

A photograph of a waterfront city scene. In the foreground, a wooden pier with several white mooring bollards extends into the water. A white motorboat is docked at the pier. In the background, a dense urban skyline is visible under a clear blue sky. Notable buildings include a tall, white, rectangular skyscraper and a building with a distinctive, curved, metallic facade. A green gantry crane is visible on the right side of the pier.

*Serving our customers*

# Transportation Electrification Plan

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# A win-win-win situation

## **DRIVER**

Electricity is less expensive  
EVs need less maintenance

## **ENVIRONMENT**

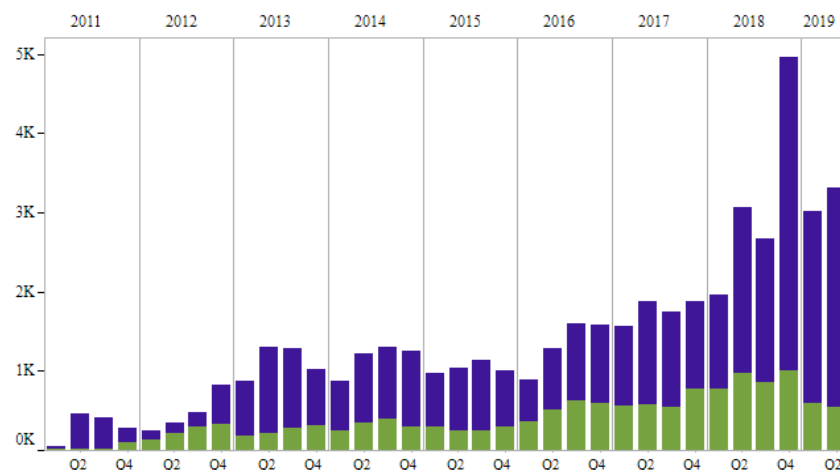
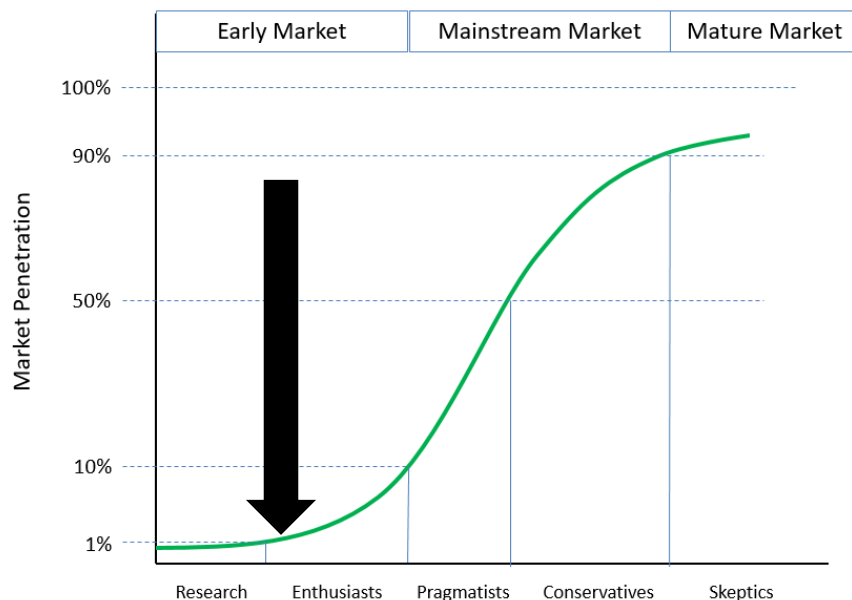
Reduced GHG emissions  
Domestic source of energy  
Improved air quality, less noise

## **UTILITY**

Increased utility revenues

## Current market

- Early adoption stage (<3% of new cars in WA)
- Economics outlook of EVs is good
  - Cheap and clean renewable power, battery cost falling
- Public awareness is still low, many questions
- A period of innovation – best practices have not been set



# HB 1512 - Clarified Utility Role

## Self Directed

*“...each electric utility, depending on its unique circumstances, can determine its appropriate role in the development of electrification of transportation infrastructure.”*

## Clarifies what is permitted

*“...legislative clarity is important for utilities to offer programs and services, including incentives, in the electrification of transportation...”*

## Transportation electrification is voluntary

*“The governing authority...**may** adopt an electrification of transportation plan...”*

# HB 1512 - Clarified Utility Role

## Suggested topics of consideration

“...the governing authority **may** consider some or all of the following...”

1. Applicability of multiple options for electrification of transportation across all customer classes
2. The impact of electrification on the utility's load, the use of demand response or load management including direct load control and dynamic pricing
3. System reliability and distribution system efficiencies
4. Interoperability concerns for software or hardware
5. Overall customer experience



# HB1512 - Spending Constraints

## Gift of Public Funds Prohibitions

- Each program must still adhere to the constitutional prohibitions against “gifts of public funds” as interpreted in case law to not be a donative act (except in cases of “poor and infirm”)
- Satisfied by a Ratepayer Impact Measure (RIM) test

## Cost cap

*“...utility outreach and investment in the electrification of transportation infrastructure does not increase net costs to ratepayers in excess of one-quarter of one percent.”*

- Interpreted to mean the sum of program costs net of projected benefits plus general expenses explicitly used for programs must not exceed 0.25% of operating expenses for the biennium.

# Question of governance

## Legislative intent:

- Removes a perceived legal obstacle
- Voluntary and self-directed
- Requires oversight by governing body
- Flexibility in how topics are considered, funds are spent

Required but  
Permissive  
Authority

## Reality of the early market:

- Technology is continually changing
- Environmental policy is progressing
- Opportunities for partnerships and funding are fleeting
- Impractical for Board approval of program design and delivery

Operational  
Flexibility

# The Strategic Plan

- Contains the strategic vision
- Provides guiding principles
- Codifies interpretation and compliance with HB 1512
- Sets the role of the utility
- Contributes to organizational clarity and consistency
- Establishes governance process
  - Public Utility Board approval of Strategic Plan, review on demand
  - Annual review of Action Plan
  - Describes internal processes for program design and delivery
- Public Input process before adoption



# The Action Plan

- Annual update on results of previous year efforts
- Specifies areas of focus for the utility
- Previews program design and delivery for next year
- Aligned with the Strategic Plan
- Not explicitly adopted by the Public Utility Board to provide operational flexibility
- Addresses the “five areas to consider”
- Biennial public input process

# Timeline

Oct 23, 2019      Public Utility Board has first draft of the Strategic and Action Plans

Public Process:

Nov 6, 2019      Presentation to Infrastructure, Planning and Sustainability

Dec/Jan 2020      Public Meeting with key stakeholders

Jan 2020      Opportunity to comment via website

Feb 2020      Final document including comments from PUB and Public Process presented for approval

# Questions?

