

Testimony to the House Energy and Environment Committee on House Bill 3141

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Founded in 1968, the Oregon Environmental Council (OEC) is a nonprofit, nonpartisan, membership-based organization. We advance innovative, collaborative and equitable solutions to Oregon's environmental challenges for today and future generations.

Oregon Environmental Council appreciates the intent of HB 3141, but we have concerns about the base bill and some of the amendments.

Transportation electrification is a critical climate solution. In fact, Oregon can't meet its climate goals without fully electrifying its transportation sector by 2035-2040. It is important that we accelerate adoption, which will require a range of policy instruments including building codes, charging infrastructure, and other investments. We appreciate the legislature for past efforts to promote electrification.

For HB 3141, we have some recommended changes before we can fully support the legislation.

Our main concern is with Section 14 and our preference is that it be removed. The Clean Fuels Program is in its third year of implementation and is working. The program has already reduced over 2 million metric tons of climate pollution and is creating a stronger clean fuels marketplace in Oregon. The program is technology-neutral, encourages innovation and rewards continuous improvement for reducing emissions throughout a fuel's entire supply chain.

- First, aggregation is a tool that can be used by any sector—it is currently being used by consumer owned utilities, investor-owned utilities, and forklifts that run on alternative fuels. It could also be used by school districts that contract out service for school buses that run on lower carbon fuels. Aggregation merely creates efficient delivery of credits into the program. That's a benefit for both credit generators as well as regulated parties.
- The Public Utility Commission has already adopted guidelines for the use of clean fuel credits. PUC staff held multiple workshops over the course of more than a year. They found it was in the public interest for IOUS to participate in the Clean Fuels program. Our main concern is that credit value be used to further the end goals of the clean fuels program, that electrification benefits be shared with underserved communities, and that clean fuels credit value be additive to other programs. We believe the PUC's adopted principles struck a nice balance for those outcomes.

- The PUC principles include the following:
 1. Support the goal of electrifying Oregon's transportation sectors.
 2. Provide majority of benefit to residential customers.
 3. Provide benefits to traditionally underserved communities.
 4. Programs are designed to be independent from ratepayer support.
 5. Programs are developed transparently and collaboratively.
 6. Utilities must maximize use of funds for program implementation.
 - a. This last principle also requires an annual report on the use of CFP revenues, including how funds were utilized, efficacy of the program, and the percentage of revenues spent each year that goes toward administration costs.

- Finally, clean fuel credits are unique in the utility sector in that they represent dollars that can be used more flexibly than ratepayer dollars. This allows creativity while adhering to the PUC's overarching principles. IOUs have submitted proposals that support electrification in transit, school buses, charging for multi-family housing, low-income charging subscriptions, grant programs, and other pilot programs in their first round of proposals. They are flexible enough to be able to support both vehicle deployment as well as charging station adoption. For example, utilities in other states are offering vehicle rebates supported by clean fuel credits. We would like to see that flexibility remain.

We'd also like to see revisions in other sections of the bill. These include:

- Building codes should require minimum requirements for both 240 volt and 40 amp, and these changes should be adopted by the end of 2019.
- Accelerate the timeline for state fleet purchases to be 25% electric vehicle by 2020 and 100% by 2025.
- In Section 11, add requirements for open communication protocols to allow any charger to be compatible with any network. This safeguards public investments and reduces the risk of stranded assets.

We also want to make sure that nothing pre-empts local governments from adopting higher standards or other measures that can accelerate transportation electrification.

EVs not only lower greenhouse gas emissions, but they also produce zero tailpipe air pollution. They lower the cost of vehicle ownership because electricity costs less than petroleum and EVs have fewer maintenance costs. Their benefits also include keeping more energy dollars circulating in the local economy.

We strongly support transportation electrification and look forward to working with multiple stakeholders to get the details right.

Thank you for the opportunity to provide input.