

A-Engrossed
Senate Bill 314

Ordered by the Senate March 8
Including Senate Amendments dated March 8

Sponsored by Senator BEYER (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.

Authorizes Public Utility Commission to allow electric companies to recover costs from retail electricity consumers for prudent infrastructure measures to support transportation electrification if certain criteria are met.

Authorizes commission to allow natural gas utilities to recover costs from retail natural gas customers for prudent investments in or expenses related to infrastructure measures that support adoption and service of alternative forms of transportation vehicles if certain criteria are met.

A BILL FOR AN ACT

1
2 Relating to alternative fuel transportation; creating new provisions; and amending ORS 757.357.

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

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) "Infrastructure measures" includes, but is not limited to, investments in, expenses**
8 **related to or rebates for:**

9 **(A) Distribution system infrastructure that supports transportation electrification;**

10 **(B) Communication and control technologies that support transportation electrification;**
11 **and**

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

14 **(c) "Retail electricity consumer" has the meaning given that term in ORS 757.600.**

15 [(b)] **(d) "Transportation electrification" means:**

16 (A) The use of electricity from external sources to provide power to all or part of a vehicle;

17 (B) Programs related to developing the use of electricity for the purpose described in subpara-
18 graph (A) of this paragraph; [and]

19 (C) Infrastructure [*investments*] **measures** related to developing the use of electricity for the
20 purpose described in subparagraph (A) of this paragraph[.]; **and**

21 **(D) Programs related to supporting the adoption and service of vehicles powered as de-**
22 **scribed in subparagraph (A) of this paragraph.**

23 [(c)] **(e) "Vehicle" means a vehicle, vessel, train, boat or any other equipment that is mobile.**

24 (2) The Legislative Assembly finds and declares that:

25 (a) Transportation electrification is necessary to reduce petroleum use, achieve optimum levels
26 of energy efficiency and carbon reduction, meet federal and state air quality standards, meet this

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.

1 state's greenhouse gas emissions reduction goals described in ORS 468A.205 and improve the public
2 health and safety;

3 (b) Widespread transportation electrification requires that electric companies increase access to
4 the use of electricity as a transportation fuel;

5 (c) Widespread transportation electrification requires that electric companies increase access to
6 the use of electricity as a transportation fuel in low and moderate income communities;

7 (d) Widespread transportation electrification should stimulate innovation and competition, pro-
8 vide consumers with increased options in the use of charging equipment and in procuring services
9 from suppliers of electricity, attract private capital investments and create high quality jobs in this
10 state;

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

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

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

20 (3) The [Public Utility] commission shall direct each electric company to file [*applications, in a*
21 *form and manner prescribed by the commission,*], **for acceptance by the commission, a plan** for
22 programs to [*accelerate*] **support** transportation electrification. **The plan must be filed in a form**
23 **and manner prescribed by the commission.** A program proposed by an electric company may in-
24 clude prudent investments in or customer rebates for electric vehicle charging and related
25 infrastructure.

26 (4) **The commission may allow an electric company to recover costs from retail electric-**
27 **ity consumers for prudent infrastructure measures to support transportation electrification**
28 **if the infrastructure measures are consistent with and meet the requirements of subsection**
29 **(5) of this section.**

30 (5) **If undertaken by an electric company, an infrastructure measure to support trans-**
31 **portation electrification is a utility service and a benefit to utility customers if the**
32 **infrastructure measure can be reasonably anticipated to:**

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

34 (b) **Benefit the electric company's customers in ways that may include, but need not be**
35 **limited to:**

36 (A) **Distribution or transmission management benefits;**

37 (B) **Revenues to utilities from electric vehicle charging to offset utilities' fixed costs that**
38 **may otherwise be charged to customers;**

39 (C) **System efficiencies or other economic values inuring to the benefit of customers over**
40 **the long term; or**

41 (D) **Increased customer choice through greater transportation electrification**
42 **infrastructure deployment to increase availability of and access to public and private electric**
43 **vehicle charging stations.**

44 [(4)] (6) When considering a transportation electrification program and determining cost recov-
45 ery for investments and other expenditures **that are not infrastructure measures and that are**

1 related to a program proposed by an electric company under subsection (3) of this section, the
2 commission shall consider whether the investments and other expenditures:

3 (a) Are within the service territory of the electric company;

4 (b) Are prudent as determined by the commission;

5 (c) Are reasonably expected to be used and useful as determined by the commission;

6 (d) Are reasonably expected to enable the electric company to support the electric company's
7 electrical system;

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

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

13 **(7) In undertaking infrastructure measures that involve the installation of one or more**
14 **electric vehicle charging stations, an electric company must allow for customer choice in the**
15 **selection of the type of electric vehicle charging station to be installed, subject to equipment**
16 **eligibility as determined by the electric company. An electric company may prequalify mul-**
17 **ti-ple types of eligible electric vehicle charging stations based on criteria determined by the**
18 **electric company.**

19 **(8) Nothing in this section restricts or prohibits a corporation, company, partnership,**
20 **individual or association of individuals exempt from regulation under ORS 757.005 (1)(b)(G)**
21 **from furnishing electricity to any number of customers for use in motor vehicles.**

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

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

26 (B) Shall be recovered from [all customers] **the retail electricity consumers** of an electric
27 company in a manner [that is similar to the recovery of distribution system investments] **determined**
28 **by the commission.**

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

34 [(6)] **(10) For purposes of ORS 757.355, electric vehicle charging infrastructure provides utility**
35 **service to the customers of an electric company.**

36 [(7)] **(11) In authorizing programs described in subsection (3) of this section, the commission**
37 **shall review data concerning current and future adoption of electric vehicles and utilization of**
38 **electric vehicle charging infrastructure. If market barriers unrelated to the investment or expen-**
39 **ditures made by an electric company prevent electric vehicles from adequately utilizing available**
40 **electric vehicle charging infrastructure, the commission may not permit additional investments in**
41 **or expenditures related to supporting transportation electrification without a reasonable showing**
42 **that the investments or expenditures would not result in long-term stranded costs recoverable from**
43 **the [customers] retail electricity consumers of electric companies.**

44 **SECTION 2. Section 3 of this 2021 Act and ORS 757.357 are added to and made a part of**
45 **ORS chapter 757.**

1 **SECTION 3.** (1) As used in this section, “natural gas utility” means a natural gas utility
2 regulated by the Public Utility Commission under ORS chapter 757.

3 (2) The commission may allow a natural gas utility to recover costs from all retail na-
4 tural gas customers for prudent investments in or expenses related to infrastructure meas-
5 ures that support the adoption and service of alternative forms of transportation vehicles if
6 the investments or expenses are consistent with and meet the requirements of subsection
7 (3) of this section. An investment or expense by a natural gas utility may include an invest-
8 ment in or an expense related to infrastructure behind the customer meter.

9 (3) An investment in or expense related to infrastructure measures that support the
10 adoption and service of alternative forms of transportation vehicles is a utility service and
11 a benefit to retail natural gas customers if the investment or expense can be reasonably
12 anticipated to:

13 (a) Support the adoption of alternative vehicles that are powered by renewable natural
14 gas or hydrogen;

15 (b) Support reductions of transportation sector greenhouse gas emissions over time; and

16 (c) Benefit the natural gas utility system. Benefits may include, but need not be limited
17 to:

18 (A) Distribution or transmission management benefits;

19 (B) System efficiencies or other economic values inuring to the benefit of retail natural
20 gas customers over the long term; or

21 (C) Revenues to utilities from fueling alternative forms of transportation vehicles to
22 offset utilities’ fixed costs that may otherwise be charged to retail natural gas customers.
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