HB 3141
Self-Direct Rulemaking
Stakeholder Meeting

Andy Cameron
October 6, 2021
AGENDA

- Introductions
- Background
  - HB 3141 Overview
  - Current Program Overview – Program Processes/ODOE’s Role
  - Self-Direct (or LECPPP) Context within Public Purpose Charge
- HB 3141 Changes/Impacts on Self-Direct Implementation/Administration
- ODOE Self-Direct Rulemaking Fall 2021
  - Purpose: Revise ODOE processes to implement HB 3141 program changes
    - Program continuity
    - “Housekeeping” – clean up moot language, revise program admin fee %
  - Schedule and opportunities for input
- Discussion – gather input, answer questions, generate follow-up list
BACKGROUND – HB 3141 OVERVIEW

• Extends the Public Purpose Charge (PPC) for 10 years, through January 1, 2036
• Reduces the PPC from 3 percent of revenues to 1.5 percent of revenues collected from ratepayers of PGE and Pacific Power
• Moves most cost-effective energy efficiency work from the Public Purpose Charge and funds those programs within the rates paid by PGE and Pacific Power customers
• Adds language in renewables section to allow PPC funds to be used for distribution system-connected technologies (DSCT)* that support reliability, resilience, and integration of renewable energy with the distribution system

* PUC will provisionally define for 2022, with permanent definition to follow
<table>
<thead>
<tr>
<th>Program Area</th>
<th>Current (SB 1149)</th>
<th>Future (HB 3141)</th>
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</thead>
<tbody>
<tr>
<td>IOU Collection</td>
<td>3% customer revenue</td>
<td>1.5% customer revenue</td>
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<tr>
<td>School Districts</td>
<td>&quot;First 10%&quot;</td>
<td>0.3% revenues (20 percent of 1.5% = 10% of 3%)</td>
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<tr>
<td>Low-income weatherization</td>
<td>11.7% of 3% to low-income weatherization</td>
<td>0.55%</td>
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<td>Low-income housing</td>
<td>4.5% of 3% low-income housing</td>
<td>0.14%</td>
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<tr>
<td>NGO (Energy Trust) or Self-direct</td>
<td>Self-direct 56.7 percent of 3% conservation</td>
<td>Cost-effective energy efficiency collected in rates of all retail electricity consumers</td>
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<td>(56.7 = 63% X (100%-10%))</td>
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<tr>
<td>NGO (Energy Trust) or Self-direct</td>
<td>Self-direct 17.1 percent of 3% renewable energy</td>
<td>75 percent of 0.51% renewable energy and distribution system-connected technologies</td>
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<td>(17.1% = 19% X (100%-10%))</td>
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**NOTE:** Only conservation and renewable portions of the PPC may be self-directed. Each portion must be kept separate and used only for its designated purpose.
LECPPP/SELF-DIRECT PROGRAM DEFINITIONS/SUPPORTING DOCS

- Large Electric Consumer Public Purpose Program (LECPPP – pronounced leck-pep)
- Self-Direct – "self-reimbursing" for purchases of renewable energy and energy conservation for own site rather than remitting the portion of PPC that is designated for those purposes
- HB 3141 Enrolled – Sections 1 and 2 contain changes to PPC, cost effective energy efficiency and self-direct program
- ODOE Links: LECPPP Information | Administrative Rules | LECPPP Rulemaking
- Excellent overview of PPC, percent/dollar allocations, program results by area/administrator: 2017-19 PPC Legislative Report
LECPPP/SELF-DIRECT PROGRAM OVERVIEW & CURRENT PROCESSES/ROLES

Sites (>1 aMW) register with ODOE

ODOE reviews & approves

Submit project to ODOE

ODOE reviews & approves

Site implements project; applies for credit with ODOE

Utilities enter monthly data and PPC obligation into database

Green Tags (RECs) combine steps
Processes

• Sites > 1 aMW register with ODOE; ODOE reviews and approves

• Eligible sites submit renewable or conservation projects to ODOE; ODOE reviews and approves, or “pre-certifies” projects

• Eligible sites implement project, apply for credit (attach CPA letter for >$50k), ODOE reviews and approves “qualified expenditures,” which are added to respective renewable or conservation PPC credit balance

• Green Tags (RECs)-allowable Renewable PPC project combines above two steps

• Utilities enter monthly usage and PPC obligation into LECPPP database. Credit balances are reduced by the monthly conservation and renewable obligation. Sites with $0 balance must complete new projects or start paying PPC.
HB 3141 SELF-DIRECT CHANGES/IMPLEMENTATION

Operative Date: January 1, 2022

Renewable Energy
› “Distribution system-connected technologies” definition from PUC; consistent with Energy Trust
› Self-direct limited to 75% of 0.51% total, with 25% for Low and Moderate Income

Conservation/Energy Efficiency
› PPC conservation “gone”
› Cost-effective energy efficiency recovered through rates
HB 3141 CHANGES/IMPLEMENTATION

Sites: same >1 aMW threshold and registration process; approval valid for both PPC 757.612 and 757.054 (Energy Efficiency)

**Renewable Energy**

- Distribution system-connected technologies new eligible category (investment vs. current above-market costs) for renewable portion of PPC; process to submit & review same as current
- Sites may self-direct only 75% of 0.51%; 25% to Low-to-Moderate Income (LMI) programs
- Green Tags – no change process; “burn rate” slower due to LMI – need less
Conservation/Energy Efficiency

- PPC conservation “moot,” but site PPC credit balances roll to EE 1/1/2022
- Cost-effective energy efficiency recovered through rates
- Same submit & review (1- to 10-year simple payback), approval process

Same basic process: utility monthly statements in LECPPP database, which will be received for 75% of renewable PPC, cost-effective EE amount in rates functionally equivalent to 56.7% PPC for conservation
• Background: State agency rules and rulemaking

• Purpose of HB 3141 rulemaking at ODOE:
  • Revise ODOE processes to implement changes made by the bill to LECPPP/Self-Direct program
  • Program continuity for current participants
  • “Housekeeping” – clean up moot language, revise program admin fee

https://www.oregon.gov/energy/Get-Involved/Pages/LECPPP-Rulemaking.aspx
ODOE SELF-DIRECT RULEMAKING FALL 2021

Schedule and opportunities for input

- **October 21**: PUC discussion of distribution system-connected technologies definition
- November 1: ODOE draft rules and hearing notice published
- November 1 – December 1: ODOE public comment period
- **November 30**: PUC adoption of provisional distribution system-connected technologies definition
- ~ December 1: ODOE public hearing
- ~ December 22: ODOE files rules; effective date January 1, 2022
Discussion

• Gather input from meeting participants
• Answer questions
• Generate follow up list (as needed)
Contact Us

- Tom Elliott, LECPPP Manager, tom.elliott@energy.Oregon.gov
- Wendy Simons, Rulemaking Coordinator, wendy.simons@energy.Oregon.gov

Resources

- [HB 3141 Enrolled](#) – Sections 1 and 2 contain changes to PPC, cost effective energy efficiency and self-direct program
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