

HOUSE AMENDMENTS TO HOUSE BILL 4066

By COMMITTEE ON ENERGY AND ENVIRONMENT

February 17

1 In line 2 of the printed bill, after “Commission;” insert “creating new provisions; amending ORS
2 757.259 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, investments in, expenses
8 related to or rebates for:

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

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

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

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

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

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

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

21 “(B) Programs related to developing the use of electricity for the purpose described in subpar-
22 agraph (A) of this paragraph; [and]

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

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

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

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

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

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

35 “(c) Widespread transportation electrification requires that electric companies increase access

1 to the use of electricity as a transportation fuel in low and moderate income communities;

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

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

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

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

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

19 “(4) **The commission may allow an electric company to recover costs from retail elec-**
20 **tricity consumers for prudent infrastructure measures to support transportation**
21 **electrification if the infrastructure measures are consistent with and meet the requirements**
22 **of subsection (5) of this section.**

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

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

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

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

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

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

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

37 “[4] (6) When considering a transportation electrification program and determining cost re-
38 covery for investments and other expenditures **that are not infrastructure measures and that**
39 **are** related to a program proposed by an electric company under subsection (3) of this section, the
40 commission shall consider whether the investments and other expenditures:

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

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

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

44 “(d) Are reasonably expected to enable the electric company to support the electric company’s
45 electrical system;

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

4 “(f) Are reasonably expected to stimulate innovation, competition and customer choice in elec-
5 tric vehicle charging and related infrastructure and services.

6 “(7) **In undertaking infrastructure measures that involve the installation of one or more**
7 **electric vehicle charging stations, an electric company must allow for customer choice in the**
8 **selection of the type of electric vehicle charging station to be installed, subject to equipment**
9 **eligibility as determined by the electric company. An electric company may prequalify mul-**
10 **multiple types of eligible electric vehicle charging stations based on criteria determined by the**
11 **electric company.**

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

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

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

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

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

27 “[6)] (10) For purposes of ORS 757.355, electric vehicle charging infrastructure provides utility
28 service to the customers of an electric company.

29 “[7)] (11) In authorizing programs described in subsection (3) of this section, the commission
30 shall review data concerning current and future adoption of electric vehicles and utilization of
31 electric vehicle charging infrastructure. If market barriers unrelated to the investment **or expen-**
32 **ditures** made by an electric company prevent electric vehicles from adequately utilizing available
33 electric vehicle charging infrastructure, the commission may not permit additional investments in
34 **or expenditures related to supporting** transportation electrification without a reasonable showing
35 that the investments **or expenditures** would not result in long-term stranded costs recoverable from
36 the [customers] **retail electricity consumers** of electric companies.

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

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

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

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

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

43 “(d) ‘Multifamily housing’ means a structure or facility established primarily to provide
44 housing that provides four or more living units and where the individual parking spaces that
45 an electric vehicle charger serves, and the charging equipment itself, are not deeded to or

1 owned by a single resident.

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

4 “(B) ‘Residential charging’ does not mean the use of electricity to charge an electric ve-
5 hicle at a public access charging facility, a fleet charging facility, a workplace private access
6 charging facility or at multifamily housing.

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

8 “(2) Subject to subsection (4) of this section, an electric company participating in the
9 clean fuels program shall use revenues from the sale of credits generated from the sale of
10 electricity for residential charging for programs to accelerate transportation electrification.
11 An electric company shall file with the Public Utility Commission proposed programs con-
12 sistent with the requirements of subsection (3) of this section.

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

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

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

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

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

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

20 “(f) Maximize the use of clean fuels program revenues for implementation of the pro-
21 grams.

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

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

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

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

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

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

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

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

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

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

40 “(2) A consumer-owned utility must register as a credit aggregator and a credit genera-
41 tor under the clean fuels program for credit generation from the sale of electricity used to
42 charge an electric vehicle within the consumer-owned utility’s service territory. Revenues
43 received by a consumer-owned utility through the sale of credits under the clean fuels pro-
44 gram must be used for programs to support the acceleration of transportation
45 electrification, as approved by the governing body of the consumer-owned utility.

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

3 **“(a) Support the goal of electrifying Oregon’s transportation sectors;**

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

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

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

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

9 **“(f) Maximize the use of clean fuels program revenues for implementation of the pro-**
10 **grams.**

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

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

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

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

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

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

26 **“(3) An electric company shall submit a risk-based wildfire protection plan to the com-**
27 **mission every three years. The plan must, at a minimum:**

28 **“(a) Identify areas within the service territory of the electric company that are subject**
29 **to a heightened risk of wildfire.**

30 **“(b) Identify a means for mitigating wildfire risk that is cost effective and reflects a**
31 **reasonable balancing of mitigation costs with the resulting reduction of wildfire risk.**

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

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

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

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

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

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

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

4 “(a) Approve the submitted plan; or

5 “(b) Disapprove the submitted plan and inform the electric company of the modifications
6 necessary to obtain approval.

7 “(5) The commission shall adopt rules for the implementation of this section and section
8 9 of this 2020 Act.

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

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

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

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

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

23 “**SECTION 10.** The Public Utility Commission shall periodically convene workshops for
24 the purpose of helping electric companies as defined in ORS 757.600, consumer-owned utilities
25 as defined in ORS 757.600 and operators of electrical distribution systems to develop and
26 share information for the identification, adoption and carrying out of best practices regard-
27 ing wildfires, including but not limited to risk-based wildfire protection and risk-based
28 wildfire mitigation procedures and standards.

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

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

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

37 “(2) The provisions of sections 8 and 9 of this 2020 Act do not affect the terms or condi-
38 tions of easements held by an electric utility over private land as of the effective date of this
39 2020 Act.

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

41 “757.259. (1) In addition to powers otherwise vested in the Public Utility Commission, and sub-
42 ject to the limitations contained in this section, under amortization schedules set by the commission,
43 a rate or rate schedule:

44 “(a) May reflect:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43 “(8) The commission may authorize amortizations for an electric utility under this section with
44 an overall average rate impact not to exceed six percent of the electric utility’s gross revenues for
45 the preceding calendar year. If the commission allows an overall average rate impact greater than

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

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

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

11 “(a) The deferral was directly related to extraordinary power supply expenses incurred during
12 2001;

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

15 “(c) The commission determines that the higher rate impact is reasonable under the circum-
16 stances.

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

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

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

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

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

25