

June 1, 2009

Public Utility Commission of Oregon Attn: Filing Center 550 Capitol Street, N.E., Suite 215

Salem, OR 97301-2551

RE: Supplemental Filing of Advice No. 08-22, Firm Load Reduction Pilot Program

In addition to the electronic filing, enclosed is the original and three courtesy copies, with a requested effective date of **July 9**, **2009**:

Enclosed are the following replacement sheets:

Original Sheet No. 77-1

Original Sheet No. 77-2

Original Sheet No. 77-3

Original Sheet No. 77-4

Original Sheet No. 77-5

PGE filed Advice No. 08-22 on December 23, 2008, with a requested effective date of February 4, 2009. PGE made a Supplemental Filing on January 14, 2009, requesting an effective date of March 11, 2009, to provide additional time for review of the filing. At the Public Meeting on March 10, 2009, the Commission ordered a suspension of the filing for an additional 120 days to allow more time for review.

The purpose of this filing is to make several clarifying language changes to the proposed Schedule 77, Firm Load Reduction Pilot Program. The modifications, which do not materially change the program as originally proposed, incorporate comments from Staff and other parties developed during two pilot program review workshops. A redline version of the tariff is provided for comparison.

Please direct any questions regarding this filing to Dmitri Jemeljanov at (503) 464-8498.

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com

Sincerely,

Randall J. Dahlgren

Director, Regulatory Policy & Affairs

Enclosure(s)

cc: George Compton

# SCHEDULE 77 FIRM LOAD REDUCTION PILOT PROGRAM

#### PURPOSE

This schedule is an optional supplemental service that provides participating Large Nonresidential Customers payments for reducing a committed amount of load at the request of the Company. Under this tariff, the Customer will provide a Firm Load Reduction commitment that the Company can call at any time according to the conditions listed below.

#### AVAILABLE

In all territory served by the Company.

## **APPLICABLE**

To qualifying Large Nonresidential Customers served under Schedules 75, and 89, who at the notification by the Company, during a Firm Load Curtailment Event, are able to commit to load reduction of at least 1 MW of Demand at a single Point of Delivery (PODID). The schedule is limited to a Firm Load Commitment of 10 MW total capacity enrolled on first come first served basis.

#### **PAYMENTS**

Subject to the terms of this Schedule, the Company will pay the Customer:

1. A Monthly Reservation Payment, for the duration of the contract term, equal to the Firm Load Reduction Commitment per kW multiplied by the applicable monthly Reservation Rate based on the Option selected by the Customer:

Firm Load Reduction Option	Monthly Reservation Rate per kW
Α	\$3.00
B	\$2.50

2. A Firm Energy Reduction payment for each Megawatt-Hour (MWh) reduced during the Firm Load Curtailment Event, up to 120% of the Firm Energy Reduction Commitment.

The Energy Reduction Payment will be equal to the Firm Energy Reduction Amount times the lesser of the hourly Mid-Columbia Electricity Index (Mid-C) as reported by the Dow Jones or fuel cost per MWh for a Simple Cycle Combustion Turbine (SCCT) during the Load Curtailment Event as shown below adjusted for losses based on the Customer's delivery voltage.

PAYMENTS (Continued)

For the year of 2009, the reference fuel costs per MWh for an SCCT are:

Jan 2009	Feb 2009	Jul 2009	Aug 2009	Sep 2009	Dec 2009
\$63.74	\$63.96	\$61.69	\$62.46	\$62.74	\$74.43

The Energy Reduction Payment rates will be updated annually by December 1<sup>st</sup>. Evaluation and settlement of the Energy Reduction Payment will occur within 60 days of the Firm Load Curtailment Event.

#### FIRM LOAD REDUCTION OPTION AND ELECTION

The Firm Load Reduction Options and terms are:

Firm Demand Reduction Options	Advance Notification Hours	Event Duration Consecutive Hours per Day
А	2	4
В	4	4

The Customer must select at the time of enrollment the applicable Firm Load Reduction Option to be in effect for the duration of the contract term.

# FIRM LOAD REDUCTION

Firm Load Reduction will be measured as a reduction of Demand as specified in the Firm Load Reduction Agreement from a predetermined Daily Baseline Demand Profile during each hour of the Load Curtailment Event.

## Daily Baseline Demand Profile

Daily Baseline Demand Profile is defined by measuring the participating Customer's Demand for each 15-minute interval over a minimum of the most recent 14 typical operational days prior to the Load Curtailment Event and combined into an average hourly Demand profile on an hour-by-hour basis.

Typical operational days exclude days that a Customer has participated in a Curtailment Event. If the Customer's energy usage is highly variable, the Company may, in collaboration with the Customer, develop at time of enrollment, an alternate method to determine baseline usage.

## FIRM ENERGY REDUCTION

The Firm Energy Reduction Amount is the difference between the Customer's Baseline Energy Usage and the Customer's measured hourly energy usage during the Load Curtailment Event.

# FIRM ENERGY REDUCTION (Continued)

Baseline Energy Usage is defined as the average energy usage for each hour for a minimum of approximately 14 typical operational days immediately prior to the curtailment event. Typical operational days exclude days that a Customer has participated in a curtailment event. The Company may, in collaboration with the customer, develop, at time of enrollment, an alternate method to determine baseline usage when the customer's energy usage is highly variable.

#### LOAD CURTAILMENT EVENT

The Company at its discretion may initiate a Load Curtailment Event by providing the participating Customer with the appropriate notification consistent with the Customer's selected Firm Load Reduction Option. The Customer will reduce its Demand served by the Company, for each hour of the Load Curtailment Event by not less than the Firm Demand Reduction Commitment made at the time of the enrollment.

The Company may initiate Load Curtailment Events during January, February, July, August, September and December of the contract year. Load Curtailment Events can be called for a maximum of two consecutive days, with only one event per day. A minimum of one event will be called per contract year. Subject to notification requirements of this schedule, the Firm Load Curtailment Event may start between 6 am and 8 pm on the event day. The Company may call up to forty-eight hours of Load Curtailment Events during the contract year.

## **Event Notification**

The Company will notify the participating Customer of a Load Curtailment Event via telephone, with a confirming email notice to the Customer's Representative specified by the Customer at the time of enrollment. The Company's notification will include a time and date by which the Customer must reduce the committed Demand for each hour of the Load Curtailment Event.

Other methods of notification may be used at the discretion of the Company and with prior Customer agreement. The Customer is responsible to notify the Company if the Customer's contact information specified at the time of the enrollment changes as soon as such change occurs.

# FAILURE TO COMPLY WITH THE LOAD CURTAILMENT EVENT

If the Customer does not meet on average 90% of the Load Reduction for each hour of the Firm Load Curtailment Event, the following will apply. The first such failure will result in the forfeit of the Energy Reduction Payment for that Event and the refund of the Monthly Reservation Payments made for the months following the most recent prior Event in the current enrollment year. The second such failure within the contract year will result in an immediate disqualification from the Firm Load Reduction Program for a period of two years, the forfeit of the Energy Reduction Payment and the refund of the remaining Monthly Reservation Payments made to the Customer from the date of the of the first failure.

#### **ENROLLMENT**

The enrollment period for qualified Customers occurs annually from October 1<sup>st</sup> to October 15<sup>th</sup> (or the following business day if the 1<sup>st</sup> or the 15<sup>th</sup> falls on a weekend or holiday). Within five days of enrollment, the Company will confirm receipt of the PODID(s) the Customer intends to enroll under this schedule and will send a written contract to the Customer's representative. No later than October 30<sup>th</sup> (or the next business day if the 30<sup>th</sup> falls on a weekend or holiday), the Customer must sign a written Firm Load Reduction Agreement (FLRA) with the Company. The enrollment will be effective for the calendar year beginning January 1<sup>st</sup>, following the enrollment window. The Customer shall re-enroll annually in order to remain on this schedule.

#### **SPECIAL CONDITIONS**

- Customers participating on the Company's Schedule 200 program may not use their on-site generation equipment for load reductions to meet load reduction commitments under this tariff. Customer on-site generation not under Schedule 200 must be permitted through applicable local, State and Federal agencies prior to its use to meet reduction commitments under this tariff.
- 2. Customers participating in Schedules 84, 86, 483, 489, 575, 583 and 589 are not eligible.
- Firm Load Reduction by Schedule 75 Customers will not exceed the Customer's Baseline Demand as specified in the written service agreement between the Customer and the Company. Customer cannot use purchases under Schedule 76 to meet load reduction commitments under this tariff.
- 4. The Company is not responsible for any consequences to the participating Customer that results from the Firm Load Curtailment Event or the Customer's effort to reduce Energy in response to a Firm Load Curtailment Event. The Customer may not participate in this rider until the Company has installed metering that records usage in 15 minute intervals. The Customer will provide communication service to the meter if requested by the Company.
- 5. This tariff is not applicable when the Company requests or initiates load curtailment affecting a Customer PODID under system emergency conditions.
- 6. The Company will not cancel or shorten the duration of a Firm Curtailment Event once notification has been given without the consent of the Customer.
- 7. Monthly Reservation Payments and Energy Reduction Payments made to individual Customers under this tariff will be recovered from all Customers through the Company's Schedule 125 and Schedule 126 for the corresponding enrollment year.
- 8. The Company will file any adjustment to the Monthly Reservation Rate not less than two months prior to the annual enrollment period.

# SCHEDULE 77 (Concluded)

# SPECIAL CONDITIONS (Continued)

9. Participating Customers are required to have interval metering and meter communication in place prior to initiation of service under this schedule. The Company will provide and install necessary equipment which allows the Company and the Customer to monitor the Customer's energy usage.

## **TERM**

Service under this schedule will be for one-year.

# PGE Advice No. 08-22 Supplemental Filing

Redline version of Schedule 77

# SCHEDULE 77 FIRM LOAD REDUCTION PILOT PROGRAM

#### PURPOSE

This schedule is an optional supplemental service that provides participating Large Nonresidential Customers payments for reducing a committed amount of load at the request of the Company. Under this tariff, the Customer will provide a Firm Load Reduction commitment that the Company can call at any time according to the conditions listed below.

#### **AVAILABLE**

In all territory served by the Company.

## **APPLICABLE**

To qualifying Large Nonresidential Customers served under Schedules 75, and 89, who at the notification by the Company, during a Firm Load Curtailment Event, are able to commit to load reduction of at least 1 MW of Demand or greater at a single Point of Delivery (PODID). The schedule is limited to a Firm Load Commitment of 10 MW total capacity enrolled on first come first served basis.

#### **PAYMENTS**

Subject to the terms of this Schedule, the Company will pay the Customer:

1. A Monthly Reservation Payment, for the duration of the contract term, equal to the Firm Load Reduction Commitment per kW multiplied by the applicable monthly Reservation Rate based on the Option selected by the Customer:

Firm Load Reduction Option	Monthly Reservation Rate per kW
Α	\$3.00
В	\$2.50

2. A Firm Energy Reduction payment for each Megawatt-Hour (MWh) reduced during the Firm Load Curtailment Event, up to 120% of the Firm Energy Reduction Amount Commitment.

The Energy Reduction Payment will be equal to the Firm Energy Reduction Amount times the lesser of the hourly Mid-Columbia Electricity Index (Mid-C) as reported by the Dow Jones or fuel cost per MWh for a Simple Cycle Combustion Turbine (SCCT) during the Load Curtailment Event as shown below adjusted for losses based on the Customer's delivery voltage.

PAYMENTS (Continued)

For the year of 2009, the reference fuel costs per MWh for an SCCT are:

Jan 2009	Feb 2009	Jul 2009	Aug 2009	Sep 2009	Dec 2009
\$63.74	\$63.96	\$61.69	\$62.46	\$62.74	\$74.43

The Energy Reduction Payment rates will be updated annually by December 1<sup>st</sup>. Evaluation and settlement of the Energy Reduction Payment will occur within 60 days of the Firm Load Curtailment Event.

#### FIRM LOAD REDUCTION OPTION AND ELECTION

The Firm Load Reduction Options and terms are:

Firm Demand Reduction Options	Advance Notification Hours	Event Duration Consecutive Hours per Day
А	2	4
В	4	4

The Customer must select at the time of enrollment the applicable Firm Load Reduction Option to be in effect for the duration of the contract term.

# FIRM LOAD REDUCTION

Firm Load Reduction will be measured as a reduction of Demand as specified in the Firm Load Reduction Agreement from a predetermined Daily Baseline Demand Profile during each hour of the Load Curtailment Event.

## **Daily Baseline Demand Profile**

Daily Baseline Demand Profile is defined by measuring the participating Customer's Demand for each <u>1530</u>-minute interval over a minimum of the most recent 14 typical operational days prior to the Load Curtailment Event and combined into an average hourly Demand profile <u>on an hour-by-hour basis</u>.

Typical operational days exclude days that a Customer has participated in a Curtailment Event. <u>If the Customer's energy usage is highly variable</u>, <u>Tthe Company may</u>, in collaboration with the <u>Ceustomer</u>, develop, at time of enrollment, an alternate method to determine baseline usage <u>when the customer's energy usage is highly variable</u>.

## FIRM ENERGY REDUCTION AMOUNT

The Firm Energy Reduction Amount is the difference between the Customer's Baseline Energy Usage and the Customer's measured hourly energy usage during the Load Curtailment Event.

# FIRM ENERGY REDUCTION AMOUNT (Continued)

Baseline Energy Usage is defined as the average energy usage for each hour for a minimum of approximately 14 typical operational days immediately prior to the curtailment event. Typical operational days exclude days that a Customer has participated in a curtailment event. The Company may, in collaboration with the customer, develop, at time of enrollment, an alternate method to determine baseline usage when the customer's energy usage is highly variable.

#### LOAD CURTAILMENT EVENT

The Company at its discretion may initiate a Load Curtailment Event by providing the participating Customer with the appropriate notification consistent with the Customer's selected Firm Load Reduction Option. The Customer will reduce its Demand served by the Company, for each hour of the Load Curtailment Event by not less than the Firm Demand Reduction Commitment made at the time of the enrollment.

The Company may initiate Load Curtailment Events during December, January, February, and July, August, September and December of the contract year. Load Curtailment Events can be called for a maximum of two consecutive days, with only one event per day. A minimum of one event will be called per contract year. Subject to notification requirements of this schedule, the Firm Load Curtailment Event may start between 6 am and 8 pm on the event day. The Company may call up to Ftorty-eight hours of Load Curtailment Events during the contract year.

## **Event Notification**

The Company will notify the participating Customer of a Load Curtailment Event via telephone, with a confirming email notice to the Customer's Representative specified by the Customer at the time of enrollment. The Company's notification will include a time and date by which the Customer must reduce the committed Demand for each hour of the Load Curtailment Event.

Other methods of notification may be used at the discretion of the Company and with prior Customer agreement. The Customer is responsible to notify the Company if the Customer's contact information specified at the time of the enrollment changes as soon as such change occurs.

# FAILURE TO COMPLY WITH THE LOAD CURTAILMENT EVENT

If the Customer does not meet on average 90% of the Load Reduction for each hour of the Firm Load Curtailment Event, the following will apply. The first such failure will result in the forfeit of the Energy Reduction Payment for that Event and the refund of the Monthly Reservation Payments made for the months following the most recent prior Event in the current enrollment vear. to the Company made to the Customer to date. The second such failure within the contract year will result in an immediate disqualification from the Firm Load Reduction Program for a period of 2 two years, the forfeit of the Energy Reduction Payment and the refund of the remaining Monthly Reservation Payments made to the Customer from the date of the of the first failure.

#### **ENROLLMENT**

The enrollment period for qualified Customers occurs annually from October 1<sup>st</sup> to October 15<sup>th</sup> (or the following business day if the 1<sup>st</sup> or the 15<sup>th</sup> falls on a weekend or holiday). Within 5five days of enrollment, the Company will confirm receipt of the PODID(s) the Customer intends to enroll under this schedule and will send a written contract to the Customer's representative. No later than October 30<sup>th</sup> (or the next business day if the 30<sup>th</sup> falls on a weekend or holiday), the Customer must sign a written Firm Load Reduction Agreement (FLRA) with the Company. The enrollment will be effective for one—the calendar year beginning January 1<sup>st</sup>, following the enrollment window. The Customer shall re-enroll annually in order to remain on this schedule.

#### **SPECIAL CONDITIONS**

- Customers participating on the Company's Schedule 200 program may not use their on-site generation equipment for load reductions to meet load reduction commitments under this tariff. Customer on-site generation not under Schedule 200 must be permitted through applicable local, State and Federal agencies prior to its use to meet reduction commitments under this tariff.
- 2. Customers participating in Schedules 84, 86, 483, 489, 575, 583 and 589 are not eligible.
- Firm Load Reduction by Schedule 75 Customers will not exceed the Customer's Baseline Demand as specified in the written service agreement between the Customer and the Company. Customer cannot use purchases under Schedule 76 to meet load reduction commitments under this tariff.
- 4. The Company is not responsible for any consequences to the participating Customer that results from the Firm Load Curtailment Event or the Customer's effort to reduce Energy in response to a Firm Load Curtailment Event. The Customer may not participate in this rider until the Company has installed metering that records usage in 15 minute intervals. The Customer will provide communication service to the meter if requested by the Company.
- 5. This tariff is not applicable when the Company requests or initiates load curtailment affecting a Customer meter PODID under system emergency conditions.
- 6. The Company will not cancel or shorten the duration of a Firm Curtailment Event once notification has been given without the mutual consent of the Customer.
- 7. Monthly Reservation Payments and Energy Reduction Payments made to individual Customers under this tariff will be recovered from all Customers through the Company's Schedule 125 and Schedule 126 for the corresponding enrollment year.
- 8. The Company will file any adjustment to the Monthly Reservation Rate not less than two months prior to the annual enrollment period.

# **SCHEDULE 77 (Concluded)**

# SPECIAL CONDITIONS (Continued)

9. The Customer will allow the Company to install communication phone lines or wireless data recorders and pulse output on the meter no later than 20 days after signing the FLRA. Participating Customers are required to have interval metering and meter communication in place prior to initiation of service under this schedule. The Company will provide and install necessary equipment which allows the Company and the Customer to monitor the Customer's energy usage.

9...

9. There will be no restart during an event.

# **TERM**

Service under this schedule will be for one-year.