

Requested by HOUSE COMMITTEE ON ENERGY AND ENVIRONMENT

**PROPOSED AMENDMENTS TO
HOUSE BILL 4066**

1 In line 2 of the printed bill, after “Commission;” insert “creating new
2 provisions; amending ORS 757.259 and 757.357;”.

3 Delete lines 4 through 25 and insert:

4 **“SECTION 1.** ORS 757.357 is amended to read:

5 **“757.357. (1) As used in this section:**

6 **“(a) ‘Electric company’ has the meaning given that term in ORS 757.600.**

7 **“(b)(A) ‘Infrastructure measures’ includes, but is not limited to,
8 investments in, expenses related to or rebates for:**

9 **“(i) Distribution system infrastructure that supports transportation
10 electrification;**

11 **“(ii) Communication and control technologies that support trans-
12 portation electrification; and**

13 **“(iii) Behind the meter infrastructure that supports transportation
14 electrification and is owned by an electric company or by a customer.**

15 **“(B) ‘Infrastructure measures’ does not include investments in or
16 expenses related to education and outreach activities related to
17 transportation electrification, or other transportation electrification-
18 related activities determined by the Public Utility Commission to be
19 separate and distinct from the development of infrastructure.**

20 **“(c) ‘Retail electricity consumer’ has the meaning given that term
21 in ORS 757.600.**

1 “[*b*] (d) ‘Transportation electrification’ means:

2 “(A) The use of electricity from external sources to provide power to all

3 or part of a vehicle;

4 “(B) Programs related to developing the use of electricity for the purpose

5 described in subparagraph (A) of this paragraph; [*and*]

6 “(C) Infrastructure [*investments*] **measures** related to developing the use

7 of electricity for the purpose described in subparagraph (A) of this

8 paragraph[.]; **and**

9 **“(D) Programs related to supporting the adoption and service of**

10 **vehicles powered as described in subparagraph (A) of this paragraph.**

11 “[*c*] (e) ‘Vehicle’ means a vehicle, vessel, train, boat or any other

12 equipment that is mobile.

13 “(2) The Legislative Assembly finds and declares that:

14 “(a) Transportation electrification is necessary to reduce petroleum use,

15 achieve optimum levels of energy efficiency and carbon reduction, meet fed-

16 eral and state air quality standards, meet this state’s greenhouse gas emis-

17 sions reduction goals described in ORS 468A.205 and improve the public

18 health and safety;

19 “(b) Widespread transportation electrification requires that electric com-

20 panies increase access to the use of electricity as a transportation fuel;

21 “(c) Widespread transportation electrification requires that electric com-

22 panies increase access to the use of electricity as a transportation fuel in low

23 and moderate income communities;

24 “(d) Widespread transportation electrification should stimulate innovation

25 and competition, provide consumers with increased options in the use of

26 charging equipment and in procuring services from suppliers of electricity,

27 attract private capital investments and create high quality jobs in this state;

28 “(e) Transportation electrification and the purchase and use of electric

29 vehicles should assist in managing the electrical grid, integrating generation

30 from renewable energy resources and improving electric system efficiency

1 and operational flexibility, including the ability of an electric company to
2 integrate variable generating resources;

3 “(f) Deploying transportation electrification and electric vehicles creates
4 the opportunity for an electric company to propose, to the [*Public Utility*]
5 commission, that a net benefit for the customers of the electric company is
6 attainable; and

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

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

14 “(4) **The commission may allow an electric company to recover**
15 **costs from retail electricity consumers for prudent infrastructure**
16 **measures to support transportation electrification if the infrastructure**
17 **measures are consistent with and meet the requirements of subsection**
18 **(5) of this section.**

19 “(5) **If undertaken by an electric company, an infrastructure meas-**
20 **ure to support transportation electrification is a utility service and a**
21 **benefit to utility customers if the infrastructure measure can be rea-**
22 **sonably anticipated to:**

23 “(a) **Support reductions of transportation sector greenhouse gas**
24 **emissions over time; and**

25 “(b) **Benefit the electric company’s customers in ways that may**
26 **include, but need not be limited to:**

27 “(A) **Distribution or transmission management benefits;**

28 “(B) **Revenues to utilities from electric vehicle charging to offset**
29 **utilities’ fixed costs that may otherwise be charged to customers;**

30 “(C) **System efficiencies or other economic values inuring to the**

1 **benefit of customers over the long term; or**

2 **“(D) Increased customer choice through greater transportation**
3 **electrification infrastructure deployment to increase availability of**
4 **and access to public and private electric vehicle charging stations.**

5 **“[(4)] (6) When considering a transportation electrification program and**
6 **determining cost recovery for investments and other expenditures that are**
7 **not infrastructure measures and that are** related to a program proposed
8 by an electric company under subsection (3) of this section, the commission
9 shall consider whether the investments and other expenditures:

10 **“(a) Are within the service territory of the electric company;**

11 **“(b) Are prudent as determined by the commission;**

12 **“(c) Are reasonably expected to be used and useful as determined by the**
13 **commission;**

14 **“(d) Are reasonably expected to enable the electric company to support**
15 **the electric company’s electrical system;**

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

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

22 **“(7) In undertaking infrastructure measures that involve the in-**
23 **stallation of one or more electric vehicle charging stations, an electric**
24 **company must allow for customer choice in the selection of the type**
25 **of electric vehicle charging station to be installed, subject to equip-**
26 **ment eligibility as determined by the electric company. An electric**
27 **company may prequalify multiple types of eligible electric vehicle**
28 **charging stations based on criteria determined by the electric com-**
29 **pany.**

30 **“(8) Nothing in this section restricts or prohibits a corporation,**

1 **company, partnership, individual or association of individuals exempt**
2 **from regulation under ORS 757.005 (1)(b)(G) from furnishing electricity**
3 **to any number of customers for use in motor vehicles.**

4 “[5)(a)] **(9)(a)** Tariff schedules and rates allowed pursuant to [subsection
5 (3)] **subsections (3) to (6)** of this section:

6 “(A) May allow a return of and a return on an investment made by an
7 electric company under [subsection (3)] **subsections (3) to (6)** of this section;
8 and

9 “(B) Shall be recovered from [all customers] **the retail electricity con-**
10 **sumers** of an electric company in a manner [that is similar to the recovery
11 of distribution system investments] **determined by the commission.**

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

18 “[6)] **(10)** For purposes of ORS 757.355, electric vehicle charging
19 infrastructure provides utility service to the customers of an electric com-
20 pany.

21 “[7)] **(11)** In authorizing programs described in subsection (3) of this
22 section, the commission shall review data concerning current and future
23 adoption of electric vehicles and utilization of electric vehicle charging
24 infrastructure. If market barriers unrelated to the investment **or expendi-**
25 **tures** made by an electric company prevent electric vehicles from adequately
26 utilizing available electric vehicle charging infrastructure, the commission
27 may not permit additional investments in **or expenditures related to sup-**
28 **porting** transportation electrification without a reasonable showing that the
29 investments **or expenditures** would not result in long-term stranded costs
30 recoverable from the [customers] **retail electricity consumers** of electric

1 companies.

2 **“SECTION 2. Section 3 of this 2020 Act and ORS 757.357 are added**
3 **to and made a part of ORS chapter 757.**

4 **“SECTION 3. (1) As used in this section:**

5 **“(a) ‘Clean fuels program’ has the meaning given that term in ORS**
6 **468A.265.**

7 **“(b) ‘Credit’ has the meaning given that term in ORS 468A.265.**

8 **“(c) ‘Electric company’ has the meaning given that term in ORS**
9 **757.600.**

10 **“(d) ‘Multifamily housing’ means a structure or facility established**
11 **primarily to provide housing that provides four or more living units**
12 **and where the individual parking spaces that an electric vehicle**
13 **charger serves, and the charging equipment itself, are not deeded to**
14 **or owned by a single resident.**

15 **“(e)(A) ‘Residential charging’ means the use of electricity to charge**
16 **an electric vehicle at a residence.**

17 **“(B) ‘Residential charging’ does not mean the use of electricity to**
18 **charge an electric vehicle at a public access charging facility, a fleet**
19 **charging facility, a workplace private access charging facility or at**
20 **multifamily housing.**

21 **“(f) ‘Transportation electrification’ has the meaning given that**
22 **term in ORS 757.357.**

23 **“(2) Subject to subsection (4) of this section, an electric company**
24 **participating in the clean fuels program shall use revenues from the**
25 **sale of credits generated from the sale of electricity for residential**
26 **charging for programs to accelerate transportation electrification. An**
27 **electric company shall file with the Public Utility Commission pro-**
28 **posed programs consistent with the requirements of subsection (3) of**
29 **this section.**

30 **“(3) Programs to support the acceleration of transportation**

1 **electrification funded with revenues from the sale of credits described**
2 **in subsection (2) of this section must:**

3 **“(a) Support the goal of electrifying Oregon’s transportation sec-**
4 **tors;**

5 **“(b) Provide a majority of the benefits to residential electricity**
6 **customers;**

7 **“(c) Provide benefits to traditionally underserved communities;**

8 **“(d) Be designed to be independent from ratepayer support;**

9 **“(e) Be developed collaboratively and transparently; and**

10 **“(f) Maximize the use of clean fuels program revenues for imple-**
11 **mentation of the programs.**

12 **“(4) An electric company is not subject to this section if the electric**
13 **company receives a level of annual revenues through the sale of**
14 **credits under the clean fuels program that is below a threshold level**
15 **established by the commission by rule.**

16 **“(5) The commission may, by rule or order, adopt additional pro-**
17 **gram design guidance or a program selection process to guide electric**
18 **companies in the use of clean fuels program revenues.**

19 **“(6) The commission shall submit to the Legislative Assembly an**
20 **annual report on the programs to support acceleration of transporta-**
21 **tion electrification funded by electric companies with clean fuels pro-**
22 **gram revenues. The report shall be submitted in the manner provided**
23 **in ORS 192.245 and shall include an explanation of how the programs**
24 **align with the principles set forth in subsection (3) of this section.**

25 **“SECTION 4. (1) As used in this section:**

26 **“(a) ‘Clean fuels program’ has the meaning given that term in ORS**
27 **468A.265.**

28 **“(b) ‘Consumer-owned utility’ has the meaning given that term in**
29 **ORS 757.600.**

30 **“(c) ‘Credit’ has the meaning given that term in ORS 468A.265.**

1 “(d) ‘Credit aggregator’ has the meaning given that term in ORS
2 468A.265.

3 “(e) ‘Credit generator’ has the meaning given that term in ORS
4 468A.265.

5 “(f) ‘Transportation electrification’ has the meaning given that
6 term in ORS 757.357.

7 “(2) A consumer-owned utility must register as a credit aggregator
8 and a credit generator under the clean fuels program for credit gen-
9 eration from the sale of electricity used to charge an electric vehicle
10 within the consumer-owned utility’s service territory. Revenues re-
11 ceived by a consumer-owned utility through the sale of credits under
12 the clean fuels program must be used for programs to support the
13 acceleration of transportation electrification, as approved by the gov-
14 erning body of the consumer-owned utility.

15 “(3) Programs to support the acceleration of transportation
16 electrification funded with clean fuels program revenues must:

17 “(a) Support the goal of electrifying Oregon’s transportation sec-
18 tors;

19 “(b) Provide a majority of the benefits to residential electricity
20 customers;

21 “(c) Provide benefits to traditionally underserved communities;

22 “(d) Be designed, to the extent feasible, such that clean fuels pro-
23 gram revenues received by the consumer-owned utility are sufficient
24 to pay the costs of the programs;

25 “(e) Be developed collaboratively and transparently; and

26 “(f) Maximize the use of clean fuels program revenues for imple-
27 mentation of the programs.

28 “(4) The governing body of a consumer-owned utility subject to this
29 section shall submit to the Legislative Assembly an annual report on
30 the programs for transportation electrification funded by the

1 consumer-owned utility with clean fuels program revenues. The re-
2 port shall be submitted in the manner provided in ORS 192.245 and
3 shall include an explanation of how the programs align with the prin-
4 ciples set forth in subsection (3) of this section.

5 **“SECTION 5.** Section 4 of this 2020 Act is repealed on January 2,
6 2026.

7 **“SECTION 6.** Sections 3 and 4 of this 2020 Act apply to clean fuels
8 program revenues collected and programs implemented on and after
9 January 1, 2021.

10 **“SECTION 7.** Sections 8 to 10 and 13 of this 2020 Act are added to
11 and made a part of ORS chapter 757.

12 **“SECTION 8.** (1) As used in this section, ‘electric company’ has the
13 meaning given that term in ORS 757.600.

14 **“(2)** An electric company must have and operate in compliance with
15 a risk-based wildfire protection plan approved by the Public Utility
16 Commission.

17 **“(3)** An electric company shall submit a risk-based wildfire pro-
18 tection plan to the commission every three years. The plan must, at
19 a minimum:

20 **“(a)** Identify areas within the service territory of the electric com-
21 pany that are subject to a heightened risk of wildfire.

22 **“(b)** Identify a means for mitigating wildfire risk that is cost effec-
23 tive and reflects a reasonable balancing of mitigation costs with the
24 resulting reduction of wildfire risk.

25 **“(c)** Identify preventive actions and programs that the electric
26 company will carry out to minimize the risk of company facilities
27 causing a wildfire.

28 **“(d)** Identify a protocol for the deenergizing of power lines and ad-
29 justing power system operations to mitigate wildfires, promote the
30 safety of the public and first responders and preserve health and

1 **communication infrastructure.**

2 **“(e) Describe the procedures, standards and time frames that the**
3 **electric company will use to inspect company infrastructure in areas**
4 **that the company identifies under paragraph (a) of this subsection.**

5 **“(f) Describe the procedures, standards and time frames that the**
6 **electric company will use to carry out vegetation management in areas**
7 **that the company identifies under paragraph (a) of this subsection.**

8 **“(g) Identify the development, implementation and administration**
9 **costs for the plan.**

10 **“(h) Identify the community outreach and public awareness efforts**
11 **that the electric company will use before, during and after a wildfire**
12 **season.**

13 **“(4) The commission, in consultation with the State Forestry De-**
14 **partment and local emergency services agencies, shall review a**
15 **wildfire protection plan that an electric company submits under this**
16 **section. The commission shall:**

17 **“(a) Approve the submitted plan; or**

18 **“(b) Disapprove the submitted plan and inform the electric company**
19 **of the modifications necessary to obtain approval.**

20 **“(5) The commission shall adopt rules for the implementation of**
21 **this section and section 9 of this 2020 Act.**

22 **“(6) Nothing in this section prohibits the recovery of costs deferred**
23 **under ORS 757.259.**

24 **“SECTION 9. (1) As used in this section, ‘consumer-owned utility’**
25 **and ‘governing body’ have the meanings given those terms in ORS**
26 **757.600.**

27 **“(2) A consumer-owned utility must have and operate in compliance**
28 **with a risk-based wildfire mitigation plan approved by the governing**
29 **body of the utility. The utility shall regularly update the risk-based**
30 **wildfire mitigation plan on a schedule the governing body deems con-**

1 **sistent with prudent utility practices.**

2 **“(3) A consumer-owned utility shall conduct a wildfire risk assess-**
3 **ment of utility facilities. The utility shall review and revise the as-**
4 **essment on a schedule the governing body deems consistent with**
5 **prudent utility practices.**

6 **“(4) A consumer-owned utility shall submit a copy of the risk-based**
7 **wildfire mitigation plan approved by the utility governing body to the**
8 **Public Utility Commission to facilitate commission functions regard-**
9 **ing statewide wildfire mitigation planning and wildfire preparedness.**

10 **“SECTION 10. The Public Utility Commission shall periodically**
11 **convene workshops for the purpose of helping electric companies as**
12 **defined in ORS 757.600, consumer-owned utilities as defined in ORS**
13 **757.600 and operators of electrical distribution systems to develop and**
14 **share information for the identification, adoption and carrying out of**
15 **best practices regarding wildfires, including but not limited to risk-**
16 **based wildfire protection and risk-based wildfire mitigation procedures**
17 **and standards.**

18 **“SECTION 11. An electric company shall submit the first risk-based**
19 **wildfire protection plan required of the company under section 8 of**
20 **this 2020 Act no later than December 31, 2020.**

21 **“SECTION 12. A consumer-owned utility shall submit the first**
22 **risk-based wildfire mitigation plan required under section 9 of this 2020**
23 **Act to the utility governing body no later than December 31, 2021.**

24 **“SECTION 13. (1) As used in this section, ‘electric utility’ has the**
25 **meaning given that term in ORS 757.600.**

26 **“(2) The provisions of sections 8 and 9 of this 2020 Act do not affect**
27 **the terms or conditions of easements held by an electric utility over**
28 **private land as of the effective date of this 2020 Act.**

29 **“SECTION 14. ORS 757.259 is amended to read:**

30 **“757.259. (1) In addition to powers otherwise vested in the Public Utility**

1 Commission, and subject to the limitations contained in this section, under
2 amortization schedules set by the commission, a rate or rate schedule:

3 “(a) May reflect:

4 “(A) Amounts lawfully imposed retroactively by order of another govern-
5 mental agency; or

6 “(B) Amounts deferred under subsection (2) of this section.

7 “(b) Shall reflect amounts deferred under subsection (3) of this section if
8 the public utility so requests.

9 “(2) Upon application of a utility or ratepayer or upon the commission’s
10 own motion and after public notice, opportunity for comment and a hearing
11 if any party requests a hearing, the commission by order may authorize
12 deferral of the following amounts for later incorporation in rates:

13 “(a) Amounts incurred by a utility resulting from changes in the whole-
14 sale price of natural gas or electricity approved by the Federal Energy Reg-
15 ulatory Commission;

16 “(b) Balances resulting from the administration of Section 5(c) of the
17 Pacific Northwest Electric Power Planning and Conservation Act of 1980;

18 “(c) Direct or indirect costs arising from any purchase made by a public
19 utility from the Bonneville Power Administration pursuant to ORS 757.663,
20 provided that such costs shall be recovered only from residential and small-
21 farm retail electricity consumers;

22 “(d) Amounts accruing under a plan for the protection of short-term
23 earnings under ORS 757.262 (2); or

24 “(e) Identifiable utility [*expenses*] **costs** or revenues, **including the cost**
25 **of capital**, the recovery or refund of which the commission finds should be
26 deferred in order to minimize the frequency of rate changes or the fluctu-
27 ation of rate levels or to match appropriately the costs borne by and benefits
28 received by ratepayers.

29 “(3) Upon request of the public utility, the commission by order shall al-
30 low deferral of amounts provided as financial assistance under an agreement

1 entered into under ORS 757.072 for later incorporation in rates.

2 “(4) The commission may authorize deferrals under subsection (2) of this
3 section beginning with the date of application, together with interest estab-
4 lished by the commission. A deferral may be authorized for a period not to
5 exceed 12 months beginning on or after the date of application. However,
6 amounts deferred under subsection (2)(c) and (d) or (3) of this section are not
7 subject to subsection (5), (6), (7), (8) or (10) of this section, but are subject
8 to such limitations and requirements that the commission may prescribe and
9 that are consistent with the provisions of this section.

10 “(5) Unless subject to an automatic adjustment clause under ORS 757.210
11 (1), amounts described in this section shall be allowed in rates only to the
12 extent authorized by the commission in a proceeding under ORS 757.210 to
13 change rates and upon review of the utility’s earnings at the time of appli-
14 cation to amortize the deferral. The commission may require that amorti-
15 zation of deferred amounts be subject to refund. The commission’s final
16 determination on the amount of deferrals allowable in the rates of the utility
17 is subject to a finding by the commission that the amount was prudently
18 incurred by the utility.

19 “(6) Except as provided in subsections (7), (8) and (10) of this section, the
20 overall average rate impact of the amortizations authorized under this sec-
21 tion in any one year may not exceed three percent of the utility’s gross
22 revenues for the preceding calendar year.

23 “(7) The commission may allow an overall average rate impact greater
24 than that specified in subsection (6) of this section for natural gas commod-
25 ity and pipeline transportation costs incurred by a natural gas utility if the
26 commission finds that allowing a higher amortization rate is reasonable un-
27 der the circumstances.

28 “(8) The commission may authorize amortizations for an electric utility
29 under this section with an overall average rate impact not to exceed six
30 percent of the electric utility’s gross revenues for the preceding calendar

1 year. If the commission allows an overall average rate impact greater than
2 that specified in subsection (6) of this section, the commission shall estimate
3 the electric utility's cost of capital for the deferral period and may also
4 consider estimated changes in the electric utility's costs and revenues during
5 the deferral period for the purpose of reviewing the earnings of the electric
6 utility under the provisions of subsection (5) of this section.

7 “(9) The commission may impose requirements similar to those described
8 in subsection (8) of this section for the amortization of other deferrals under
9 this section, but may not impose such requirements for deferrals under sub-
10 section (2)(c) or (d) or (3) of this section.

11 “(10) The commission may authorize amortization of a deferred amount
12 for an electric utility under this section with an overall average rate impact
13 greater than that allowed by subsections (6) and (8) of this section if:

14 “(a) The deferral was directly related to extraordinary power supply ex-
15 penses incurred during 2001;

16 “(b) The amount to be deferred was greater than 40 percent of the revenue
17 received by the electric utility in 2001 from Oregon customers; and

18 “(c) The commission determines that the higher rate impact is reasonable
19 under the circumstances.

20 “(11) If the commission authorizes amortization of a deferred amount un-
21 der subsection (10) of this section, an electric utility customer that uses more
22 than one average megawatt of electricity at any site in the immediately
23 preceding calendar year may prepay the customer's share of the deferred
24 amount. The commission shall adopt rules governing the manner in which:

25 “(a) The customer's share of the deferred amount is calculated; and

26 “(b) The customer's rates are to be adjusted to reflect the prepayment of
27 the deferred amount.

28 “(12) The provisions of this section do not apply to a telecommunications
29 utility.”.

30 In line 26, delete “3” and insert “15”.

