

Oregon Clean Fuels Program

2022 Annual Report



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Table of Contents

List of Tables	2
About PacifiCorp	3
I. Introduction	4
Purpose	4
Background	4
II. Program Design Principles	5
III. Revenues and Costs	6
IV. Description of 2022 Programs	6
Grant Funding	6
Outreach & Education	6
E-Mobility Grant Projects	7
Central Oregon	7
Eastern Oregon	7
Portland and Multnomah County	7
Southern Oregon	8
Willamette Valley	8
Grant Matching & Grant Writing Support	8
Outreach & Education Programs	8
Continue Dealer Engagement	8
Customer Communications and Statewide Campaign	9
On-Call Technical Assistance	9
Grantee Roundtable Events	9
V. Incremental Credits	9

List of Tables

Table 1: 2022 Total Revenue and Total Costs	6
Table 2: 2022 Grant Matching Awardees	8

About PacifiCorp

PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) provides safe and reliable electric service to more than 773,000 customers in 243 communities across Oregon, Washington, and California as Pacific Power. PacifiCorp is one of the lowest-cost electricity producers in the United States, serving nearly two million customers in six western states as the largest regulated utility owner of wind power in the West. For more information, visit www.pacificpower.net.

PacifiCorp serves roughly 600,000 customers in over 200 communities across the state of Oregon. This diverse and widespread service area covers 21,292 square miles and touches each of the state's four borders. While the Company serves roughly 75,000 customers in north and northeast Portland, the majority of PacifiCorp customers live in smaller communities and more-rural areas. PacifiCorp's service area across California and Washington is likewise rural and dispersed, with roughly 45,000 customers in California and 130,000 customers in Washington.

We are dedicated to helping customers and communities thrive by delivering an energy future that is reliable, affordable, sustainable, and safe. To do this, we work to protect and enhance the environment by conserving natural resources, reducing emissions, and protecting wildlife and habitat. We shape forward-thinking policies and innovative solutions to improve the livability of customers' hometowns and neighborhoods. We take pride in being an active member in the communities we serve, always striving to make the place our customers call home a better place to live.

I. Introduction

Purpose

PacifiCorp developed its Clean Fuels Plan (Plan) in response to Public Utility Commission of Oregon (Commission) Order No. 18-376, which directed utilities to propose programs that utilize Oregon Clean Fuels Program (CFP) funds in accordance with Commission-approved principles.¹ Commission Order No. 18-376 established a schedule for the development of programs and required utilities to file their final program(s) and expenditure plans in docket UM 1826. Since, 2019, PacifiCorp has filed yearly Plans for stakeholder feedback and acknowledgement by the Commission. More recently, PacifiCorp has included the clean fuels expenditures as part of the Oregon Transportation Electrification Draft Plan that was filed in February 2023. This plan includes future programs that clean fuels dollars will support over the next three years.

In accordance with OAR 340-253-0640(9), PacifiCorp hereby submits the Annual Utility Report.

Background

The Oregon CFP evolved as a product of House Bill 2186 (2009), Senate Bill 324 (2015), and the rules promulgated by the Oregon Department of Environmental Quality in Oregon Administrative Rules (OAR) Chapter 340, Division 253. The initial goal of the CFP is to reduce the carbon intensity of the transportation fuels used in the state by 10 percent from 2015 levels by 2025. In March 2020, Governor Brown signed Executive Order 20-04, expanding the goals of the CFP to reduce carbon intensity by 20 percent from 2015 levels by 2025 and 25 percent reduction by 2030. In March 2021, the Environmental Quality Commission adopted amendments to the CFP rules to advance methods accelerating the generation and aggregation of clean fuels credits by utilities. The rule amendments include changes and additions that will further incent the generation and aggregation of electricity credits.

Fuel importers that do not otherwise meet the annual carbon intensity reduction standards may comply with those standards by purchasing credits from credit generators. Electricity is a transportation fuel under the CFP rules, and registered electric utilities are eligible to generate credits from residential charging of PEVs in their service territories.² In July 2017, the Commission directed PacifiCorp to register as a generator of residential clean fuels credits before the October 1, 2017 deadline.³ PacifiCorp is separately generating non-residential credits from its public charging and demonstration and development pilots, which are used to offset the costs of those programs and which are outside the scope of this document.

When the Commission determined that utility participation in residential credit generation was in the public interest, it also determined that it was appropriate to provide guidance on how credits would be monetized and how resulting revenue would be spent. PacifiCorp actively participated in docket UM 1826, where the Commission established guidance on credit monetization⁴ and program design principles.⁵

PacifiCorp received 12,575 credits from residential electric vehicle (EV) use in 2016 and 2017 and monetized these credits in December 2018 and January 2019 for a total of approximately \$1.5 million. In March 2019, PacifiCorp received and monetized 9,830 credits generated from residential EV charging in 2018, generating a total of approximately \$1.5 million. In March 2020, PacifiCorp received 12,206 credits from residential EV charging in the year 2019, generating a total of \$1.47 million for the 2021 program year. In April 2021, PacifiCorp received 17,691 credits from residential charging, generating a total of \$2,173,577 for the 2022

¹ This proposal makes distinctions between: 1) the CFP, which is a state program that awards CFP credits for plug-in electric vehicle (PEV) charging; 2) PacifiCorp's Plan, which establishes the programs that PacifiCorp operates with CFP revenues; and 3) the programs (CFP Programs) that PacifiCorp operates under the Plan.

² OAR 340-253-0330 includes guidance regarding role of electricity providers as clean fuels credit generators.

³ In the Matter of Public Utility Commission of Oregon, Investigation into Utility Participation in Oregon Clean Fuels Programs, Docket No. UM 1826, Order No. 17-250 (July 12, 2017).

⁴ *Id.*, Order No. 17-512 (Nov. 3, 2017).

⁵ *Id.*, Order No. 18-376 (Oct. 1, 2018).

program year. This document outlines PacifiCorp's annual report from the sale of residential CFP credits issued in 2021 and funded the program year 2022.

II. Program Design Principles

In Order No. 18-376, the Commission identified six principles to guide utility expenditure of residential CFP credit revenue:

1. Support the goal of electrifying Oregon's transportation sectors.
2. Provide majority of benefits to residential customers.
3. Provide benefits to traditionally underserved communities.⁶
4. Programs are designed to be independent from ratepayer support.
5. Programs are developed collaboratively and transparently.
6. Maximize use of funds for implementation of programs.

In addition, the Commission—by adopting Staff's recommendations in Order No. 18-376—suggested that overall administrative costs of 10 percent or less would be appropriate, subject to some variation by program.⁷

Program Offering	Support the goal of electrifying Oregon's transportation sectors.	Provide majority of benefits to residential customers.	Provide benefits to traditionally underserved communities.
E-Mobility Funding	<ul style="list-style-type: none"> Enabling projects of all types to advance electrification 	<ul style="list-style-type: none"> Project must serve residential customers to be awarded 	<ul style="list-style-type: none"> Prioritizes projects serving underserved communities
Grant Match Funding	<ul style="list-style-type: none"> Funds only awarded to projects in need of grant matching and that are TE focused 	<ul style="list-style-type: none"> Requirement of funding to ensure majority of benefits go to residential customers 	<ul style="list-style-type: none"> Projects awarded must serve underserved communities
Dealer Engagement	<ul style="list-style-type: none"> Supports point of sale information regarding EVs 	<ul style="list-style-type: none"> Chargeway beacons mostly focused on household car owners, placed in locations that mostly sell light duty vehicles 	<ul style="list-style-type: none"> Dealerships are located within rural communities
Statewide Campaign	<ul style="list-style-type: none"> Supports marketing efforts through the Oregon' campaign to educate the public about the future of transportation electrification 	<ul style="list-style-type: none"> Marketing is focused just to residential households 	<ul style="list-style-type: none"> Marketing campaigns have focused efforts on bringing in BIPOC communities and rural communities

⁶ As defined in Commission Order No. 18-376, "Communities traditionally underserved by access to electric vehicles include but are not limited to multi-family housing, low-income communities, and areas with a low density of public charging stations."

⁷ Order No. 18-376, Appendix A, Page 8.

III. Revenues and Costs

Table 1, below, shares the total revenue and total costs associated with the 2022 calendar year. The credits PacifiCorp monetized in 2021 did not include incremental credits,⁸ so the following revenue amount is based solely on base credit sales. Relatedly, PacifiCorp's 2022 costs were funded with revenue generated from the sale of its base credits. A total of \$839,456 was rolled over from 2021 and \$380,000 in reserved funds that was not claimed⁹ was also incorporated into the grant funds for 2022.

Table 1: 2022 Total Revenue and Total Costs

Revenue		\$ 3,393,033
Costs		\$ 3,170,161
1 Projects		\$ 2,506,350
	E-Mobility Grant Program	\$ 2,055,850
	Grant Matching Fund	\$ 420,500
	Grant Writing	\$ 30,000
2 Outreach and Education		\$142,586
	Dealer Engagement	\$ 25,000
	Statewide Education Campaign	\$ 65,000
	Technical Assistance	\$ 400
	Peer Roundtable Management	\$ 52,186
3 Program Administration		\$ 297,288
	Grant Evaluation	\$ 106,716
	Program Admin	\$ 190,572
4 Renewable Energy Credit Purchases		\$ 223,937

PacifiCorp's 2022 administrative costs (\$297,288) comprise 6% of the total 2022 CFP costs expended (\$3,170,161).

IV. Description of 2022 Programs

The following section describes the programs that were funded by CFP revenue from the sale of base credits. PacifiCorp utilized CFP revenue to support grant funding opportunities as well as outreach and education efforts.

Grant Funding

- E-Mobility Grant Program
- Grant Matching Program
- Grant Writing Program

Outreach & Education

- Statewide Marketing Campaign
- Dealership Engagement
- On Call Technical Assistance
- Quarterly Roundtables

⁸ PacifiCorp intends to claim incremental credits for charging in calendar year 2021, for monetization in 2022. See Section VI below.

⁹ Funds reserved for grantees that were not utilized and returned back into the general grant fund.

E-Mobility Grant Projects

Pacific Power recently awarded more than \$2 million to 18 cities, small towns, community colleges and nonprofits throughout the state for projects that will connect more Oregonians to the cost-saving, clean-air benefits of electric vehicles and electric mobility — including residents of underserved and rural communities that Pacific Power serves.

These grants from community-driven electric transportation projects including from adding charging options for the public, purchase of electric vehicles to support education, e-bike programs to electric farm equipment. The grant awardees demonstrated a commitment to long-term sustainability, equity and increasing access to electric charging services in rural areas. E-Mobility Grant recipients' summaries are provided below.

Central Oregon

- Grass Valley Country Market (Sherman County). Funds will be used to add two or four DC fast chargers (dual port) at this popular community gathering spot and travelers' stop, in a rural area with no other charging options within 30 miles.
- 350 Deschutes (multiple locations). Funds will be used to create an equitable EV charging and EV car share plan for Central Oregon that specifically involves underserved, rural, and urban decision makers, including black, Tribal and Hispanic communities — the first plan of its kind in Oregon
- City of Bend. In an effort modeled on the City of Corvallis' successful e-bike voucher program, the grant will be used to fund 110 vouchers for low-income residents in Bend to purchase an e-bike.
- KOR Community Land Trust (Bend). Funds will provide 17 e-bikes and training for low-income home buyers in communities that the land trust is building in Bend, who otherwise may not have access to e-mobility options.
- Central Oregon Community College. Funds will be used to install chargers and to purchase four used EVs for fleet and educational purposes at the Bend and Prineville campuses. Chargers will be available to students, staff and the public.
- City of Prineville. In an area with only one other public charger within a 20-mile radius, funds will be used to install one or two DC fast chargers near downtown, in a highly visible and accessible location for residents and travelers.
- Upper Deschutes Watershed Council (Bend). Funds will be used to purchase one Ford F-150 Lightning EV, which will be used to deliver programs to underserved communities in central Oregon and incorporated into conservation education.

Eastern Oregon

- Blue Mountain Community College (Pendleton). Funds will be used to install two Level 2 EV chargers at the college's main campus, in an area severely lacking in EV infrastructure.

Portland and Multnomah County

- Multnomah County. Funds will be used to purchase a Class 5 EV box truck that will travel three daily routes, seven days a week, to transport circulating books and other items to multiple library locations in Portland, including many in BIPOC and lower-income neighborhoods. The truck will replace a diesel-equivalent vehicle and serve as a pilot program for replacing other county-owned diesel vehicles.
- Taking Ownership PDX (Portland). Taking Ownership PDX provides home repairs, maintenance, landscaping, and other upgrades to black community members at no cost. Funds will be used to purchase one Volkswagen ID.4 EV (for transporting supplies to work sites and awareness-raising events) and one Level 2 charger which will be available at no cost to workers and the public.
- Verde (Portland). Verde serves vulnerable populations in BIPOC communities through design and implementation of renewable energy and energy efficient projects. Funds will be used to purchase one Level 2 charger and one Ford E-Transit van, which will be used to deliver programs.

Southern Oregon

- Chiloquin Visions in Progress (Klamath County). Funds will be used to install a Level 2 charger and DC fast charger in downtown Chiloquin, a rural area with few charging options. Chargers will help draw visitors to a business district with an art center, grocery store and county library.
- Oregon Environmental Council (multiple locations). In a partnership between Oregon Environmental Council and Oregon State University's Agricultural Research/Extension, funds will be used to purchase four utility EVs to test and promote the viability of electric farm equipment to agricultural students and communities, through workshops, visits and field day demonstrations.
- Genesis XXI LLC (Medford). At Genesis XXI, a workforce housing development in downtown Medford expected to open in 2023, funds will be used to install four Level 2 chargers and to purchase one EV that residents may use via the GoForth CarShare platform.
- Umpqua Community College (Roseburg). Funds will be used to install the first EV chargers on the campus. The two Level 2 chargers will be available at no cost to students and staff.

Willamette Valley

- City of Sweet Home. Funds will be used to install the first public chargers in Sweet Home. One or two DC fast charger stations will be installed downtown for public use by residents, commuters and travelers.
- First Alternative Cooperative (Corvallis). Funds will be used to install two DC fast chargers, available to the public, at the co-op's south Corvallis location, a high-traffic area of affordable homes and multifamily properties that is underserved by EV charging infrastructure.
- Linn County. Funds will be used to install two Level 2 charging stations in downtown Albany. They will be available to the public, including residents and commuters from surrounding rural areas. The chargers will allow Linn County to convert some other fleet vehicles to EVs.

Grant Matching & Grant Writing Support

PacifiCorp provided Grant Matching Funds to three grantees in 2022. Table 3, below, details the value awarded and descriptions are provided further below.

Table 2: 2022 Grant Matching Awardees

Name	2022 Funding
Portland Multi Family	\$250,000
Portland Public Schools	\$50,000
CRUse Project	\$50,000
Indigenous Resilience Grant Writing	\$30,000

Outreach & Education Programs

Continue Dealer Engagement

PacifiCorp provided funding to deploy Chargeway Beacons in four rural Oregon dealerships. Chargeway is a system that uses colors to identify plug types and numbers for power levels. The higher the number, the faster an EV owner can charge at that station. Customers can use the labeling system on charging stations, the Chargeway Beacons, and the Charge way app to easily differentiate among charging options and simplify their interaction with electricity as a transportation fuel. The Chargeway app is free to download for all PacifiCorp customers and shows the simple color and number icons on a map that identifies all charging options available for every electric car a user adds to their account. The Beacon is a six-foot interactive touch screen that shows charging locations and aids salespeople in communicating about electric fuel. The Beacons also collect data

on customer use of the Beacons, providing PacifiCorp with insights into residential customer engagement at dealerships. Clean fuels dollars continue to support ongoing operations of the Chargeway beacons.

Customer Communications and Statewide Campaign

PacifiCorp recognizes the need to continue supporting the statewide education and outreach campaign, Oregon's Electric, to engage a broader group of customers in the benefits of electric transportation. PacifiCorp continues to collaborate with PGE and others to build on the brand-neutral statewide campaign and look for ways to leverage existing outreach activities. Funds supported paid media, earned media outreach, content development, and dealership engagement.

On-Call Technical Assistance

Over the last year, PacifiCorp employed the services of a technical third-party to respond to inquiries and questions customers have regarding electric vehicle infrastructure decision-making. Most often, customers were confused regarding what rates schedules to choose to ensure that costs were minimized for hosting public charging. This on-call support provided direct support for customers to help unlock barriers and challenges to implementing electric vehicle infrastructure projects.

Grantee Roundtable Events

PacifiCorp hosted one roundtable events last year. The roundtable events were hosted in July 2022. The purpose of the grantee roundtables is to create a space for learning and cross-sharing amongst grantees to spawn a network of support. The first roundtable hosted discussions on an e-bus learning project, e-bike initiatives and infrastructure projects and more. These roundtables are planned to continue semi-annually in 2023.

V. Incremental Credits

PacifiCorp began claiming residential incremental CFP credits based on year-end 2021 registrations. PacifiCorp plans to claim incremental credits based on charging associated with EV drivers who participate in the PacifiCorp's voluntary Renewable Energy Certificate (REC)-based programs. (PacifiCorp calls its voluntary REC programs the Blue Sky programs.) Ascribing a zero-carbon value to charging load from Blue Sky participants allows PacifiCorp to reduce the carbon intensity of its electricity, thereby increasing the number of credits it generates. PacifiCorp identified 16% of its Blue Sky participants as utilizing EV charging as of year-end 2020. PacifiCorp subsequently purchased additional qualifying RECs under DEQ criteria to apply to residential charging that is not attributed to its Blue Sky programs as follows:

Year	MWh attributed to EV Charging	MWH Covered By Blue Sky	Additional RECS Purchased and Retired by PacifiCorp	Incremental Credits Received
2021	30,638	4,841	25,797	16,280
Front Half 2022	21,961	3,514	18,447*	11,544
Back Half 2022	22,502	3,600	18,902*	TBD upon retirement of an additional 9,896 RECs.

*27,453 RECS were retired as of March 15. An additional 9,896 RECS will be purchased in April 2023 to claim the additional incremental credits for BH2022.