

RESOLUTION NO. 2023-35

RESOLUTION ADOPTING CITY OF FOREST GROVE CLEAN FUELS CREDIT ALLOCATIONS AND REPEALING RESOLUTION NO. 2022-24

WHEREAS, DEQ has an established Clean Fuels Credit (CFC) program recognizing electric vehicles; and

WHEREAS, electric utilities can be issued credits for electric vehicles registered in their service areas; and

WHEREAS, these credits can be monetized and the proceeds used in the way a utility governing board chooses; and

WHEREAS, the City Council approved Resolution No. 2022-24 allowing the credits to be monetized and the proceeds used towards the Light & Power Department (L&P) electric vehicle incentive program; and

WHEREAS, the staff is recommending that L&P's current accrued and future credits be monetized and the proceeds are utilized towards L&P's Clean Fuels Credits Program.

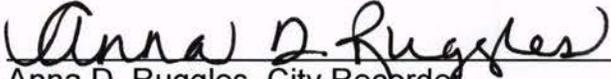
NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF FOREST GROVE AS FOLLOWS:

Section 1. The City Council of Forest Grove approves the accrued and future clean fuel credits received by the City to be monetized. The proceeds are used towards L&P's Clean Fuels Credits Program.

Section 2. Resolution No. 2022-24 is repealed upon enactment of this resolution.

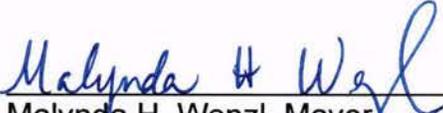
Section 3. This resolution is effective immediately upon its enactment by the City Council.

PRESENTED AND PASSED this 10th day of July, 2023.



Anna D. Ruggles, City Recorder

APPROVED by the Mayor this 10th day of July, 2023.



Malynda H. Wenzl, Mayor



A place where families and businesses thrive.

CITY RECORDER USE ONLY:

AGENDA ITEM #: F. 1.

MEETING DATE: 07.10.2023

FINAL ACTION: RESO 2023-35

CITY COUNCIL STAFF REPORT

TO: *City Council*

FROM: *Jesse VanderZanden, City Manager*

PROJECT TEAM: *Eddie Littlefield, L&P Power Services Manager
Keith Hormann, L&P Director*

MEETING DATE: *July 10, 2023*

SUBJECT TITLE: *Clean Fuels Credits Allocation*

ACTION REQUESTED:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Ordinance	Order	X	Resolution	Motion	Informational

X, all that apply

ISSUE STATEMENT: Forest Grove Light & Power (FGL&P) receives funds from the Department of Environmental Quality (DEQ) for electric vehicles (EV) registered in the FGL&P’s service area and currently issues incentives for customers who install Level-2 EV chargers. Staff has reviewed the current incentive program and would like to expand the incentive program to allow for additional incentives such as incentives for electric bikes, used electric vehicles, and future programs that will benefit customers as part of the City’s Clean Fuels Credits Program. Staff has prepared a resolution for council consideration that allows staff to monetize future credits and offer additional incentives to its customers through the Clean Fuels Credits Program. The proposed resolution will repeal Resolution No. 2022-24 which limited incentives to Level-2 EV chargers.

BACKGROUND: Starting in 2020, FGL&P has received clean fuels credits from DEQ for plug-in electric vehicles registered in our utility’s service territory. The credit is approximately \$124 per plug-in electric vehicles registered in our utility service area since 2020. FGL&P monetized (converted the credits to cash) last year based on a resolution passed by Council. Staff would like the ability to monetize the current and future credits without having to get Council approval each time the credits are monetized and have written the language in the resolution to enable staff to be able to do this.

Currently incentives are limited to rebates for customers who install Level-2 EV chargers. Staff has been developing a Clean Fuels Credits Program that would expand the program beyond just Level-2 EV chargers. Staff would like to expand the program to incentives for electric bikes, purchase of used electric vehicles, and future incentives that would benefit our customers. Staff has written the proposed resolution modify the Clean Fuels Credits Program to allow the staff flexibility to create new incentives in the future. Staff recommends these additional incentives be applied to all prior and future purchases for FGL&P customers similar to how the incentive for the EV chargers were offered. When approved, FGL&P will place the revised Clean Fuels Credits Program on the City’s website and other means of communication and share this information in both English and Spanish.

FISCAL IMPACT: There is no fiscal impact to FGL&P rates as all of the funds used for this program come from the DEQ Clean Fuels Program. This program allows FGL&P to offer incentives without having to use rate payer funds.

STAFF RECOMMENDATION:

Staff recommends the Council pass the proposed resolution to allow continued monetization of current and future Clean Fuels Credits and to continue to build a Clean Fuels Credits Program. These ongoing efforts will support projects that will reduce the carbon footprint within our service territory.