

**A-Engrossed**  
**House Bill 4066**

Ordered by the House February 17  
Including House Amendments dated February 17

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Energy and Environment for Representative Karin Power)

**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 [*investments or expenses in*] infrastructure measures [*that support adoption of electric vehicles*] **to support transportation electrification** if certain criteria are met.

**Requires electric company participating in clean fuels program to use revenues from sale of certain credits for programs to accelerate transportation electrification.**

**Requires consumer-owned utility to register as credit aggregator and credit generator under clean fuels program and use revenues from sale of credits for programs to support acceleration of transportation electrification. Repeals requirements on January 2, 2026.**

**Requires electric company to have and operate in compliance with risk-based wildfire protection plan approved by commission. Requires submission of first plan no later than December 31, 2020.**

**Requires consumer-owned utility to have and operate in compliance with risk-based wildfire mitigation plan approved by governing body of utility. Requires submission of first plan no later than December 31, 2021.**

**Requires commission to periodically convene workshops to develop and share information for best practices regarding wildfires.**

**Provides that terms and conditions of requirements for risk-based wildfire plans do not affect terms or conditions of easements held by electric utility over private land as of effective date of Act.**

Declares emergency, effective on passage.

**A BILL FOR AN ACT**

1  
2 Relating to the Public Utility Commission; creating new provisions; amending ORS 757.259 and  
3 757.357; and declaring an emergency.

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

5 **SECTION 1.** ORS 757.357 is amended to read:

6 757.357. (1) As used in this section:

7 (a) "Electric company" has the meaning given that term in ORS 757.600.

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

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

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

12 **and**

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

15 **(B) "Infrastructure measures" does not include investments in or expenses related to**  
16 **education and outreach activities related to transportation electrification, or other trans-**  
17 **portation electrification-related activities determined by the Public Utility Commission to be**

**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 **separate and distinct from the development of infrastructure.**

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

3 [(b)] (d) “Transportation electrification” means:

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

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

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

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

11 [(c)] (e) “Vehicle” means a vehicle, vessel, train, boat or any other equipment that is mobile.

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

13 (a) Transportation electrification is necessary to reduce petroleum use, achieve optimum levels  
14 of energy efficiency and carbon reduction, meet federal and state air quality standards, meet this  
15 state’s greenhouse gas emissions reduction goals described in ORS 468A.205 and improve the public  
16 health and safety;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11       [(4)] **(6)** When considering a transportation electrification program and determining cost recov-  
12 ery for investments and other expenditures **that are not infrastructure measures and that are**  
13 related to a program proposed by an electric company under subsection (3) of this section, the  
14 commission shall consider whether the investments and other expenditures:

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

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

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

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

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

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

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

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

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

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

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

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

1        [(6)] (10) For purposes of ORS 757.355, electric vehicle charging infrastructure provides utility  
2 service to the customers of an electric company.

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

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

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

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

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

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

17        (d) “Multifamily housing” means a structure or facility established primarily to provide  
18 housing that provides four or more living units and where the individual parking spaces that  
19 an electric vehicle charger serves, and the charging equipment itself, are not deeded to or  
20 owned by a single resident.

21        (e)(A) “Residential charging” means the use of electricity to charge an electric vehicle  
22 at a residence.

23        (B) “Residential charging” does not mean the use of electricity to charge an electric ve-  
24 hicle at a public access charging facility, a fleet charging facility, a workplace private access  
25 charging facility or at multifamily housing.

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

27        (2) Subject to subsection (4) of this section, an electric company participating in the clean  
28 fuels program shall use revenues from the sale of credits generated from the sale of elec-  
29 tricity for residential charging for programs to accelerate transportation electrification. An  
30 electric company shall file with the Public Utility Commission proposed programs consistent  
31 with the requirements of subsection (3) of this section.

32        (3) Programs to support the acceleration of transportation electrification funded with  
33 revenues from the sale of credits described in subsection (2) of this section must:

34        (a) Support the goal of electrifying Oregon’s transportation sectors;

35        (b) Provide a majority of the benefits to residential electricity customers;

36        (c) Provide benefits to traditionally underserved communities;

37        (d) Be designed to be independent from ratepayer support;

38        (e) Be developed collaboratively and transparently; and

39        (f) Maximize the use of clean fuels program revenues for implementation of the pro-  
40 grams.

41        (4) An electric company is not subject to this section if the electric company receives a  
42 level of annual revenues through the sale of credits under the clean fuels program that is  
43 below a threshold level established by the commission by rule.

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

1 revenues.

2 (6) The commission shall submit to the Legislative Assembly an annual report on the  
3 programs to support acceleration of transportation electrification funded by electric compa-  
4 nies with clean fuels program revenues. The report shall be submitted in the manner pro-  
5 vided in ORS 192.245 and shall include an explanation of how the programs align with the  
6 principles set forth in subsection (3) of this section.

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

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

9 (b) “Consumer-owned utility” has the meaning given that term in ORS 757.600.

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

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

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

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

14 (2) A consumer-owned utility must register as a credit aggregator and a credit generator  
15 under the clean fuels program for credit generation from the sale of electricity used to  
16 charge an electric vehicle within the consumer-owned utility’s service territory. Revenues  
17 received by a consumer-owned utility through the sale of credits under the clean fuels pro-  
18 gram must be used for programs to support the acceleration of transportation  
19 electrification, as approved by the governing body of the consumer-owned utility.

20 (3) Programs to support the acceleration of transportation electrification funded with  
21 clean fuels program revenues must:

22 (a) Support the goal of electrifying Oregon’s transportation sectors;

23 (b) Provide a majority of the benefits to residential electricity customers;

24 (c) Provide benefits to traditionally underserved communities;

25 (d) Be designed, to the extent feasible, such that clean fuels program revenues received  
26 by the consumer-owned utility are sufficient to pay the costs of the programs;

27 (e) Be developed collaboratively and transparently; and

28 (f) Maximize the use of clean fuels program revenues for implementation of the pro-  
29 grams.

30 (4) The governing body of a consumer-owned utility subject to this section shall submit  
31 to the Legislative Assembly an annual report on the programs for transportation  
32 electrification funded by the consumer-owned utility with clean fuels program revenues. The  
33 report shall be submitted in the manner provided in ORS 192.245 and shall include an expla-  
34 nation of how the programs align with the principles set forth in subsection (3) of this sec-  
35 tion.

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

37 **SECTION 6.** Sections 3 and 4 of this 2020 Act apply to clean fuels program revenues col-  
38 lected and programs implemented on and after January 1, 2021.

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

41 **SECTION 8.** (1) As used in this section, “electric company” has the meaning given that  
42 term in ORS 757.600.

43 (2) An electric company must have and operate in compliance with a risk-based wildfire  
44 protection plan approved by the Public Utility Commission.

45 (3) An electric company shall submit a risk-based wildfire protection plan to the com-

1 mission every three years. The plan must, at a minimum:

2 (a) Identify areas within the service territory of the electric company that are subject  
3 to a heightened risk of wildfire.

4 (b) Identify a means for mitigating wildfire risk that is cost effective and reflects a rea-  
5 sonable balancing of mitigation costs with the resulting reduction of wildfire risk.

6 (c) Identify preventive actions and programs that the electric company will carry out to  
7 minimize the risk of company facilities causing a wildfire.

8 (d) Identify a protocol for the de-energizing of power lines and adjusting power system  
9 operations to mitigate wildfires, promote the safety of the public and first responders and  
10 preserve health and communication infrastructure.

11 (e) Describe the procedures, standards and time frames that the electric company will  
12 use to inspect company infrastructure in areas that the company identifies under paragraph  
13 (a) of this subsection.

14 (f) Describe the procedures, standards and time frames that the electric company will  
15 use to carry out vegetation management in areas that the company identifies under para-  
16 graph (a) of this subsection.

17 (g) Identify the development, implementation and administration costs for the plan.

18 (h) Identify the community outreach and public awareness efforts that the electric com-  
19 pany will use before, during and after a wildfire season.

20 (4) The commission, in consultation with the State Forestry Department and local  
21 emergency services agencies, shall review a wildfire protection plan that an electric company  
22 submits under this section. The commission shall:

23 (a) Approve the submitted plan; or

24 (b) Disapprove the submitted plan and inform the electric company of the modifications  
25 necessary to obtain approval.

26 (5) The commission shall adopt rules for the implementation of this section and section  
27 9 of this 2020 Act.

28 (6) Nothing in this section prohibits the recovery of costs deferred under ORS 757.259.

29 **SECTION 9.** (1) As used in this section, “consumer-owned utility” and “governing body”  
30 have the meanings given those terms in ORS 757.600.

31 (2) A consumer-owned utility must have and operate in compliance with a risk-based  
32 wildfire mitigation plan approved by the governing body of the utility. The utility shall reg-  
33 ularly update the risk-based wildfire mitigation plan on a schedule the governing body deems  
34 consistent with prudent utility practices.

35 (3) A consumer-owned utility shall conduct a wildfire risk assessment of utility facilities.  
36 The utility shall review and revise the assessment on a schedule the governing body deems  
37 consistent with prudent utility practices.

38 (4) A consumer-owned utility shall submit a copy of the risk-based wildfire mitigation  
39 plan approved by the utility governing body to the Public Utility Commission to facilitate  
40 commission functions regarding statewide wildfire mitigation planning and wildfire  
41 preparedness.

42 **SECTION 10.** The Public Utility Commission shall periodically convene workshops for the  
43 purpose of helping electric companies as defined in ORS 757.600, consumer-owned utilities as  
44 defined in ORS 757.600 and operators of electrical distribution systems to develop and share  
45 information for the identification, adoption and carrying out of best practices regarding

1 **wildfires, including but not limited to risk-based wildfire protection and risk-based wildfire**  
2 **mitigation procedures and standards.**

3 **SECTION 11. An electric company shall submit the first risk-based wildfire protection**  
4 **plan required of the company under section 8 of this 2020 Act no later than December 31,**  
5 **2020.**

6 **SECTION 12. A consumer-owned utility shall submit the first risk-based wildfire miti-**  
7 **gation plan required under section 9 of this 2020 Act to the utility governing body no later**  
8 **than December 31, 2021.**

9 **SECTION 13. (1) As used in this section, “electric utility” has the meaning given that**  
10 **term in ORS 757.600.**

11 **(2) The provisions of sections 8 and 9 of this 2020 Act do not affect the terms or condi-**  
12 **tions of easements held by an electric utility over private land as of the effective date of this**  
13 **2020 Act.**

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

15 757.259. (1) In addition to powers otherwise vested in the Public Utility Commission, and subject  
16 to the limitations contained in this section, under amortization schedules set by the commission, a  
17 rate or rate schedule:

18 (a) May reflect:

19 (A) Amounts lawfully imposed retroactively by order of another governmental agency; or

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

21 (b) Shall reflect amounts deferred under subsection (3) of this section if the public utility so re-  
22 quests.

23 (2) Upon application of a utility or ratepayer or upon the commission’s own motion and after  
24 public notice, opportunity for comment and a hearing if any party requests a hearing, the commis-  
25 sion by order may authorize deferral of the following amounts for later incorporation in rates:

26 (a) Amounts incurred by a utility resulting from changes in the wholesale price of natural gas  
27 or electricity approved by the Federal Energy Regulatory Commission;

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

30 (c) Direct or indirect costs arising from any purchase made by a public utility from the  
31 Bonneville Power Administration pursuant to ORS 757.663, provided that such costs shall be recov-  
32 ered only from residential and small-farm retail electricity consumers;

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

35 (e) Identifiable utility [*expenses*] **costs** or revenues, **including the cost of capital**, the recovery  
36 or refund of which the commission finds should be deferred in order to minimize the frequency of  
37 rate changes or the fluctuation of rate levels or to match appropriately the costs borne by and  
38 benefits received by ratepayers.

39 (3) Upon request of the public utility, the commission by order shall allow deferral of amounts  
40 provided as financial assistance under an agreement entered into under ORS 757.072 for later in-  
41 corporation in rates.

42 (4) The commission may authorize deferrals under subsection (2) of this section beginning with  
43 the date of application, together with interest established by the commission. A deferral may be  
44 authorized for a period not to exceed 12 months beginning on or after the date of application.  
45 However, amounts deferred under subsection (2)(c) and (d) or (3) of this section are not subject to

1 subsection (5), (6), (7), (8) or (10) of this section, but are subject to such limitations and requirements  
2 that the commission may prescribe and that are consistent with the provisions of this section.

3 (5) Unless subject to an automatic adjustment clause under ORS 757.210 (1), amounts described  
4 in this section shall be allowed in rates only to the extent authorized by the commission in a pro-  
5 ceeding under ORS 757.210 to change rates and upon review of the utility's earnings at the time of  
6 application to amortize the deferral. The commission may require that amortization of deferred  
7 amounts be subject to refund. The commission's final determination on the amount of deferrals al-  
8 lowable in the rates of the utility is subject to a finding by the commission that the amount was  
9 prudently incurred by the utility.

10 (6) Except as provided in subsections (7), (8) and (10) of this section, the overall average rate  
11 impact of the amortizations authorized under this section in any one year may not exceed three  
12 percent of the utility's gross revenues for the preceding calendar year.

13 (7) The commission may allow an overall average rate impact greater than that specified in  
14 subsection (6) of this section for natural gas commodity and pipeline transportation costs incurred  
15 by a natural gas utility if the commission finds that allowing a higher amortization rate is reason-  
16 able under the circumstances.

17 (8) The commission may authorize amortizations for an electric utility under this section with  
18 an overall average rate impact not to exceed six percent of the electric utility's gross revenues for  
19 the preceding calendar year. If the commission allows an overall average rate impact greater than  
20 that specified in subsection (6) of this section, the commission shall estimate the electric utility's  
21 cost of capital for the deferral period and may also consider estimated changes in the electric  
22 utility's costs and revenues during the deferral period for the purpose of reviewing the earnings of  
23 the electric utility under the provisions of subsection (5) of this section.

24 (9) The commission may impose requirements similar to those described in subsection (8) of this  
25 section for the amortization of other deferrals under this section, but may not impose such require-  
26 ments for deferrals under subsection (2)(c) or (d) or (3) of this section.

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

30 (a) The deferral was directly related to extraordinary power supply expenses incurred during  
31 2001;

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

34 (c) The commission determines that the higher rate impact is reasonable under the circum-  
35 stances.

36 (11) If the commission authorizes amortization of a deferred amount under subsection (10) of this  
37 section, an electric utility customer that uses more than one average megawatt of electricity at any  
38 site in the immediately preceding calendar year may prepay the customer's share of the deferred  
39 amount. The commission shall adopt rules governing the manner in which:

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

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

42 (12) The provisions of this section do not apply to a telecommunications utility.

43 **SECTION 15. This 2020 Act being necessary for the immediate preservation of the public**  
44 **peace, health and safety, an emergency is declared to exist, and this 2020 Act takes effect**  
45 **on its passage.**

