

House Bill 4135

Sponsored by Representative MCKEOWN, Senator ROBLAN; Representatives HELM, HOLVEY, LIVELY, MCLAIN, MEEK, MITCHELL, PILUSO, REARDON, SANCHEZ, SCHOUTEN, WILLIAMS (Pre-session 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 **as introduced**.

Requires electric companies to expend any revenues from participation as credit aggregator or credit generator in clean fuels program on transportation electrification. Requires electric companies to invest no less than one percent of total rates collected annually from retail electricity consumers in programs to accelerate transportation electrification. Requires Public Utility Commission to report annually to Legislative Assembly on programs funded as required by Act. Sunsets January 2, 2026.

Authorizes commission to allow electric companies to recover costs for prudent investments or expenses in infrastructure measures that support transportation electrification if certain criteria are met.

Requires consumer-owned utilities to expend any revenues from participation as credit aggregator or credit generator in clean fuels program on transportation electrification. Requires consumer-owned utilities to invest no less than one percent of total rates collected annually from electricity customers in programs to accelerate transportation electrification. Requires governing bodies of consumer-owned utilities to report annually to Legislative Assembly on programs funded as required by Act. Sunsets January 2, 2026.

A BILL FOR AN ACT

Relating to transportation electrification; creating new provisions; and amending ORS 757.357.

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

PROVISIONS RELATED TO ELECTRIC COMPANIES

SECTION 1. Sections 2 to 4 and 6 of this 2020 Act and ORS 757.357 are added to and made a part of ORS chapter 757.

SECTION 2. As used in sections 2 to 4 of this 2020 Act:

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

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

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

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

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

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

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

SECTION 3. (1) An electric company that is a credit aggregator or credit generator and that receives revenues through the sale of credits under the clean fuels program shall use the revenues for programs to accelerate transportation electrification. An electric company shall file an application with the Public Utility Commission for acceptance of a proposed program funded with clean fuels program revenues. Applications filed under this section are subject to ORS 757.357.

(2) Programs to accelerate transportation electrification funded with clean fuels program

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 revenues must:

- 2 (a) Support the goal of electrifying Oregon’s transportation sectors;
- 3 (b) Provide a majority of the benefits to residential electricity customers;
- 4 (c) Provide benefits to traditionally underserved communities;
- 5 (d) Be designed to be independent from ratepayer support;
- 6 (e) Be developed collaboratively and transparently; and
- 7 (f) Maximize the use of clean fuels program revenues for implementation of the pro-

8 grams.

9 (3) The commission may, by rule or order, adopt additional program design guidance or
 10 a program selection process to guide electric companies in the use of clean fuels program
 11 revenues.

12 (4) The commission shall submit an annual report to the Legislative Assembly on the
 13 programs for transportation electrification funded by electric companies with clean fuels
 14 program revenues. The report shall be submitted in the manner provided in ORS 192.245, and
 15 shall include an explanation of how the programs align with the principles set forth in sub-
 16 section (2) of this section. The report required by this subsection may be combined with the
 17 report required under section 4 of this 2020 Act.

18 **SECTION 4.** (1) An electric company shall invest no less than one percent of the total
 19 rates collected annually by the electric company from retail electricity consumers in pro-
 20 grams to accelerate transportation electrification. An electric company shall file an applica-
 21 tion with the Public Utility Commission for acceptance of a proposed program funded with
 22 revenues collected under this section. Applications filed under this section are subject to
 23 ORS 757.357.

24 (2) The commission shall submit an annual report, in the manner provided in ORS
 25 192.245, to the Legislative Assembly on the programs for transportation electrification funded
 26 as required by this section.

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

28 757.357. (1) As used in this section and section 6 of this 2020 Act:

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

30 (b) “Transportation electrification” means:

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

32 (B) Programs related to developing the use of electricity for the purpose described in subpara-
 33 graph (A) of this paragraph; and

34 (C) Infrastructure investments related to developing the use of electricity for the purpose de-
 35 scribed in subparagraph (A) of this paragraph.

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

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

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

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

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

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

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

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

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

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

18 (4) When considering a transportation electrification program and determining cost recovery for
 19 investments and other expenditures related to a program proposed by an electric company under
 20 subsection (3) of this section, the commission shall consider whether the investments and other
 21 expenditures:

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

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

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

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

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

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

32 (5)(a) Tariff schedules and rates allowed pursuant to subsection (3) of this section:

33 (A) May allow a return of and a return on an investment made by an electric company under
 34 subsection (3) of this section; and

35 (B) Shall be recovered from all customers of an electric company in a manner that is similar to
 36 the recovery of distribution system investments.

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

42 (6) For purposes of ORS 757.355, electric vehicle charging infrastructure provides utility service
 43 to the customers of an electric company.

44 (7) In authorizing programs described in subsection (3) of this section, the commission shall re-
 45 view data concerning current and future adoption of electric vehicles and utilization of electric ve-

1 hicle charging infrastructure. If market barriers unrelated to the investment made by an electric
 2 company prevent electric vehicles from adequately utilizing available electric vehicle charging
 3 infrastructure, the commission may not permit additional investments in transportation
 4 electrification without a reasonable showing that the investments would not result in long-term
 5 stranded costs recoverable from the customers of electric companies.

6 **SECTION 6. (1) The Public Utility Commission may allow an electric company to recover**
 7 **costs from all ratepayers for prudent investments or expenses in infrastructure measures,**
 8 **including infrastructure measures behind the meter, that support transportation**
 9 **electrification if the investments are consistent with and meet the requirements of sub-**
 10 **section (2) of this section.**

11 **(2) An investment in infrastructure measures that support transportation electrification**
 12 **is a utility service and a benefit to utility ratepayers if the investment can be reasonably**
 13 **anticipated to:**

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

15 **(b) Benefit the electric company’s ratepayers in ways that may include, but need not be**
 16 **limited to:**

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

18 **(B) Revenues to utilities from electric vehicle charging to offset utilities’ fixed costs that**
 19 **may otherwise be charged to ratepayers;**

20 **(C) System efficiencies or other economic values inuring to the benefit of ratepayers over**
 21 **the long term; or**

22 **(D) Increased ratepayer choice through provision of greater transportation electrification**
 23 **infrastructure deployment to increase availability of and access to public and private electric**
 24 **vehicle charging stations.**

25
 26 **PROVISIONS RELATED TO CONSUMER-OWNED UTILITIES**
 27

28 **SECTION 7. (1) As used in this section and section 8 of this 2020 Act:**

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

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

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

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

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

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

35 **(2) A consumer-owned utility that is a credit aggregator or credit generator and that**
 36 **receives revenues through the sale of credits under the clean fuels program must use the**
 37 **revenues for programs to accelerate transportation electrification, as approved by the gov-**
 38 **erning body of the consumer-owned utility.**

39 **(3) Programs to accelerate transportation electrification funded with clean fuels program**
 40 **revenues must:**

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

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

43 **(c) Provide benefits to traditionally underserved communities;**

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

1 (e) Be developed collaboratively and transparently; and

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

4 (4) The governing body of a consumer-owned utility subject to this section shall submit
5 an annual report to the Legislative Assembly on the programs for transportation
6 electrification funded by the consumer-owned utility with clean fuels program revenues. The
7 report shall be submitted in the manner provided in ORS 192.245, and shall include an ex-
8 planation of how the programs align with the principles set forth in subsection (3) of this
9 section. The report required by this section may be combined with the report required by
10 section 8 of this 2020 Act.

11 **SECTION 8.** (1) A consumer-owned utility shall invest no less than one percent of the
12 total rates collected annually by the consumer-owned utility from customers in programs to
13 accelerate transportation electrification. The governing body of the consumer-owned utility
14 shall develop a process for approval of proposed programs to be funded with revenues col-
15 lected under this section.

16 (2) The governing body of a consumer-owned utility shall submit an annual report, in the
17 manner provided in ORS 192.245, to the Legislative Assembly on the programs for transpor-
18 tation electrification funded as required by this section.

19
20 **SUNSET**

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22 **SECTION 9.** Sections 2 to 4, 7 and 8 of this 2020 Act are repealed on January 2, 2026.

23
24 **MISCELLANEOUS**

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26 **SECTION 10.** Sections 2 to 4, 7 and 8 of this 2020 Act apply to rates collected and pro-
27 grams implemented on and after January 1, 2021.

28 **SECTION 11.** The unit captions used in this 2020 Act are provided only for the conven-
29 ience of the reader and do not become part of the statutory law of this state or express any
30 legislative intent in the enactment of this 2020 Act.

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