



**Portland General Electric**  
121 SW Salmon Street • Portland, Ore. 97204  
PortlandGeneral.com

May 1, 2019

*Via Electronic Filing*

puc.filingcenter@state.or.us

Public Utility Commission of Oregon  
201 High Street, Suite 100  
P. O. Box 1088  
Salem, OR 97308-1088

**Re: UM 1482 Application for Reauthorization to Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot**

Pursuant to ORS 757.259, ORS 757.365, ORS 469A.120, ORS 757.201, OAR 860-027-0300, enclosed for filing is the Application of Portland General Electric Company (“PGE”) for Reauthorization to Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot. Per OAR 860-027-0300(2), the authorized deferred account expires 12 months from the date the reauthorization becomes effective. At this time, PGE’s deferral reauthorization filing for the period May 7, 2016 through May 6, 2017 is awaiting Commission approval.

PGE hereby requests authorization to continue an Automatic Adjustment Clause (AAC) deferral for the period May 7, 2019 through May 6, 2020.

A Notice of Application regarding the filing of this application is attached. We have provided notification to the UM 1482 and UE 335 service lists. Please direct all formal correspondence, questions, or requests to the following e-mail address: [pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com).

Should you have questions or comments regarding this filing, please contact me at (503) 464-7805 or Robert Macfarlane at (503) 464-8954.

Sincerely,

A handwritten signature in blue ink, appearing to read "Stefan Brown", is written over a light blue rectangular background.

Stefan Brown  
Manager, Regulatory Affairs

SB/np  
encls.

cc: UM 1482 and UE 335 Service Lists

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1482**

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot

Application for Reauthorization to Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot, aka the PGE Solar Payment Option Pilot

Pursuant to ORS 757.365, ORS 469A.120, ORS 757.210, Schedule 137 is an automatic adjustment clause (“AAC”) for costs related to Portland General Electric Company’s (“PGE”) Photovoltaic Volumetric Incentive Rate Pilot (“PV VIR” or “Pilot”). Oregon Revised Statute 757.365(10) allows for the recovery of all prudently incurred PV VIR costs in rates. As necessary to enable cost recovery under the AAC, PGE hereby requests authorization to continue an AAC deferral pursuant to the following Public Utility Commission of Oregon (the “Commission” or “OPUC”) statutes, rules and cases: ORS 757.259, ORS 757.365, ORS 469A.120, ORS 757.210, OAR 860-027-0300, OAR 860-084-0380, 860-084-0390, and Order Nos. 17-304 and 18-259. PGE requests this reauthorization to be effective May 7, 2019 through May 6, 2020.

**I. Deferral History:**

Under Docket AR 538, the Commission promulgated its Division 84 rules for the PV VIR Pilot. Docket UM 1452 set forth additional implementation requirements through OPUC Orders detailed below, the most recent being Order Nos. 17-304 and 18-259. The Pilot, required by state law, provides payments to retail electric customers for electricity generated by permanently installed solar photovoltaic energy systems through Schedules 215, 216 and 217. This deferral allows PGE to recover costs associated with the Pilot, through an AAC under Schedule 137, Customer Owned Solar Payment Option Cost Recovery Mechanism.

PGE has filed and received reauthorization for this deferral, as shown in Table 1 below:

Table 1

Filing Date	Renewal Period	Order No.	Approval Date
5/06/2010	5/6/2010 – 5/5/2011	11-059	2/16/2011
4/28/2011	5/7/2011 – 5/6/2012	11-281	8/01/2011
5/04/2012	5/7/2012 – 5/6/2013	12-202	5/07/2012
5/02/2013	5/7/2013 – 5/6/2014	13-250	7/02/2013
4/28/2014	Supplemented	N/A	
7/08/2014	5/7/2014 – 5/6/2015	14-271	7/22/2014
5/05/2015	5/7/2015 – 5/6/2016	15-185	06/09/2015
6/06/2016	5/7/2016 – 5/6/2017	Pending	
5/04/2017	5/7/2017 – 5/6/2018	17-304	06/10/2017
5/04/2018	5/7/2018 – 5/6/2019	18-259	07/03/2018

**II. OAR 860-027-0300 Requirement (3):**

a. Description of Utility Expense for which deferred accounting is requested.

The incremental utility expenses consist of volumetric incentive payments and/or retail bill offsets to participants, administrative costs associated with the PV VIR program operations, data collection, development costs for billing and website, customer surveys, and regulatory reporting requirements. Credits to the balancing account include: deposit forfeitures, interconnection application fees, customer charges, assignment fees, and the avoided energy value. Amounts in the AAC balancing account accrue interest at the Commission-authorized rate of return for deferred accounts.

b. Reasons for Deferral

PGE seeks deferral reauthorization for the reasons stated in Section I, above.

c. Proposed accounting for recording amounts deferred

PGE proposes no changes in the established accounting for the deferred amount.

d. Estimate of Amounts to be recorded for the next 12 months.

The amounts to be deferred consist of incremental costs of the Pilot for (1) VIR payments to participants including any retail electricity service bill offset amounts, and (2) program costs incurred to implement and administer the requirements for the Pilot as described in section II (a) above. For both cost categories, the amounts deferred depend upon actual participation levels and PV system sizes of

participants in the Pilot. PGE estimates incremental costs may range from \$7 million to \$8.0 million for the deferral period, May 7, 2019 through May 6, 2020, consisting largely of VIR payments to participants. (See Attachment A)

e. Notice

A copy of the notice of application for reauthorization of deferred accounting treatment and a list of persons served with the notice are attached to the Application as Attachment B (OAR 860-027-0300[6]).

**III. OAR 860-027-0300 Requirement (4), Reauthorization:**

a. Description of deferred accounting entries

See II a. and II c. above.

b. The reason for continuing the deferred account

PGE seeks approval to continue to defer incremental costs associated with the Pilot not currently in rates. The granting of this reauthorization request will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers. This deferral should be continued and is warranted because ORS 757.365 requires PGE to offer the Pilot and thus incur the costs to implement and operate the Pilot. PGE requests an effective date of May 7, 2019 through May 6, 2020, as the deferral reauthorization period.

**IV. PGE Contacts:**

The authorized addresses to receive notices and communications in respect to this application are:

PGE-OPUC Filings  
Rates & Regulatory Affairs  
Portland General Electric,  
1WTC0306  
121 SW Salmon Street  
Portland, Oregon 97204  
Phone: 503.464.7805  
E-mail: pge.opuc.filings@pgn.com

Douglas C. Tingey  
Associate General Counsel  
Portland General Electric,  
1WTC1301  
121 SW Salmon Street  
Portland, Oregon 97204  
Phone: 503.464.8926  
E-mail: doug.tingey@pgn.com

In addition to the names and addresses above the following are to receive notices and communications via the e-mail service list:

Stefan Brown  
Rates and Regulatory Affairs  
Email: stefan.brown@pgn.com

**V. Summary of Filing Conditions:**

Information related to future amortization is listed below:

- a. Earnings Review: Schedule 137 recovers costs associated with the Solar Payment Option Pilot not otherwise included in rates. The schedule is an AAC as provided for under ORS 469A, and defined in the Renewable Portfolio Standards, ORS 757.210, and an earnings review is not applicable to this deferral. See PGE Schedules 215, 216 and 217.
- b. Prudence: Staff may review deferred costs as appropriate.
- c. Sharing (Percent): All prudently incurred costs are to be recoverable by PGE with no sharing mechanism.
- d. Spread/Rate Design: In Docket UE 237, Commission Staff and parties agreed that Schedule 137 costs be allocated to each schedule (all customer classes) based on an equal percent of generation revenue applied on a cents per kilowatt-hour basis.
- e. Three Percent test: The amortization of the deferred costs will be subject to the three percent test in accordance with ORS 757.259(7) and (8), which limits aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year.

**VI. Conclusion.**

For the reasons stated above, and as necessary to enable cost recovery under an AAC, PGE requests permission to continue to defer expenses associated with the Solar Payment Option Pilot effective May 7, 2019, through May 6, 2020.

DATED May 1, 2019.



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**UM 1482**  
**Attachment A**

**Solar Payment Option**  
**Deferral Amounts and Program Cost**

SPO Deferral	SPO 2010 Program Year	SPO 2011 Program Year	SPO 2012 PROGRAM YEAR	SPO 2013 Program Year	SPO 2014 Program Year	SPO 2015 Program Year	SPO 2016 Program Year	SPO 2017 Program Year	SPO 2018 Program Year	Balance To Date
<b>Cost Categories</b>	<b>2010 Total</b>	<b>2011 Total</b>	<b>2012 Total</b>	<b>2013 Total</b>	<b>2014 Total</b>	<b>2015 Total</b>	<b>2016 Total</b>	<b>2017 Total</b>	<b>2018 Total</b>	<b>47,649,649.35</b>
Program Development	60,476.88	-	-	-	-	-	-	-	-	60,476.88
Program Administration	153,347.61	242,719.23	294,112.10	660,749.71	537,259.36	541,434.88	362,002.47	273,503.27	74,450.96	3,139,579.59
Incentives / Bill Credits	20,257.35	1,270,737.77	3,169,821.71	4,909,698.83	6,357,460.64	6,573,745.18	6,778,284.27	6,968,189.04	8,360,985.86	44,409,180.65
Interest	4,635.58	64,092.08	11,515.21	(3,450.22)	5,274.03	21,935.93	33,060.06	(64,529.20)	(32,121.24)	40,412.23
Metering	-	-	-	-	-	-	-	-	-	-
<b>Cost Total</b>	<b>238,717.42</b>	<b>1,577,549.08</b>	<b>3,475,449.02</b>	<b>5,566,998.32</b>	<b>6,899,994.03</b>	<b>7,137,115.99</b>	<b>7,173,346.80</b>	<b>7,177,163.11</b>	<b>8,403,315.58</b>	<b>47,649,649.35</b>
<b>Credit Categories</b>										
Deposit Forfeitures	1,383.20	3,968.40	6,973.55	88,220.80	-	-	-	-	-	100,545.95
Collection of Interconnection Application Fee	2,288.63	5,124.40	5,435.14	5,654.63	2,666.20	1,407.83	1,398.68	119.62	-	24,095.13
Customer Charges	966.67	26,947.76	56,642.29	107,601.14	141,014.69	153,826.72	164,490.04	151,750.02	165,000.06	968,239.39
One Time Assignment Fee	50.00	3,825.00	9,635.40	6,750.00	2,050.00	499.44	-	150.00	-	22,959.84
Avoided Energy Value	1,249.71	76,053.69	220,762.87	400,832.46	581,456.47	573,392.16	244,943.92	841,303.57	90,359.05	3,030,353.90
Unbilled Amortization	-	-	-	-	-	-	477,000.00	(62,025.63)	-	414,974.37
Amortization	-	-	4,808,006.23	4,997,431.92	5,051,152.06	6,247,784.42	7,498,412.17	7,157,417.57	8,087,884.82	43,848,089.19
<b>Credit Total</b>	<b>5,938.21</b>	<b>115,919.25</b>	<b>5,107,455.48</b>	<b>5,606,490.95</b>	<b>5,778,339.42</b>	<b>6,976,910.57</b>	<b>8,386,244.81</b>	<b>8,088,715.15</b>	<b>8,343,243.93</b>	<b>48,409,257.77</b>
<b>Deferral Amount in GL</b>	<b>232,779.21</b>	<b>1,461,629.83</b>	<b>(1,632,006.46)</b>	<b>(39,492.63)</b>	<b>1,121,654.61</b>	<b>160,205.42</b>	<b>(1,212,898.01)</b>	<b>(911,552.04)</b>	<b>60,071.65</b>	<b>(759,608.42)</b>

Program Administration Cost Breakdown:

Epiq Class Action Claim - Total							7,015.89	7,354.39	-	14,370.28	
Research into Action, Inc. - Total							-	-	-	-	
Price Waterhouse Coopers - Total							-	-	-	-	
Adecco USA - Total							-	-	-	-	
Incremental Labor (Not Adecco)							354,304.18	266,148.88	74,450.96	694,904.02	
Miscellaneous							38.00	-	-	38.00	
Pay Pal Fees							644.40	-	-	644.40	
							\$0.00	\$362,002.47	\$273,503.27	\$74,450.96	\$709,956.70



**UM 1482**  
**Attachment B**

**Solar Payment Option**  
**Deferral Amounts and Program Cost**

**Electronic File UM 1482**

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UM 1482**

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot

**Notice of Application for Reauthorization To Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot aka the Solar Payment Option Pilot**

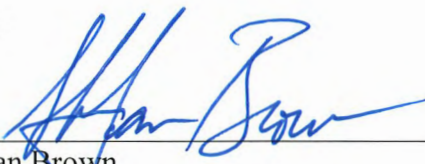
On May 1, 2019, Portland General Electric Company (“PGE”) filed an application with the Public Utility Commission of Oregon (the “Commission”) for an Order reauthorizing deferral of certain expenses associated with a Photovoltaic Volumetric Incentive Rate Pilot, also known as PGE Solar Payment Option Pilot.

Approval of PGE’s Application will continue to support the use of an automatic adjustment clause rate schedule, which will provide for changes in rates reflecting incremental costs associated with the pilot.

Persons who wish to obtain a copy of PGE’s application will be able to access it on the Commission website.

Any person who wishes to submit written comments to the Commission on PGE’s application must do so no later than June 2, 2019.

DATED this 1<sup>st</sup> day of May, 2019.



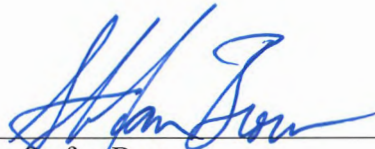
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## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the UM 1482 **Notice of Application for Reauthorization to Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot, aka PGE Solar Payment Option Pilot** to be served by electronic mail to those parties whose e-mail addresses appear on the attached service lists in UM 1482 and UE 335.

DATED at Portland, Oregon, this 1<sup>st</sup> day of May 2019.



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