
**PUBLIC UTILITY COMMISSION
OF OREGON**

UE 189

STAFF DIRECT TESTIMONY

OF

LISA SCHWARTZ

**In the Matter of
PORTLAND GENERAL ELECTRIC CO.
Request to Add Schedule 111,
Advanced Metering Infrastructure (AMI)**

November 21, 2007

CASE: UE 189
WITNESS: LISA SCHWARTZ

**PUBLIC UTILITY COMMISSION
OF
OREGON**

STAFF EXHIBIT 100

November 21, 2007

1 **Q. PLEASE STATE YOUR NAME.**

2 A. My name is Lisa Schwartz.

3 **Q. ARE YOU THE SAME LISA SCHWARTZ THAT FILED JOINT TESTIMONY**
4 **SUPPORTING A STIPULATION IN THIS PROCEEDING?**

5 A. Yes.

6 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?**

7 A. First, I explain the rights Staff and other parties have in future proceedings
8 where PGE's recovery of Advanced Metering Infrastructure (AMI)-associated
9 costs will be addressed. Second, I advise the Commission that Staff may
10 comment in other proceedings about PGE's proposed timing of direct load
11 control programs for residential and small non-residential customers.

12 **Q. FIRST, PLEASE EXPLAIN WHAT KIND OF AMI COST REVIEW MAY BE**
13 **DONE IN FUTURE DOCKETS.**

14 A. Parties will review whether actual AMI costs and savings are materially
15 different than PGE's estimates. As noted in Exhibit 100, Staff and Parties have
16 entered into this Stipulation based on their current understanding of estimated
17 future costs and savings. If those estimates prove to be unreasonably different
18 than actual costs and savings, and Staff or Parties find AMI's actual net
19 benefits to be unreasonably below PGE's estimates for this proceeding, Staff
20 or Parties may recommend that the Commission disallow unreasonable costs.

21 **Q. REGARDING YOUR SECOND ISSUE, PLEASE EXPLAIN PGE'S**
22 **PROPOSED TIMING FOR A DIRECT LOAD CONTROL PROGRAM.**

1 A. In PGE's Conditions document (Joint Exhibit 101), the Company commits to
2 issuing a Request for Proposals (RFP) for direct load control providers eight
3 months prior to the scheduled completion of AMI deployment, approximately
4 the first quarter of 2010. Further, the Company commits to filing a direct load
5 control program for residential and small non-residential customers by the end
6 of the AMI deployment period.

7 PGE proposes this timing in order to issue an RFP for direct load control
8 providers that will be attractive to the market – in other words, timed for full use
9 of the AMI system. See Joint Exhibit 101 at 3-4.

10 **Q. DOES PGE NEED TO USE AN AMI SYSTEM TO DEPLOY A DIRECT**
11 **LOAD CONTROL PROGRAM?**

12 A. No. Many utilities have implemented programs to control customer loads such
13 as air-conditioning and water heating without AMI. For example, utilities or
14 third-party providers can use a paging system and control switches on energy-
15 consuming devices.

16 **Q. CAN PGE USE ITS AMI SYSTEM TO DEPLOY A DIRECT LOAD**
17 **CONTROL PROGRAM?**

18 A. Yes. The two-way AMI communications system PGE is proposing can be used
19 to send signals to customers' premises for direct control of loads. The system
20 can verify resulting reductions in loads at customer's premises, as well.
21 Alternatively, aggregated load reductions can be monitored at the substation
22 level.

1 **Q. WHAT IS STAFF'S POSITION ON TIMING OF A DIRECT LOAD**
2 **CONTROL PROGRAM FOR PGE?**

3 A. PGE should review the appropriate timing for a direct load control program as
4 the Company develops its proposed Critical Peak Pricing (CPP) tariff in 2008.
5 Also at that time, PGE should review future technology needs for the full range
6 of demand response programs for residential and small non-residential
7 customers. That includes direct load control and appliance controls, as well as
8 pricing programs.

9 The Conditions document states that PGE will file an experimental CPP
10 tariff approximately first quarter of 2009. That's one year *before* the Company
11 plans to issue an RFP to direct load control providers. The Conditions
12 document further commits PGE to evaluate the suitability of programmable
13 communicating thermostats and other technologies that can be used for two
14 purposes: 1) automated customer response to CPP signals – e.g., a device
15 that sets a higher temperature for air conditioning during summer CPP events
16 and 2) utility direct load control.

17 In addition, Staff and other parties are reviewing the proposed timing of
18 direct load control programs in PGE's 2007 Integrated Resource Plan (Docket
19 LC 43).

20 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

21 A. Yes.

1 **CERTIFICATE OF SERVICE**

2
3 I certify that on November 21, 2007, I served the foregoing upon all parties of record in
4 this proceeding by delivering a copy by electronic mail and by mailing a copy by postage prepaid
5 first class mail or by hand delivery/shuttle mail to the parties accepting paper service.

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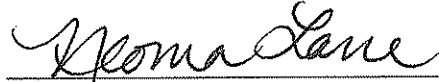
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