

30 June 2021

# How Other States Are Evaluating Transportation Electrification Proposals

Oregon Public Utility Commission Public Workshop

Docket No. UM 2165: Transportation Electrification Investment Framework

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# Proceedings Where Evaluation Questions Arise

- Utility investment in EV charging equipment
- Grid investments to accommodate incremental load from EVs
- Rate cases/rate design – e.g., EV charging tariff
- Performance-based regulation (PBR) investigation

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# Common Evaluation Approaches

- **Benefit-Cost Analysis (BCA)**
  - For programs or specific proposed electrification investments
  - Key Challenge: designing the cost test
- **Performance vs. Target**
  - For compliance with statute/regulation/order or for PBR
  - Key Challenge: for PBR, designing metrics & targets
- **Least Cost/Best Fit**
  - For planning investments to ensure reliability at least cost
  - Key Challenge: treating all resources equally
- **Prudence**

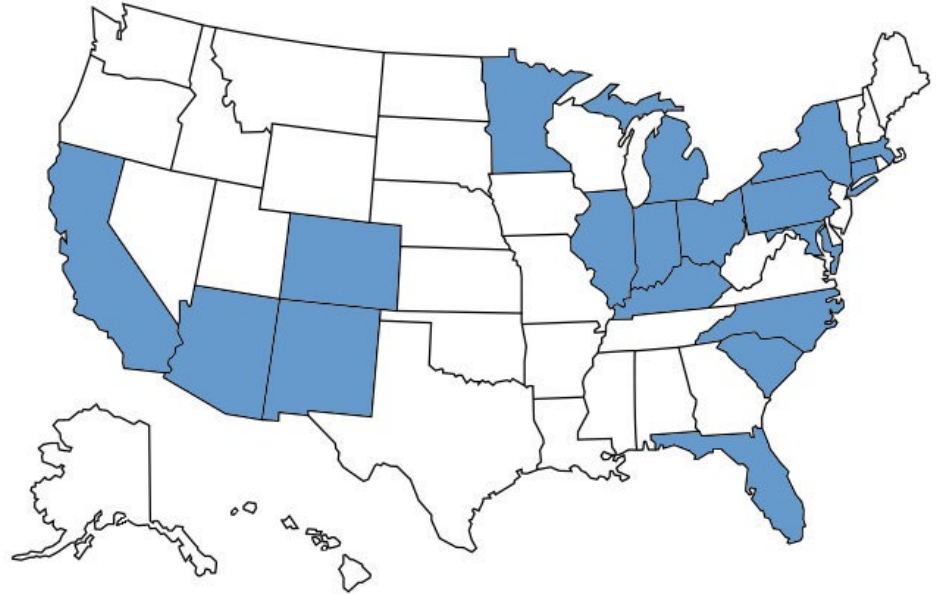
# Examples

State	Method	Test/Standard	Consistent with Other DERs?
MD	BCA	JST in development	No?
MN	BCA	SCT, UCT, RIM (no primary test)	Mostly
NY	BCA	SCT (primary)	Yes
RI	BCA	JST (primary)	Yes
WA	BCA	SCT (primary)	No
CA	Performance vs Target	Minimize costs and maximize benefits	No
CO	Performance vs Target	Rate Impact <0.5%	No
VA	Prudence	Public Interest	No

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# External BCA Analyses by MJB&A, E3, and ICF

- Impacts of achieving a statewide target or assumed level of EV deployment
- Cost tests used:
  - PCT – net benefits to EV owners
  - SCT – net benefits to society
  - RIM – impact on electric utility rates



# About RAP

The Regulatory Assistance Project (RAP)® is an independent, non-partisan, non-governmental organization dedicated to accelerating the transition to a clean, reliable, and efficient energy future.

Learn more about our work at [raponline.org](https://raponline.org)



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# Extra Slides if Useful for Q&A

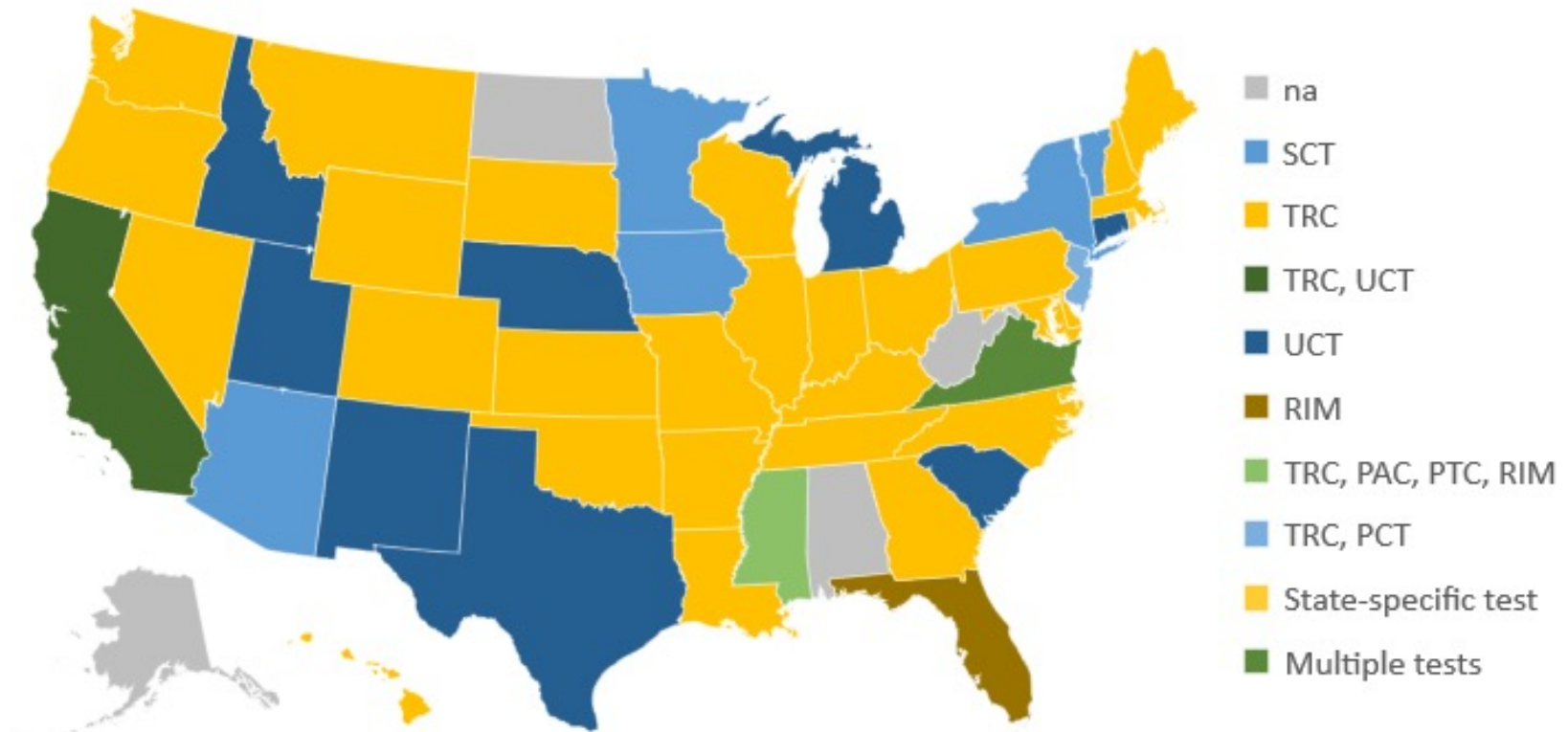
# Traditional BCA Tests

Test	Perspective	Key Question Answered	Impacts Accounted For
<b>Utility Cost Test (UCT)</b>	The utility system	Will utility system costs be reduced?	Includes the benefits and costs experienced by the utility system
<b>Total Resource Cost (TRC)</b>	The utility system plus participating customers	Will utility system costs plus program participants' costs be reduced?	Includes the benefits and costs experienced by the utility system, plus benefits and costs to program participants
<b>Societal Cost Test (SCT)</b>	Society as a whole	Will total costs to society be reduced?	Includes the benefits and costs experienced by society as a whole
<b>Participant Cost Test (PCT)</b>	Customers who participate in a program	Will program participants' costs be reduced?	Includes the benefits and costs experienced by the customers who participate in the program
<b>Rate Impact Measure (RIM)</b>	Impacts on rates paid by customers	Will utility rates be reduced?	Includes the benefits and costs that will affect utility rates, including utility system benefits and costs plus lost revenues

Source: [National Standard Practice Manual for Benefit-Cost Analysis of Distributed Energy Resources](#), August 2020.



# Primary Test for EE Evaluation



Database of State Efficiency Screening Practices (DSESP)

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# In States that use TRC, does test include “other fuel impacts”?

