# TRANSPORTATION ELECTRIFICATION

**Bill Number:** HB 2165 - Transportation Electrification Bill & HB 3055 Omnibus Transportation Bill

**Chapter:** 95, OR Laws 2021 (HB 2165) / Chapter: 630, OR Laws 2021 (HB 3055)

**Effective Date:** HB 2165: Jan. 1, 2022 / HB 3055 §21: Sept. 25, 2021

HB 2165: Adds new provisions and amends ORS 757.357 to further accelerate utility investment in TE infrastructure; Modifies, adds and repeals laws relating to transportation.

HB 3055: Modifies, adds and repeals laws relating to transportation.

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**Project Manager:** Sarah Hall
**Support Team:** Eric Shierman
**DOJ Lead:** Jill Goatcher

**HB 2165 Summary**


Section 2 of HB 2165 creates a dedicated funding resource for investments by requiring PGE and PacifiCorp to collect a monthly meter charge equal to 0.25% of the total revenues. Applies to all retail customers and customers of Electric Service Suppliers (ESSs) connected to the utility’s distribution
system. These funds are the minimum amount that must be invested, with at least 50% needing to be expended annually on underserved communities. The budget must be approved by the PUC and relate to elements in the utility’s accepted TE Plan. Accounting for HB 2165 revenue and expenditures needs to be separate from other funds and must be reported to the PUC. The PUC needs to determine the manner and timing of this reporting. It also requires that at least 50% of the HB 2165 funds collected be spent each year to support TE in underserved communities through such things as programs, infrastructure, and rebates. The collection and expenditure of these funds expires 1/2/31 (Section 3).

Section 4 of HB 2165 amends ORS 757.357 adding several important definitions and changing the requirements to TE Plan approval. Definition updates include the addition of “infrastructure measures” and an expansion of TE to include “Programs.” It then updates PUC criteria around the types of TE investments and the minimum requirements for an approvable utility TE plan.

The bill allows TE expenditures to be covered by rates if the measures undertaken can be shown to support TE and benefit utility customers. This can be done through a myriad of ways including: reduction in GHG emissions; distribution or transmission management benefits; revenues from electric vehicle charging offsetting utility fixed costs that may otherwise be charged to customers; system efficiencies; or increased customer choice through greater deployment and increased availability of and access to public and private electric vehicle charging stations. Finally, utilities installing one or more electric vehicle charging stations to ensure customer choice in the selection of the type of electric vehicle charging station to be installed.

**HB 3055 Summary**


HB 3055 is a large, omnibus transportation bill. Four of the 170 sections pertain to the PUC. First, section 21 almost exactly mirrors the language found in HB 2165 expanding the authority of the PUC. In Sections 23 and 24, the bill expands the authority of gas utilities to invest in transportation infrastructure in front of or behind the meter. Investments must meet several criteria for cost recovery, including a reduction in GHG emissions, improvements to the gas infrastructure, and supporting the adoption of alternative vehicles powered by renewable hydrogen or renewable natural gas.

The legislature gave the PUC wide discretion to determine what investments do fall under that category. Additionally, the law includes statutory factors that the PUC may consider when approving these investments. Generally, HB 3055 gives the PUC even more flexibility in determining which programs and activities to approve.
Overall Fiscal Impacts

The PUC reported no fiscal impact for HB 2165 or HB 3055. Implementation of this measure requires new work to be done within the scope of existing positions at the PUC.

Implementation Considerations and Additional Information

HB 2165 bill was introduced by the Governor as one of her priorities for the 2021 Session. HB 2290 and HB 3055 also passed in the 2021 Session and both amend ORS 757.357 with the same language found in HB 2165 section 4.

Implementation Plans

The PUC’s initial plan to implement these bills is generally represented on the attached Gantt chart (with the exception of changes required to utility tariff and direct access charges) and discussed below. The PUC will revisit the implementation activities and adjust as needed.

I. HB 2165

A. Guidance and Definitions

Clarification of terms and new requirements is needed to inform actions on new monthly meter surcharge to support TE infrastructure measures.

Action: In the remainder of 2021, PUC Staff will work with stakeholders in Q4, 2021 to seek guidance on four issues:

- TE budget requirements and process
- Accounting expectations
- Reporting requirements for expenditures and
- Process for estimating 50% spend on underserved communities

PUC Staff will also work with stakeholders to ensure common understanding of definitions for:

- “Total revenues from all retail customers” and
- “Underserved communities.”

PUC Staff will report to Commissioners end of year for action as necessary.

B. TE Investment Framework

In response to EO 20-04, the PUC opened UM 2165 to develop a holistic TE investment framework. The PUC plans to integrate HB 2165 with that investigation.
**Action:** At the October 20, 2021 UM 2165 workshop, Staff will seek stakeholder input on two proposed pathways to integrate HB 2165 with TE plans:

1. Use docket UM 2165 to develop an interim guidance document to inform the utility TE plans scheduled to be filed by the utilities in the first and second quarters of 2022, and use the TE plans and approval to inform TE rulemaking (OAR 860 Division 87) to be opened during fourth quarter of 2022, or
2. Delay the filing of TE plans and use docket UM 2165 to develop draft rules for rulemaking to be opened in first quarter of 2022, which will be used to help develop and review delayed TE filings made in later 2022.

**C. Tariffs**

The PUC will need to establish new tariffs for PGE and PacifiCorp that incorporate the .25% revenue charge to support the TE investments, and determine appropriate regulatory treatment for those monies collected.

**Action:** These and other required tariff changes from the 2021 Legislative Session will be addressed in a separate implementation plan.

**II. HB 3055**

HB 3055 expands the authority of natural gas utilities to invest in transportation infrastructure in front of or behind the meter.

**Action:** PUC Staff to conduct stakeholder outreach to determine proposed activity and need for guidance on appropriate investments, investment levels, project submittal process, and other issues.