaning given that term in ORS 468A.265.

(4) “Credit generator” has the meaning given that term in ORS 468A.265.

(5) “Electric company” has the meaning given that term in ORS 757.600.

(6) “Retail electricity consumer” has the meaning given that term in ORS 757.600.

(7) “Transportation electrification” has the meaning given that term in ORS 757.357.

SECTION 3. (1) An electric company that is a credit aggregator or credit generator and that receives revenues through the sale of credits under the clean fuels program shall use the revenues for programs to accelerate transportation electrification. An electric company shall file an application with the Public Utility Commission for acceptance of a proposed program funded with clean fuels program revenues. Applications filed under this section are subject to ORS 757.357.

(2) Programs to accelerate transportation electrification funded with clean fuels program

NOTE: Matter in boldfaced type in an amended section is new; matter [italic and bracketed] is existing law to be omitted. New sections are in boldfaced type.

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revenues must:

(a) Support the goal of electrifying Oregon’s transportation sectors;
(b) Provide a majority of the benefits to residential electricity customers;
(c) Provide benefits to traditionally underserved communities;
(d) Be designed to be independent from ratepayer support;
(e) Be developed collaboratively and transparently; and
(f) Maximize the use of clean fuels program revenues for implementation of the pro-
grams.

(3) The commission may, by rule or order, adopt additional program design guidance or
a program selection process to guide electric companies in the use of clean fuels program
revenues.

(4) The commission shall submit an annual report to the Legislative Assembly on the
programs for transportation electrification funded by electric companies with clean fuels
program revenues. The report shall be submitted in the manner provided in ORS 192.245, and
shall include an explanation of how the programs align with the principles set forth in sub-
section (2) of this section. The report required by this subsection may be combined with the
report required under section 4 of this 2020 Act.

SECTION 4. (1) An electric company shall invest no less than one percent of the total
rates collected annually by the electric company from retail electricity consumers in pro-
grams to accelerate transportation electrification. An electric company shall file an applica-
tion with the Public Utility Commission for acceptance of a proposed program funded with
revenues collected under this section. Applications filed under this section are subject to
ORS 757.357.

(2) The commission shall submit an annual report, in the manner provided in ORS
192.245, to the Legislative Assembly on the programs for transportation electrification funded
as required by this section.

SECTION 5. ORS 757.357 is amended to read:

757.357. (1) As used in this section and section 6 of this 2020 Act:
(a) “Electric company” has the meaning given that term in ORS 757.600.
(b) “Transportation electrification” means:
(A) The use of electricity from external sources to provide power to all or part of a vehicle;
(B) Programs related to developing the use of electricity for the purpose described in subpara-
graph (A) of this paragraph; and

(C) Infrastructure investments related to developing the use of electricity for the purpose de-
scribed in subparagraph (A) of this paragraph.
(c) “Vehicle” means a vehicle, vessel, train, boat or any other equipment that is mobile.

(2) The Legislative Assembly finds and declares that:
(a) Transportation electrification is necessary to reduce petroleum use, achieve optimum levels
of energy efficiency and carbon reduction, meet federal and state air quality standards, meet this
state’s greenhouse gas emissions reduction goals described in ORS 468A.205 and improve the public
health and safety;
(b) Widespread transportation electrification requires that electric companies increase access to
the use of electricity as a transportation fuel;
(c) Widespread transportation electrification requires that electric companies increase access to
the use of electricity as a transportation fuel in low and moderate income communities;
(d) Widespread transportation electrification should stimulate innovation and competition, provide consumers with increased options in the use of charging equipment and in procuring services from suppliers of electricity, attract private capital investments and create high quality jobs in this state;

(e) Transportation electrification and the purchase and use of electric vehicles should assist in managing the electrical grid, integrating generation from renewable energy resources and improving electric system efficiency and operational flexibility, including the ability of an electric company to integrate variable generating resources;

(f) Deploying transportation electrification and electric vehicles creates the opportunity for an electric company to propose, to the Public Utility Commission, that a net benefit for the customers of the electric company is attainable; and

(g) Charging electric vehicles in a manner that provides benefits to electrical grid management affords fuel cost savings for vehicle drivers.

(3) The Public Utility Commission shall direct each electric company to file applications, in a form and manner prescribed by the commission, for programs to accelerate transportation electrification. A program proposed by an electric company may include prudent investments in or customer rebates for electric vehicle charging and related infrastructure.

(4) When considering a transportation electrification program and determining cost recovery for investments and other expenditures related to a program proposed by an electric company under subsection (3) of this section, the commission shall consider whether the investments and other expenditures:

(a) Are within the service territory of the electric company;
(b) Are prudent as determined by the commission;
(c) Are reasonably expected to be used and useful as determined by the commission;
(d) Are reasonably expected to enable the electric company to support the electric company’s electrical system;

(e) Are reasonably expected to improve the electric company’s electrical system efficiency and operational flexibility, including the ability of the electric company to integrate variable generating resources; and

(f) Are reasonably expected to stimulate innovation, competition and customer choice in electric vehicle charging and related infrastructure and services.

(5)(a) Tariff schedules and rates allowed pursuant to subsection (3) of this section:
(A) May allow a return of and a return on an investment made by an electric company under subsection (3) of this section; and
(B) Shall be recovered from all customers of an electric company in a manner that is similar to the recovery of distribution system investments.

(b) A return on investment allowed under this subsection may be earned for a period of time that does not exceed the depreciation schedule of the investment approved by the commission. When an electric company’s investment is fully depreciated, the commission may authorize the electric company to donate the electric vehicle charging infrastructure to the owner of the property on which the infrastructure is located.

(6) For purposes of ORS 757.355, electric vehicle charging infrastructure provides utility service to the customers of an electric company.

(7) In authorizing programs described in subsection (3) of this section, the commission shall review data concerning current and future adoption of electric vehicles and utilization of electric ve-
hicle charging infrastructure. If market barriers unrelated to the investment made by an electric
compartment prevent electric vehicles from adequately utilizing available electric vehicle charging
infrastructure, the commission may not permit additional investments in transportation
electrification without a reasonable showing that the investments would not result in long-term
stranded costs recoverable from the customers of electric companies.

SECTION 6. (1) The Public Utility Commission may allow an electric company to recover
costs from all ratepayers for prudent investments or expenses in infrastructure measures,
including infrastructure measures behind the meter, that support transportation
electrification if the investments are consistent with and meet the requirements of sub-
section (2) of this section.

(2) An investment in infrastructure measures that support transportation electrification
is a utility service and a benefit to utility ratepayers if the investment can be reasonably
anticipated to:
   (a) Support reductions of transportation sector greenhouse gas emissions over time; and
   (b) Benefit the electric company’s ratepayers in ways that may include, but need not be
limited to:
      (A) Distribution or transmission management benefits;
      (B) Revenues to utilities from electric vehicle charging to offset utilities’ fixed costs that
may otherwise be charged to ratepayers;
      (C) System efficiencies or other economic values inuring to the benefit of ratepayers over
the long term; or
      (D) Increased ratepayer choice through provision of greater transportation electrification
infrastructure deployment to increase availability of and access to public and private electric
vehicle charging stations.

PROVISIONS RELATED TO CONSUMER-OWNED UTILITIES

SECTION 7. (1) As used in this section and section 8 of this 2020 Act:
(a) “Clean fuels program” has the meaning given that term in ORS 468A.265.
(b) “Consumer-owned utility” has the meaning given that term in ORS 757.600.
(c) “Credit” has the meaning given that term in ORS 468A.265.
(d) “Credit aggregator” has the meaning given that term in ORS 468A.265.
(e) “Credit generator” has the meaning given that term in ORS 468A.265.
(f) “Transportation electrification” has the meaning given that term in ORS 757.357.

(2) A consumer-owned utility that is a credit aggregator or credit generator and that
receives revenues through the sale of credits under the clean fuels program must use the
revenues for programs to accelerate transportation electrification, as approved by the gov-
erning body of the consumer-owned utility.

(3) Programs to accelerate transportation electrification funded with clean fuels program
revenues must:
   (a) Support the goal of electrifying Oregon’s transportation sectors;
   (b) Provide a majority of the benefits to residential electricity customers;
   (c) Provide benefits to traditionally underserved communities;
   (d) Be designed, to the extent feasible, such that clean fuels program revenues received
by the consumer-owned utility are sufficient to pay the costs of the programs;
(e) Be developed collaboratively and transparently; and

(f) Maximize the use of clean fuels program revenues for implementation of the programs.

(4) The governing body of a consumer-owned utility subject to this section shall submit an annual report to the Legislative Assembly on the programs for transportation electrification funded by the consumer-owned utility with clean fuels program revenues. The report shall be submitted in the manner provided in ORS 192.245, and shall include an explanation of how the programs align with the principles set forth in subsection (3) of this section. The report required by this section may be combined with the report required by section 8 of this 2020 Act.

SECTION 8. (1) A consumer-owned utility shall invest no less than one percent of the total rates collected annually by the consumer-owned utility from customers in programs to accelerate transportation electrification. The governing body of the consumer-owned utility shall develop a process for approval of proposed programs to be funded with revenues collected under this section.

(2) The governing body of a consumer-owned utility shall submit an annual report, in the manner provided in ORS 192.245, to the Legislative Assembly on the programs for transportation electrification funded as required by this section.

SUNSET

SECTION 9. Sections 2 to 4, 7 and 8 of this 2020 Act are repealed on January 2, 2026.

MISCELLANEOUS

SECTION 10. Sections 2 to 4, 7 and 8 of this 2020 Act apply to rates collected and programs implemented on and after January 1, 2021.

SECTION 11. The unit captions used in this 2020 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2020 Act.