

**MAY 2, 2012
WORKSHOP
(AND RESPONSIVE)
DOCUMENTS**

**PUBLIC UTILITY COMMISSION OF OREGON
MEMORANDUM**

DATE: April 18, 2012
TO: AR 555 Service List
FROM: Erik Colville, Senior Utility Analyst
SUBJECT: AR 555 Update - Policy/Procedure Primer

As discussed in Staff's April 4, 2012 Scope memo, the primary purpose of the AR 555 docket is to explore all aspects of portfolio options and labeling to bring the program/process up to date. Staff's Scope memo identified the following policy/procedure updates for exploration. To stimulate participation Staff's current thinking is presented following each item.

Portfolio Options (OAR 860-038-0220)

None at this time

Labeling (OAR 860-038-0300)

Label

1. Paper Label - Is there a better alternative to a paper label mode of communication?

Staff's Thinking: Yes, there is a better alternative to a paper label – communication through the internet. This communication mode is more flexible, less wasteful, and likely less costly than the quarterly/monthly paper label bill insert. While there are consumers who do not have ready access to the internet, the great bulk of consumers are believed to have this access. To reasonably accommodate those consumers Staff suggests that once each year a paper label insert be mailed with the bill. See 6 below for additional thoughts.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it? Note: if the format needs to be updated, we will do so in the Technical Issues phase of this docket.

Staff's Thinking: SB 1149 from the 1999 session considered "Power source and environmental impact information necessary to ensure that all consumers have useful, reliable and necessary information to exercise informed choice...." From Staff's perspective, the label format is misleading, even while being clear. The basis for Staff's conclusion is illustrated by two examples. First, a February 8, 2012 article in the Sandy Post titled "Sandy man sold on electric power" concludes with a second hand quote – "For me it's important to minimize my consumption of fossil fuel, so I buy 100 percent wind energy from PGE." Second, during a Portfolio Options Committee meeting a committee member expressed frustration that electric rates were increasing due to the increased cost of fossil fuel generation while he was buying wind energy. In addition, the PUC call center regularly, but not frequently, receives phone calls from portfolio option consumers expressing a similar concern – I buy renewable energy and my rates are going up because of fossil fuel generation. Staff cannot conclude that consumers are

receiving useful, reliable and necessary information to exercise informed choice if they end up believing they are buying renewable energy and should be immune from rate increases due to increases in the cost of fossil fuel generation. The difference between buying renewable energy and buying a claim to renewable attributes is apparently not being communicated to consumers.

As a result of the above, Staff believes the label format needs to be completely revised to clearly depict what the consumer is receiving for their rate premium payment. Toward this end, Staff proposes the following description of what the consumer is receiving for their rate premium payment.

If you sign up for Renewable Resource Options you pay a rate premium above the basic service rate. The rate premium is invested in renewable power plants providing for generation of renewable power that may not otherwise have been generated.

Fixed Renewable – Your rate premium is used to support generation of a fixed amount of power each month from renewable power plants. That renewable power is mixed with other power and delivered to consumers throughout the region. Pacific Power’s Blue Sky Block program supports wind power plants. PGE’s Clean Wind program supports new wind and existing power plants.

Renewable Usage – Your rate premium is used to support generation of an amount of renewable power equal to your usage of power. That renewable power is mixed with other power and delivered to consumers throughout the region. Pacific Power’s Blue Sky Usage program supports a mix of new wind, biomass, low-impact hydroelectric and solar power plants, and is marketed and sourced by 3 Degrees Group, Inc. PGE’s Green Source program supports a mix of new wind, new biomass, new geothermal, and existing low-impact hydroelectric power plants, and is marketed and sourced by Green Mountain Energy Co.

Habitat – This Option has a rate premium in addition to your Renewable Resource Option rate premium. The additional rate premium is used for restoration of fish habitat. Pacific Power’s Blue Sky Habitat program is focused on freshwater habitat restoration and is managed by The Freshwater Trust. PGE’s Habitat Support program is focused primarily on salmon habitat restoration and is managed by the Nature Conservancy.

Lastly, Staff believes a basic program cost breakdown is needed on the label to accomplish the Legislature’s intent for useful, reliable and necessary information so that consumers can exercise informed choice.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

Staff’s Thinking: No, the current environmental impact message is not neutral and factual. Instead, the message appears to Staff to be leading. As mentioned above, SB 1149 considered “Power source and environmental impact information necessary to ensure that all consumers have useful, reliable and necessary information to exercise informed choice....” It is clear to Staff

the Legislature's intent was to have consumers make their own choice not for consumers to be led or persuaded to make a particular choice. Staff suggests the label environmental impact message should be revised something like this.....

Carbon Dioxide (CO₂) is a major gas naturally released to the air by biological activity. Fuel combustion at power plants also releases CO₂ to the air. CO₂ is a likely contributor to global climate change. Among the likely impacts for Oregon are less Global climate change affects mountain snow pack, rainfall frequency and less water available in summer, higher sea levels intensity, and threats to forests, crops, the growth and fish diversity of plant and wildlife habitat. Coal and animal life, natural gas are the main sources of carbon dioxide from power generation.

Sulfur Dioxide (SO₂) and Nitrogen Dioxide (NO₂) are groups of gasses known as "oxides of sulfur" and "oxides of nitrogen." The largest sources of SO₂ emissions are from fuel combustion at power plants and other industrial facilities. NO₂ forms from emissions from cars, trucks and buses, power plants, and off-road equipment. SO₂ and NO₂ are linked with a number of adverse effects on the respiratory system. NO₂ also contributes to the formation of ground-level ozone and fine particle pollution, known as smog. Nitrogen Oxides and Sulfur Dioxide are air pollutants that affect human health, plants, fish and wildlife. Nitrogen oxides contribute to smog. Coal is the main source of these pollutants from power generation. Natural gas plants produce nitrogen oxides.

Nuclear Fuel Wastes contain the most Waste is long lasting radioactive and long-lived waste material formed during operation of nuclear power plants. These wastes are Nuclear fuel waste is currently stored at nuclear power reactor sites. The U.S. has plants in the US since there are no permanent disposal sites sites for these wastes.

Hydropower Impacts — Some hydropower dams contribute to the decline of salmon and other projects affect fish and wildlife populations, water temperatures, flood control, and recreational opportunity.

Staff also suggests adding mercury and air toxics emissions to the environmental impact message. Wording something like.....

Mercury and Other Air Toxics are gasses released from combustion of fuel at power plants. Mercury has been shown to harm the nervous systems of children exposed in the womb, impairing thinking, learning and early development. Other air toxics (including non-mercury metals, acid gasses, and organic compounds) has been linked with cancer, heart disease, and asthma.

3.1 How should the environmental impact information on the label be conveyed and what data should it reflect? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

Staff's Thinking: Conveying the environmental impact information on the label in text format, as currently done, is Staff's preference. Staff also suggests rearranging the environmental impact message to list SO₂ and NO₂, Mercury, CO₂, Nuclear, and lastly, Hydropower.

The outcome of 2 above will affect whether the bar chart continues to be used. At a minimum, Staff suggests the bar chart title be revised to read.....

Environmental Impact

Amount of emissions per kilowatt-hour
of power source mix compared
to the Northwest U.S. average.

If the bar chart continues to be used, the bar order should reflect the environmental impact information rearrangement as well.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

Staff's Thinking: Yes, the label should reflect the most current NSPM. OAR 860-038-0300(5) requires labels for ESSs to use the NSPM for the current calendar year. This requirement is not included in OAR 860-038-0300(4) for electric companies but Staff is confident the intent of the Rule was for the label to reflect the most current NSPM. Staff suggests the Rule language be clarified to reflect this intent.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

Staff's Thinking: none at this time

6. Frequency of Communication - How often should consumers receive the Label?

Staff's Thinking: Instead of the quarterly/monthly paper label bill inserts, Staff suggests a quarterly/monthly notation on the bill directing the consumer to a specific internet page where the label information is presented. Recognizing those consumers without ready access to the internet, the notation could provide a phone number to call and request a paper label be mailed. In addition, Staff suggests that once each year a paper label insert be mailed with the bill.

Reconciliation Report

7. Report Content –

- a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.

Staff's Thinking: Yes, the reconciliation report should include the program cost breakdown so that the PUC may more readily confirm that these utility services are provided to consumers at just and reasonable rates.

- b. Should the reconciliation report include the basic service product (the OAR implies so)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.

Staff's Thinking: Yes. Staff believes the basic service product should be presented along with the portfolio options. This will put all information that is being communicated to consumers into a single regulatory document. In addition, Staff suggests that copies of the labels sent to consumers during the compliance year be attached to the reconciliation report, and the reconciliation report include a discussion of any material differences between actual program results and the label content.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

Staff's Thinking: If revising the due date is a benefit to parties, Staff has no objection.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

Staff's Thinking: Yes, the reconciliation report should continue to be part of the Rule. A basic function of the PUC is to confirm that utility services provided to consumers are just and reasonable. The reconciliation report assists in that function.

Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains? In this phase of the docket we will address the goal, use and accuracy requirements of the NSPM. Note: if the process steps need to be changed, we will do so in the Technical Issues phase of this docket.

Staff's Thinking: For labeling purposes, net market purchases and standard offer sales are required by OAR 860-038-0300(4) to use the NSPM for power source and environmental impact reporting. OAR 860-038-0300(5) requires labels for ESSs to use the NSPM for their power source and environmental impact reporting. Aside from the definition of NSPM, these are the only two references to NSPM in the Rule. From this, Staff concludes the goal and use of the NSPM is simply to disclose the source of and environmental impact from the mix of generation in the region that is not otherwise claimed, committed or encumbered. Any other use of this information is ancillary and should not necessarily drive the process.

In 2009, the net market purchases reported in ODOE's NSPM results represented about 12% of total Oregon related generation. As discussed in 3 above, the Legislature considered "Power source and environmental impact information necessary to ensure that all consumers have useful, reliable and necessary information to exercise informed choice...." So, how accurate does the information need to be to be useful, reliable and necessary? What accuracy metric is appropriate?

Staff suggests that the intended end use of the NSPM be the determinant of how accurate the information needs to be. The Legislature established that the NSPM is to be used for power source and environmental impact reporting so that consumers can make an informed choice. For this end use, Staff suggests that the NSPM results need only be accurate to the point where if the NSPM results were different, a consumer would make a different choice. For example, would a consumer choice likely be different if the NSPM results showed the portion of power from wind plants as being 3% versus 1%, or from coal plants being 34% versus 40%? If not, then either figure would be reasonably accurate.

In addition, Staff is concerned there may be misunderstanding of what the NSPM is. As a result, Staff asks the question - Should the term Net System Power Mix be changed in Rule, and in communication to consumers and utilities to be more clear? Staff suggests changing the term to Unclaimed Power Mix to make clear it represents only the power not claimed by others and not the total mix of all power sources.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

Staff's Thinking: Yes, the NSPM process result should be due on a specific date each year. The FERC Form 1 is required to be filed by April 18 of each year. Given that the FERC Form 1 process provides a large portion of the NSPM data, Staff suggests the NSPM due date be July 1. The intent of choosing this date is to provide enough time for the electric companies to reflect the result in the September label. Another alternative would be to have the result due November 1 and that result to be reflected in the January label.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

Staff's Thinking: Staff's preference for communicating the NSPM is through the internet. Staff has no preference whether the internet site is that of the PUC, ODOE, or some other. Staff sees value in having each utility company specific power mix accessible from the NSPM communication site, but that the utility company specific power mix should be generated and maintained by the respective utilities to maintain lines of autonomy and responsibility.

Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

Staff's Thinking: Staff believes that if environmental attributes have been sold, the underlying electricity should not be reported to consumers as renewable energy. Staff suggests null power have its own category or be reported as equivalent to NSPM power.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

Staff's Thinking: none at this time

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

Staff's Thinking: Refer to Attachment 1 for the current wording. Staff recommends revisions as shown in Attachment 1.

Attachment 1

http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml



Restructuring for Residential and Small Business Consumers

If you're a residential consumer or small business* served by **Portland General Electric** or **Pacific Power**, you can choose from a number of power options:

1. Basic Service Option

This is the standard service option. You'll stay on this rate unless you enroll in a different option.

2. Renewable Resource Options[†]

If you sign up for Renewable Resource Options you pay a rate premium above the basic service rate. The rate premium is invested in renewable power plants providing for generation of renewable power that would not otherwise be generated.

Fixed Renewable – Your rate premium is used to buy or support generation of a fixed amount of power each month from renewable power plants. That renewable power is mixed with other power and delivered to consumers throughout the region. Pacific Power's Blue Sky Block program supports wind power plants. PGE's Clean Wind program supports new wind and existing power plants.

Renewable Usage – Your rate premium is used to buy or support generation of an amount of renewable power equal to your usage of power. That renewable power is mixed with other power and delivered to consumers throughout the region. Pacific Power's Blue Sky Usage program is a mix of new wind, biomass, low-impact hydroelectric and solar power plants, and is marketed and sourced by 3 Degrees Group, Inc. PGE's Green Source program is a mix of new wind, new biomass, new geothermal, and existing low-impact hydroelectric power plants, and is marketed and sourced by Green Mountain Energy Co.

Habitat – This Option has a rate premium in addition to your Renewable Resource Option rate premium. The additional rate premium is used for restoration of fish habitat. Pacific Power's Blue Sky Habitat program is focused on freshwater habitat restoration and is managed by The Freshwater Trust. PGE's Habitat Support program is focused primarily on salmon habitat restoration and is managed by the Nature Conservancy.

3. Time of Use Option

If you sign up for this Option, the price you pay for electricity depends on when you use it — during on-peak or off-peak hours. (PGE's program also has a mid-peak period.) You may save money if your lifestyle or small business hours allow for *significantly* reduced power use during on-peak hours; otherwise, you may pay more than under Basic Service. Your utility will install a special meter to track your usage by time period. You will be required to pay a monthly charge to help pay for the meter.

There's a price guarantee with an initial 12-month commitment: After the first year, you will receive a credit to the extent your power charges exceed what they would have been on the Basic Service rate by more than 10 percent. The monthly meter charge is excluded from this cost adjustment.

Still Regulated, Still Reliable

The Oregon Public Utility Commission regulates all these Options. They were developed by an advisory group that included representatives of the Citizens' Utility Board, Associated Oregon Industries, American Association of Retired Persons (AARP), Fair and Clean Energy Coalition, Renewable Northwest Project, League of Oregon Cities, City of Portland, the Public Utility Commission staff, Oregon Department of Energy, Pacific Power and PGE. The advisory group continues to make recommendations to the Commission to improve the Options.

No matter which one you choose, your utility will continue to maintain the poles and wires that deliver your power and provide consumer service, meter reading and billing. Your utility cannot change any of the Options, or their prices, without the Commission's approval.

When to Choose

You can enroll anytime. You also can change Options at any time. The Time-of-Use Option has a 12-month minimum term.

For More Information

Portland General Electric - 503-228-6322 or 1-800-542-8818

Residential consumers:

<http://greenpoweroregon.com/home.aspx>

Small business consumers:

<http://greenpoweroregon.com/home.aspx>

Pacific Power - 1-888-221-7070 (res) or 1-866-870-3419 (sm bus)

Residential consumers:

<http://www.pacificpower.net/env/bsre/bsr.html>

Small business consumers:

<http://www.pacificpower.net/env/bsre/bsr.html>

Green Mountain Energy Company - 1-866-468-6633

www.greenmountain.com/services/OR/index.jsp

3 Degrees Group, Inc - 1-866-476-9378

<http://www.3degreesinc.com/>

*Small business consumers also may choose a market-based rate (for example, daily pricing) or power from an alternative electricity supplier. ([See power options for Nonresidential Consumers.](#))

† The supplier buys power or unique claims on the electricity produced from renewable resources. "Existing" facilities are those in operation before July 1999. Idaho Power also offers its Oregon consumers a renewable resource option.



Restructuring Nonresidential Consumers

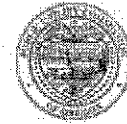
All nonresidential consumers in Oregon served by PGE or Pacific Power have the *option* to buy electricity from an alternative provider. No one is required to take such "Direct Access" service; all consumers continue to be eligible for a regulated cost-of-service rate.

Direct Access affects only energy supply and transmission. All consumers continue to receive distribution services from the utility.

The Oregon Public Utility Commission must certify each alternative provider, known as Electricity Service Suppliers. The rates you ~~would~~ pay an alternative supplier are based on the terms you negotiate. Unlike your utility, alternative suppliers are not obligated to serve you. They are free to set qualifications, such as load. The utilities provide emergency default service in case an alternative supplier stops service to a consumer.

The PUC's status report on [Oregon's competitive market for nonresidential consumers](#) provides detailed information on these options.

Small nonresidential consumers, defined as those who use less than 30 kW per month, can choose Direct Access or select from the same portfolio of energy options available to residential consumers. See [Electric Restructuring Residential Consumers](#) for information on portfolio options.



Restructuring Law SB 1149

Customers of Portland General Electric (PGE) and PacifiCorp ~~now have more~~ energy options. The changes are the result of Oregon's electric industry restructuring law which took effect March 1, 2002.

Legislation (Senate Bill 1149) requiring electric industry restructuring for the state's largest investor-owned utilities was signed into law in July of 1999. The law received broad-based support including the Oregon Public Utility Commission, the Citizens' Utility Board, Industrial Customers of Northwest Utilities and Associated Oregon Industries.

Restructuring ~~was~~ designed to give consumers more options while at the same time encouraging the development of a competitive energy market. Current utilities ~~will~~ continue to deliver power, and will maintain the safety and reliability of the poles and wires that deliver power, regardless of who supplies it.

- [Related Consumer Information](#)
- [Electric Restructuring Site](#)

The implementation of Senate Bill 1149 is a combination of the law and the administrative rules adopted by the Oregon Public Utility Commission.

All large business consumers are allowed to ~~continue purchasing~~ power from their current utility under a regulated cost-of-service rate or directly from a certified Electricity Service Supplier (ESS).

Residential and small business consumers can choose cost-of-service or portfolio rate options. Small nonresidential consumers may also opt for Direct Access.

A 3% public purpose charge is ~~being~~ collected from retail consumers. The money is ~~being~~ used to fund and encourage energy conservation and development of renewable energy; A low-income bill assistance fee, administered by the Oregon Housing and Community Services Agency, is ~~also still being~~ collected by PGE and PacifiCorp.

The electric restructuring law established a general framework, but it left much of the implementation up to the Oregon Public Utility Commission through its rulemaking and rate setting processes. The following is an outline of how the basic elements of SB 1149 ~~were~~ to be implemented.

- The utilities ~~were~~ ~~not~~ required to sell any assets which generate electricity
- Utilities can negotiate long term contracts to protect the consumer from the volatile spot market
- No consumer is forced into the energy market
- All consumers have the choice of receiving a regulated cost-of-service rate from the utility
- All nonresidential consumers ~~will~~ have the ability to purchase electricity either from an ESS or their existing utility

- Both large and small nonresidential consumers who buy power from an ESS will have the opportunity to return to a cost of service rate
- Each utility will provide default emergency rates in case an ESS halts service to a nonresidential consumer
- Bills are will be redesigned to reflect the various costs that factor into a total bill
- All consumers will receive information so that they may compare the power source fuel mix and environmental impact emissions of the electricity supply options that are offered to them

Residential and small nonresidential consumers will receive have a portfolio of energy options. Small nonresidential is defined as those who use less than 30kW monthly. The portfolio includes:

- A traditional basic rate
- A Time-of-use Day Sservice
- A Fixed Renewable Sservice that includes new renewable resources
- A "Renewable Usage" Sservice
- A "Habitat Restoration" Sservice
- Seasonal Flux (PacifiCorp only)
- Small business consumers can also opt for Direct Access.

A 12-member portfolio advisory committee crafted the options and recommended them to the Commission for approval. The committee included utility representatives, local governments, residential consumer and small non-residential groups, public/regional interest groups, and staff of the Oregon Public Utility Commission and Oregon Department Office of Energy.

Public Purpose Fee and Low Income Bill Assistance

The law establisheds an annual expenditure by the utilities of 3% of their revenues to fund "Public Purposes," including energy efficiency, development of new renewable energy and low-income weatherization. Rates will increased on March 1, 2002 by 3% for PacifiCorp and by 2% for PGE to fund these activities. The public purpose fee will appear as a separate item on your bill.

The first 10% of the fund goes to Education Service Districts for energy audits and subsequent energy efficiency measures.

The remaining money goes into four public purpose accounts:

- 56.7%- Conservation
- 17.1%-Renewable energy
- 11.7% Low-income weatherization
- 04.5%-Low-income housing

The conservation and renewable energy funds are administered through a new-nonprofit entity, the Oregon Energy Trust.

The law also established a \$10 million a year low-income bill assistance fund to be spent in the territory of the utility that collects it. The current amount is 35 cents a month for residential consumers and .035 cents/kWh for nonresidential consumers. The Oregon Housing and Community Services Agency distributes the money through community action agencies.

**PUBLIC UTILITY COMMISSION OF OREGON
MEMORANDUM**

DATE: April 4, 2012
TO: AR 555 Service List
FROM: Erik Colville, Senior Utility Analyst
SUBJECT: AR 555 Update Scope

AR 555 is to accomplish an update to various aspects of Portfolio Options, as that subject is addressed in OAR 860-038-0220, and Labeling, as that subject is addressed in OAR 860-038-0300. Although AR 555 is ultimately a rulemaking, the primary purpose of the docket is to explore all aspects of portfolio options and labeling to bring the program/process up to date. The rulemaking scope workshop for this docket was held February 15, 2012. The scoping workshop was attended by those identified on Attachment 1. During the workshop, updates were identified as follows:

Portfolio Options (OAR 860-038-0220)

None at this time

Labeling (OAR 860-038-0300)

Label

1. Paper Label - Is there a better alternative to a paper label mode of communication?
2. Label Format - Is the label format clear? What is the label to communicate and does it do it?
3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be? How should the environmental impact information on the label be conveyed and what data should it reflect?
4. Label Power Mix - Should the label reflect the most current Net System Power Mix?
5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?
6. Frequency of Communication - How often should consumers receive the Label?

Reconciliation Report

7. Report Content –
 - a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)?

- b. Should the reconciliation report include the basic service product (the OAR implies so)?
- 8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?
- 9. Report Value - Should the reconciliation report continue to be part of the Rule?

Net System Power Mix (NSPM)

- 10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains?
- 11. NSPM Schedule - Is there a need for a schedule so that the NSPM process results has a specific due date each year? If so, what should that schedule be?
- 12. NSPM Communication - How should the NSPM be communicated to the utilities and public?

Other

- 13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?
- 14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?
- 15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?
- 16. NSPM Delegation - Does the NSPM delegation to ODOE in OAR 860-038-0005(37) need to be revised? Note: this specific update is a matter for DOJ and will not be addressed directly by participants in this docket.

From: COLVILLE Erik
To: "oregondockets@pacificorp.com"; ANDRUS Brittany; ANDRUS Stephanie; "megan@rnp.org"; DRUMHELLER Bill; "ryan.flynn@pacificorp.com"; "jennifer.gross@nwnatural.com"; "scott.havis@greenmountain.com"; "jason.heuser@eweb.org"; "thor.hinckley@pgn.com"; JOHNSON Juliet; "r.johnson@nexteraenergy.com"; "aaron.lively@pacificorp.com"; "brendan.mccarthy@pgn.com"; "catriona@oregoncub.org"; "imgowan@3degreesinc.com"; "amortlock@3degreesinc.com"; "ray@oregoncub.org"; ONEIL Rebecca; "pge.opuc.filings@pgn.com"; "janet.prewitt@doj.state.or.us"; "rhonda.rasmussen@pacificorp.com"; SATYAL Vijay A; "pge.opuc.filings@pgn.com"; "david.tooze@portlandoregon.gov"; "bruce.werner@pgn.com"; "david.white@pgn.com"; "debi.winney@pacificorp.com"
Subject: AR 555 Staff Summary of Policy/Procedure Workshop
Date: Thursday, May 03, 2012 2:02:59 PM
Attachments: Staff Summary of Policy-Procedure Issues.docx

AR 555 Service List,

Thank you to those who attended the Policy/Procedure workshop yesterday. Staff has summarized the workshop discussion in the attached summary of policy/procedure issues. If you find material errors in the attached memo, please let me know and they will be corrected. If you simply find you disagree with how an issue is summarized, please address your disagreement in your upcoming comments.

The next step in this docket is for parties to submit comments regarding policy/procedure issues, via email with copies to all, by close of business May 30, 2012. Issues identified to be addressed further in the technical phase of this docket will appear in a June 13 Staff Technical Primer memo. The technical issues will be discussed in a technical workshop scheduled for June 27. The time and location for the June 27 workshop will be set as we approach that date.

Thank you for your participation in this process.

Erik Colville, P.E. | Sr. Utility Analyst | Oregon Public Utility Commission

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**PUBLIC UTILITY COMMISSION OF OREGON
MEMORANDUM**

DATE: May 9, 2012
TO: AR 555 Service List
FROM: Erik Colville, Senior Utility Analyst
SUBJECT: AR 555 Update – Staff Summary of Policy/Procedure Issues

The AR 555 docket is intended to accomplish an update to various aspects of Portfolio Options, as that subject is addressed in OAR 860-038-0220, and Labeling, as that subject is addressed in OAR 860-038-0300. Although AR 555 is ultimately a rulemaking, the primary purpose of the docket is to explore all aspects of portfolio options and labeling to bring the program/process up to date. The policy/procedures workshop for this docket was held May 2, 2012. The workshop was attended by those identified on Attachment 1. During the workshop the following policy/procedure updates were discussed. Staff's summary of discussion is presented following each item. Docket parties are scheduled to offer their comments regarding these items, via email with copies to all, by close of business May 30, 2012.

Portfolio Options (OAR 860-038-0220)

Nothing discussed during the workshop.

Labeling (OAR 860-038-0300)

Label

1. Paper Label - Is there a better alternative to a paper label mode of communication?

Generally speaking, workshop participants favored an alternative to the current paper label mode of communication. Use of the internet, and then a once yearly paper label bill insert was discussed. While there are consumers who do not have ready access to the internet, the great bulk of consumers are believed to have this access. The once yearly bill insert mailing was discussed as a means to reasonably accommodate those consumers without ready access to the internet. In addition, there was discussion of a once yearly (4th quarter) update of the information presented on the internet. See Item 6 below for additional information.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it? Note: if the format needs to be updated, we will do so in the Technical Issues phase of this docket.

CUB advised the workshop participants that focus groups conducted in the early 2000s were the basis for the current label format. Among other things, the focus groups found that consumers were able to grasp the concept that their energy comes from a "pool" of energy that is "greened" by their additional rate premium payment. This information from CUB resolved a concern that the label may require a complete revision to avoid misleading consumers. The general thinking of workshop participants was that the label wording and descriptions will benefit from revision

to clarify that the rate premium payment goes toward supporting renewable energy but not toward supplying specific “green energy” for their use. Workshop participants acknowledged that there will be consumers who misunderstand what they are getting for their rate premium payment regardless of how the information is presented. See Item 12 below for discussion related to how the net system power mix is presented on the label. Parties will offer their suggested wording revisions in the May 30 comments.

Lastly, there was suggestion of adding a summary program cost breakdown on the label to aid in providing the useful, reliable and necessary information desired by the Legislature (SB 1149, 1999 Session) so that consumers can exercise informed choice.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

The environmental impact message for the label was prescribed by the Commission in 2001. Workshop participant discussion suggested that in 2001 there was a need to educate consumers about the environmental impact of various power generation technologies, but that today’s consumer is much better educated and informed about the subject. General discussion during the workshop suggested it may be appropriate to eliminate the environmental impact message, thereby leaving consumers to gather decision making information from their own sources to inform their decision.

If the decision is made to retain environmental impact messages then workshop participants suggested minor wording revisions could be a benefit. Also, if environmental impact messages are retained, there was a suggestion to add mercury and air toxics emissions to the environmental impact message. Wording something like.....

Mercury and Other Air Toxics are gasses released from combustion of fuel at power plants. Mercury has been shown to harm the nervous systems of children exposed in the womb, impairing thinking, learning and early development. Other air toxics (including non-mercury metals, acid gasses, and organic compounds) have been linked with cancer, heart disease, and asthma.

Parties will offer their suggested wording revisions in their May 30 comments.

Lastly, workshop participants discussed the question of how to measure whether changes to the environmental impact message result in too little information for consumers. An increase in complaints was noted as a possible measure. There was also a suggestion that possibly the Portfolio Options Committee (POC) should/could ask for periodic complaint data from the utilities and PUC. Parties are encouraged to offer thoughts in this regard in their May 30 comments.

3.1 How should the environmental impact information on the label be conveyed and what data should it reflect? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

Given the requirement in SB 1149 to convey environmental impact information to consumers, workshop participants suggested retaining the current environmental impact bar charts on the label. “Mercury and other air toxics” was suggested to be added to the assortment of bar charts.

Lastly, there was discussion of whether the bar charts should continue to compare emissions to the NWPP average or if they should compare to the WECC average, given that much of PacifiCorp’s generation resources are located outside the NWPP.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

OAR 860-038-0300(5) requires labels for ESSs to use the NSPM for the current calendar year. This requirement is not included in OAR 860-038-0300(4) for electric companies. In general, workshop participants were in favor of the label reflecting the most recent NSPM, and revising rule language to that effect.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

One prescriptive element in the rule that was discussed for revision relates to the frequency and method by which labels are provided to consumers. Another revision discussed was addition of wording that the Commission may prescribe communication frequency and method as necessary. Parties will propose specific changes in their May 30 comments.

6. Frequency of Communication - How often should consumers receive the Label?

Generally, discussion centered around a quarterly/monthly notation on the bill directing the consumer to a specific internet page where the label information is presented. Recognizing those consumers without ready access to the internet, the notation would provide a phone number to call and request that a paper label be mailed. In addition, there was a suggestion that once each year a paper label insert be mailed with the bill.

Reconciliation Report

7. Report Content –

- a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.

Workshop participants discussed including the program cost breakdown (a brief, three or four point breakdown) in the reconciliation report so that the PUC may readily confirm actual costs compared to those communicated to consumers on the label (see Item 2 above). In addition, such reporting was discussed as an aid for the PUC to compare actual costs to those recommended by the POC/adopted by the PUC (the PUC has asked the POC to make a recommendation in this regard).

- b. Should the reconciliation report include the basic service product (the OAR implies so)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.

Workshop participants discussed presenting the basic service product on the reconciliation report, along with and in the same format as the portfolio options. This was noted to be a benefit because it will put all information that is being communicated to consumers into a single regulatory report.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

This issue was briefly discussed and noted for inclusion in participant's May 30 comments.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

There was discussion of eliminating the requirement in the rule for annual reconciliation reports. Generally, the discussion was that the reconciliation report should continue to be part of the rule so that the PUC can fulfill its regulatory responsibility to consumers.

Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains? In this phase of the docket we will address the goal, use and accuracy requirements of the NSPM. Note: if the process steps need to be changed, we will do so in the Technical Issues phase of this docket.

Workshop participants had a lively discussion of the NSPM process, uses, benefits and costs. There appeared to be widespread understanding that although the original intent of the NSPM was simply to disclose the source of and environmental impact from the mix of generation in the region that is not otherwise claimed, committed or encumbered, over time ancillary benefits have resulted. One of the PUC's responsibilities is to be sure consumer, ratepayer, and tax payer money is spent wisely. Generally, for a cost to pass this test it must offer at least an "equal" benefit. The cost of concern was identified to include both the direct cost of contracts with outside entities, as well as the cost of staff time within the utilities and agencies. Parties are asked to offer, in their May 30 comments, specific benefits of the current NSPM process that can be weighed against the cost.

There was also discussion of a concern that the NSPM should not conflict with greenhouse gas reporting to ODEQ. Parties will provide a discussion of concerns in the May 30 comments.

Finally, workshop participants expressed concern there may be misunderstanding of what the NSPM is. As a result, the question was asked - Should the term Net System Power Mix be changed in the rule, and in communication to consumers and utilities, to be more clear? Workshop participants agreed the term should be changed, and they will offer alternate terms in their May 30 comments.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

There was general agreement there is a benefit to having a schedule for the NSPM process so that the result is available on a specific date each year. Discussion recognized the FERC Form 1 is required to be filed by April 18 of each year, and that the FERC Form 1 process provides a significant portion of the NSPM data. Parties will offer suggested schedules for the NSPM process in their May 30 comments. ODOE will be relied upon heavily to assess the practicality of the suggested schedules.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

Workshop discussion clarified that there is not widespread need for the NSPM result, and that widespread dissemination of the result could be confusing to many who obtain it. As a result, there was the suggestion that the NSPM result continue to be communicated in writing (email or other method) to only those with a need for, and an understanding of, the information.

On the subject of communicating the NSPM, workshop participants expressed differing preferences for how the NSPM is presented on the label in the supply mix. Some expressed preference that the portion represented by the NSPM be in a separate “slice” while others prefer the portion represented by the NSPM be dispersed into the other applicable “slices.” Parties will offer their comments on this issue on May 30.

Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

Discussion of RECs and null power highlighted vibrant differences in perspective. Some felt treating power generated by a renewable resource, but which had been stripped of its RECs, as null power would be misleading to consumers who don't care about the REC “game.” Others expressed the perspective that REC disposition determines whether or not power is termed renewable. Resolution of this issue may require opening of a “UM” docket, but in the interim, parties will offer their thoughts in the May 30 comments.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

Parties will offer suggested wording revisions in their May 30 comments.

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

Parties will offer suggested wording revisions, including revision of the web site title, in their May 30 comments.

Attachment 1

Policy/Procedures Workshop Attendees
May 2, 2012

PacifiCorp

Joelle Steward
Debi Winney
Tashiana Wangler

PGE

David White
Bruce Werner
Brendan McCarthy
Richard Myhre
Jay Tinker

ODOE

Vijay Satyal
Julie Peacock
Bill Drumheller
Rebecca O'Neil

Megan Decker, RNP
Jeff Bissonnette, CUB

PUC Staff

Erik Colville
Juliet Johnson

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

AR 555

In the Matter of a Rulemaking to Update
Certain Division 038 Rules (Portfolio
Options/Labeling).

Comments of Citizens' Utility Board of
Oregon – Response to Staff Policy &
Procedures Memo dated 4/18/2012

The Citizens' Utility Board of Oregon (CUB) appreciates the opportunity to offer comments in this docket. The voluntary options program has been very successful for a decade and it is appropriate to examine the program to ensure it continues to succeed and also remains transparent and accountable. The following comments are formatted to respond to the questions raised in Staff's Policy and Procedures memo of April 18, 2012.

Label

1. Paper Label - Is there a better alternative to a paper label mode of communication?

CUB raised concerns as to the original proposal to reduce the number of hard copy information inserts provided to consumers, a proposal that helped lead to this docket. In discussions with parties, it has become clear that the labeling information does not generally change except on an annual basis. CUB can accept providing a hard copy of labeling information on an annual basis with the following conditions: 1) the information is very easy to find online (it is not today), preferably with communicating a direct URL to find the information; 2) there is continual publishing of a phone number where consumers can call to request a hard copy of the labeling information and those requests are met at any time; and 3) if there is a change in the resource mix that requires a change in the labeling material, that information is made available in hard copy immediately to a utility's customers, even if the annual publication is still some months away.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it? Note: if the format needs to be updated, we will do so in the Technical Issues phase of this docket.

CUB endorses RNP's outline of the purpose of the label: "the label's function is to communicate the basic cost, supply characteristics, and environmental performance of different electricity portfolio options." Further, CUB supports using the Green-e standards outlined in their "Code of Conduct and Customer Disclosure Requirements" in communicating

about the role of Renewable Energy Certificates (RECs). CUB does not agree with staff that consumers are not receiving “useful, reliable and necessary information” to make an informed decision. Consumers can certainly receive more information and following Green-e standards for customer disclosure can assist in that goal. CUB also does not agree that the label format needs to be completely revised.

CUB would support additional cost breakdown and notes that the Portfolio Options Committee is working on exactly that subject.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

CUB does believe that the environmental impact message of the label is neutral and factual. CUB believes that the staff’s proposed changes to the environmental impact material on the label adds little clarity and simply adds words where none are needed with the exception that adding information about sulfur dioxide and nitrogen oxide to the environmental impact material would be helpful, although CUB would not use the language the staff proposes. CUB endorses RNP’s initial treatment of these subjects. More discussion should be had on this issue in the Technical Issues phase of this docket.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

CUB agrees that label should reflect the most recently completed NSPM.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

CUB has no opinion at this time.

6. Frequency of Communication - How often should consumers receive the Label?

CUB refers to the response in Question 1, outlining the conditions. CUB would support a monthly notation on the bill with the direct URL and the phone number for requesting a hard copy. The general distribution of a hard copy label as a bill insert could then be annual.

Reconciliation Report

7. Report Content –

- a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.

As noted in Question 2, the Portfolio Options Committee is addressing this issue directly. This docket should wait for the recommendation from the POC on this matter.

- b. Should the reconciliation report include the basic service product (the OAR implies so)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.

CUB believes that reporting on the basic service option at the same time as the green power products seems logical and will promote consistency in communication about different electricity service options.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

CUB has no opinion at this time.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

CUB believes that the reconciliation report should continue to be part of the Rule to ensure consumer confidence.

Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains? In this phase of the docket we will address the goal, use and accuracy requirements of the NSPM. Note: if the process steps need to be changed, we will do so in the Technical Issues phase of this docket.

CUB endorses RNP's response to this question.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

CUB believes there should be a date set as to when the NSPM result is due but has no opinion at this time as to when that date should be.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

CUB endorses RNP's response to this question.

Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

CUB agrees with Staff that if environmental attributes have been sold, the underlying electricity should not be reported to consumers as renewable energy. Staff suggests that null power should have its own category or be reported as equivalent to NSPM power. Again, utilizing Green-e's standards for customer disclosure would be helpful.

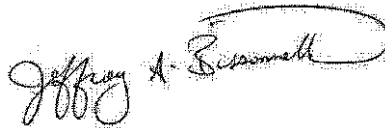
14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

CUB has no opinion at this time. We may have more input during the Technical Issues phase of the docket.

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

CUB is still reviewing the website and will have more input during the Technical Issue phase.

Respectfully submitted this 30th day of May, 2012.



Jeffrey A. Bissonnette
Citizens' Utility Board of Oregon

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 555

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON

REVISIONS TO DIVISION 038 RULE
REGARDING PORTFOLIO OPTIONS
AND LABELING

Comments of Oregon Department of Energy
("ODOE").

The Oregon Department of Energy ("ODOE") appreciates the opportunity to provide comments in regard to the issues raised in this docket regarding Portfolio Options and labeling requirements.

ODOE comments are prefaced with an overview of the current electricity resource mix process for the benefit of all parties and followed by specific responses to the questions raised in the workshop.

General Comments

Program Goal

Customers are at the heart of the power option programs. These programs are voluntary opportunities for ratepayers to purchase renewable energy through their utilities as an added cost on their bill. At the workshop, the term "informed choice" was discussed in a way that suggested that information is only needed if it changes a customer's ultimate decision about their power product. However, being informed implies more than just having the minimum level of information needed to choose one product over another. It also involves understanding the implications and characteristics of that choice. For that reason, if we tell customers about their energy, the information should be clear, fair, accessible, and complete. ODOE submits that this is the standard for parties to meet in this docket, and the primary goal of the labeling and electricity resource mix program rules.

POC Role

There is confusion about when the Portfolio Options Committee (POC) should be engaged to advise the Commission, and when a docket is more appropriate venue to resolve issues. The immediate docket tests that space and only seeks to address issues that are stated in PUC rules. However, the rationale for making many of these changes is grounded in what customers should know and what customers can understand – two areas of POC expertise after years of direct oversight of the voluntary programs. ODOE's hope is that this docket and the POC's response to the Commission's March 7 letter will give all entities a stronger sense of their respective roles in administering these programs for customers' benefit.

Net System Power Mix

ODOE believes that stakeholders are not clear on how the net system power mix process works and why it matters. The net system power mix (NSPM) process is essential to answering the simple question, “where does my power come from?” It is not possible to provide a meaningful answer without addressing both utility-owned or contracted sources and market power purchases. About 10 percent of Oregon’s power is supplied by market power.

The NSPM process is unique. There is no other source for data specifically focused on measuring the characteristics of market power in this region. Overall regional generation mixes are easily available, but market power data are not. This is discussed in greater detail in response to Issue 10, below.

Overview of the Electricity Resource Mix Process

The electricity resource mix process is a data collection effort and analysis of Oregon’s retail electricity consumption by resource type. This analysis is a cooperative effort between Oregon’s utilities, OPUC, ODOE, Washington State University (WSU) Energy Extension, and by proxy the Washington Department of Commerce and Washington state utilities. The electricity resource mix process begins when ODOE submits a data request to Oregon’s three largest utilities.^{1,2} Included in the data request package is a customized reporting template which requires generation or purchases to be reported by facility and resource type. Other information gathered in the template includes annual generation and generation facility information.³

As data are acquired, ODOE staff uploads the information into an online database maintained by WSU Energy Extension staff working in conjunction with the Washington Department of Commerce. WSU Energy Extension collects data for power generation and purchases for Oregon utilities, Washington utilities, and the Bonneville Power Administration, and then provides the Net System Power Market resource mix for the Northwest Power Pool (NWPP). To perform the necessary calculations, WSU manages a tracking system referred to as the Western States Tracking System (WSTS). WSTS houses generation data for all known generating units, specific claims on generation (i.e. specific purchases), and reported resource use at each facility.⁴

When the template is uploaded, the fuel mix disclosure software housed at WSU Energy Extension splits each plant-specific claim into plant and resource-specific claims based on a plant-specific resource mix that is derived from the EIA data (which is reported by the plant operator), estimated from previous years’ fuel mix (in the case of missing data), or estimated

¹ Size is determined by the amount of electricity provided to Oregon customers. In 2011 those three were PacifiCorp, Portland General Electric, and Eugene Water and Electric Board.

² Information on power purchases and sales for Oregon’s electric cooperatives, municipal utilities, and People’s Utility Districts is gathered directly from the company or retrieved from data reported to the OPUC. Much of the power used by these smaller utilities to serve the retail load is purchased through the Bonneville Power Administration (BPA) and is assigned a fuel mix proportional to BPA’s reported fuel mix. A few of these facilities do have their own generating resources and are contacted directly if possible to confirm their fuel source and generation information. The eight cooperatives that are members of PNGC power are assigned a power purchase mix that aligns with the PNGC power purchase portfolio.

³ Facility information includes if the facility is owned by the utility; location; if it is a market/contract purchase; and if, as in the case of PacifiCorp, what share of its generation is attributable to Oregon consumption.

⁴ This is important because it enables the calculation of approximate emissions (CO_2 , SO_2 , NO_x , HG) attributable to the reported resource use at each plant.

from the nameplate capacity and primary fuel for all the generators in a plant. In addition to utility claims against output from specific plants, claims are generated for Bonneville Power Administration (BPA) “dedicated resource type sales” (BPA provides this to WSU Energy Extension staff) and for any geothermal, solar, and wind power left unclaimed. When claims are made in excess of a facility’s stated production, the utility and/or ODOE are contacted to reconcile any stated difference. A similar process happens in Washington for its utilities.

The WSTS produces a report for each utility for claims on generation and emissions given the addition of the net system mix. For utilities that make market purchases, the net system power mix is attributed to those market purchases. ODOE then completes two phases of reconciliation. The first phase is with WSU Energy Extension. After its initial report, ODOE analyzes the Oregon data to ensure accuracy or to detect obvious discrepancies. ODOE staff then produces reports to be sent to each of the major utilities involved in the process. Reports include basic generation and emissions produced from each facility as well as generation and emissions from market purchases. Utilities then are given a preliminary copy of the report and a chance to describe any discrepancies in the report from their original submissions or actual generation.

Once the reconciliation process is complete, each utility is given a final version of the electricity resource mix for their utility, as well as the relevant NWPP and net system power mix data necessary to generate the label. Each investor-owned utility then provides its resource mix analysis of its basic service to customers through a quarterly retail label bill insert.

Labeling (OAR 860-038-0300)

Label

1. Paper Label - Is there a better alternative to a paper label mode of communication?

A paper label insert is still an important mode of communication, but the Internet is clearly the preferred mode for most Oregonians. Therefore, reducing the frequency of distribution of the paper label is acceptable, but it should be counterbalanced by a clearly visible and consistent online presence. The rules should describe the requirement for a strong online presence and assure the PUC’s continuing oversight. Currently, the online version of the label is inadequate: it is not easy to locate or to understand, and this must be fixed.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it? Note: if the format needs to be updated, we will do so in the Technical Issues phase of this docket.

The label is intended to answer essential questions that customers have about their utility’s power supply options. Currently, features of the label (both the resource mix and environmental information) are presented in different ways by each utility. The utilities should present information in a consistent manner.

Staff suggested adding program cost breakdowns to the label. We believe that there needs to be a rationale. ODOE is not aware of another energy program that provides this information as a part of its basic explanatory statement to customers. Is Staff’s suggestion rooted in a specific

concern? Do they believe that customers would, if presented with that information, choose differently? Or is this a matter of disclosure?

At the workshop, there was concern that the label could become too crowded. “There isn’t room” is not a sufficient reason to exclude essential information. Instead, we believe that if the label is only sent once a year, it should be a larger, more visible, and a high quality marketing piece. We discuss this in greater detail in response to Issue 6, below.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

3.1 How should the environmental impact information on the label be conveyed and what data should it reflect? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

The purpose of the environmental information is lost in the conversation about style. The environmental information is not provided to explain all impacts of all types of energy production facilities. Its purpose is to explain to customers why the utility offers alternative power options to its standard resource mix. The state requires utilities to offer electric portfolios that exclude non-renewable resources and high-impact hydropower. If customers wonder why the state made such a requirement, the environmental impact message lists the reasons why certain resources are disallowed. There is nothing inherently leading about explaining the basis for renewable resource options.

Environmental information is an important component of the label and legislatively required. Both utilities should use the same environmental impact messages and frameworks, and all labels should reflect the environmental impact message prescribed by the PUC.

ODOE believes that the existing environmental impact message is fine as it is currently written. We support Staff’s suggestion to add a section on mercury, as it belongs in the class of listed pollutants, and its omission is noticeable. The language suggested by Staff for mercury seems adequate for this purpose.

ODOE supports changing the emissions-related bar charts on the label to provide more detail and clarity to customers. The bars on the current label bar chart have no increments, only directional indication (less and more from the average), with little sense of significance. ODOE recommends a discussion in the technical section of the docket that deals with how best to present this data on the label. This discussion would be of value to all interveners and especially appreciated by the Commission, in light of the rationale behind the Commission Order to initiate this rulemaking.

ODOE believes that the data are best compared to the Northwest, and therefore supports continuing the practice of having the Northwest Power Pool as the reference for comparison in the bar chart. However, because the Northwest Power Pool encompasses a geographic region much larger than what the general public generally considers to be the Pacific Northwest (i.e., OR, WA, ID, Western MT), ODOE believes it is worth adding a qualifier on the bar chart noting the geographic scope of the Northwest Power Pool.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

Yes, we support using the most recent NSPM calculation available. Therefore we also support adding symmetrical language for that requirement for both the IOUs and ESSs as noted by Staff.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

No. It is worth noting that the prescriptive aspect of the program is not in rule, but rather it resides in the authority granted in the rule to Staff to prescribe the format of the label. There is considerable flexibility in rule for variation on the label, with assurance that consistency will be maintained across utilities once the format of the label is decided.

6. Frequency of Communication - How often should consumers receive the Label?

As long as the information is always and conveniently accessible online, frequency is not a critical issue. Reducing the paper label issuance to once a year is acceptable to ODOE, but the Commission should be open to amending that frequency in the future should consumer feedback warrant a change. In addition, if the paper label is reduced in frequency, ODOE believes that the marketing quality and size of the label (and embedded text and graphics) should be increased. Presumably the primary audience for the paper label will be Oregonians who lack access to or choose not to access the internet. The label should be a notable, readable document for this demographic, which includes older and less affluent Oregonians⁵. There should still be cost savings to utilities from this change in practice since they will only have to print this larger-sized brochure once a year instead of quarterly.

Reconciliation Report

7. Report Content –

- a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.

ODOE agrees that the reconciliation report may provide costs for comparative purposes to the label. ODOE is unsure what level of detail is envisioned, and requests more information on the proposal. The purpose of submitting costs should not be for independent evaluation of whether the costs are appropriate for the service. The POC is expected to give the Commission a recommendation as to how well these services are delivered in a cost-effective manner by the end of this year. It is appropriate for Staff to review costs to assure they remain within the framework of the POC's recommendation.

- b. Should the reconciliation report include the basic service product (the OAR implies so)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.

⁵ ODOE also believes a discussion about whether to provide the label in multiple languages may be useful.

The reconciliation report should have whatever information the PUC needs to determine consistency with its rule and statutory responsibilities. ODOE agrees that it makes sense to include the basic service product in the reconciliation report.

ODOE recommends adding two more features to the reconciliation report: a WREGIS report with all fields intact, and a copy of the most current published label. A WREGIS report is the appropriate, available, and simple way to demonstrate REC retirement. The PUC should also have a current copy of the printed label on file.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

The answer depends on whether the basic service product is included in the reconciliation reports. If it is not, then there is no reason to change the due date. If the basic service product is included, then the date should be changed to reflect the timeline for the electricity resource mix process so that the basic service product can be accommodated in the report.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

Yes, the reconciliation report should stay in rule. There is no reason to remove it. ODOE suggests that the new report requirements created in this docket should be added to rule, for transparency and continuing practice.

Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains? In this phase of the docket we will address the goal, use and accuracy requirements of the NSPM. Note: if the process steps need to be changed, we will do so in the Technical Issues phase of this docket.

ODOE believes the core of the NSPM process (and the entire label protocol) is the provision of comprehensive power source information to customers in the most easily understood manner. The NSPM process is essential to providing a meaningful answer to the simple question, “where does my power come from?” It is not possible to provide a complete answer without addressing both utility-owned or contracted sources and market power purchases. This fact is recognized in the current OAR (860-038-0300) in Section 4, which clearly states that utilities are to provide power source and environmental impact information for both types of power supply. It is also a reflection of the fact that about 10 percent of Oregon’s power is supplied by market power. To ignore the contribution of market power to Oregon’s power supply, or to fail to adequately characterize it, would not meet the intent of the consumer protection and disclosure requirements of SB 1149.

The NSPM process is unique. There is no other source for data specifically focused on measuring the characteristics of market power in this region. This is one of the most important facts to recognize in these discussions. Some have incorrectly stated that these data are widely available. This perception appears to stem from a misunderstanding of the difference between specified and unspecified (“market”) power, and the differences between power and energy data. There are several sources of data that characterize the overall generation mix in the region (e.g., NWPCC, EIA, US EPA eGRID). However, these sources do not differentiate between the

energy used to provide market power to the region and the energy that serves utility-owned generation or contract needs.⁶ It is the creation of this bifurcated energy generation data that makes the NSPM process essential and informative to all stakeholders.

Three characteristics of the current electricity resource mix process (and as part of that process, the NSPM process) that make both the NSPM and the electricity resource mix process valuable and which emphasize the unique nature of the NSPM as part of the electricity resource mix:

Provides actual fuel use at combustion facilities. Most combustion facilities (coal, natural gas, biomass, etc.) use multiple fuels over the course of a year. These multiple uses are significant. In some cases they are substantial, particularly for co-fired facilities. The electricity resource mix process and the NSPM process uses the fuel use data submitted to EIA to accurately split out how much of what fuel is used over the course of the year. Any characterization of electricity use that relies solely on the primary fuel used at combustion facilities misses these secondary fuels. Some fuel types – particularly fuel oils – all but disappear from the resource mix if they are not accounted for in this way.

Captures claims against facilities region-wide. The electricity resource mix process and, by extension, the NSPM process are regional efforts that capture claims across the Northwest, by both Washington and Oregon facilities. The cooperative and combined nature of the exercise is crucial in accurately characterizing market power in the region. For example, if only Oregon claims were considered in the process the majority of hydropower in the region would be labeled as “market power”, but in fact most of these facilities have claims by Washington utilities. The regional nature of the process also prevents conflicting “double claims” on facilities or overlapping claims that exceed generation reported to the EIA. Finally, the process ensures regional consistency in the Northwest, which is particularly important to multi-state utilities.

Harmonizes utility, state, and EIA data. The electricity resource mix process and, by extension, the NSPM process provide a means for comparing utility-derived data with EIA data, as well as with data generated through other state-led efforts (e.g., WREGIS). The resulting “quality control” ensures better data for all parties and can provide valuable insight into how utilities’ data are being viewed by others through external lenses, like the EIA state-level analyses. For example, in the recent electricity resource mix cycle it was discovered that EIA is failing to capture some significant output of Oregon wind farms. It is in the best interest of everyone to ensure that the data sets used to convey Oregon’s generation mix to the outside world are accurate, current, and in particular demonstrate Oregon’s transition to renewable and cleaner forms of electricity generation.

Staff suggests that the steps of the NSPM process could be changed in the question framing this particular discussion. The steps that utilities take to make claims on power and the aggregation of all those claims to determine the unclaimed portion of the regional power supply are so fundamental to the process that to remove one would render the intertwined process unworkable.

⁶ Another approach taken by some in the past is to split generating resources into two varieties, a “base load” variety (normally designated as a unit with a capacity factor above 60 percent) and “marginal” resources with a capacity factor below 60 percent. The marginal resources are then assumed to provide all the market power, and the base load resources are assumed to be all of the specified sources. This approach is marginally better than assuming that the generation mix providing market power is the same as that providing specified power but is still entirely assumption-driven, with no reliance on empirical energy data to accurately split out the market power component.

It is not possible to determine the unclaimed portion (the NSPM) without knowing the claimed portion of the regional power supply. One aspect can't exist without the other. It is for this reason that ODOE has consistently suggested that it is not logical to narrow the scope of this docket to simply the NSPM without discussing the entire analytical protocol for determining the utility label (i.e., to discuss the electricity resource mix in its entirety). Therefore, ODOE does not believe that it is possible to remove these fundamental steps to the creating of the NSPM in the electricity resource mix process. It is possible, of course, to discuss how much time and effort should be put into each step of the process. ODOE believes this is an appropriate area of inquiry.

Because the data set that comes out of the NSPM process is unique, a discussion about accuracy cannot be a discussion as to what alternative data sets or processes to use since they don't exist. Rather, a discussion about accuracy should be a determination as to how much effort to put into the NSPM process itself. In recent years a considerable amount of effort has gone into making the calculation as close to 100 percent correct as possible, but it has taken a tremendous effort to do so. Assessing to what degree of accuracy the program should strive for is difficult because small errors for large "slices" have minimal impact, while similarly sized errors for very small "slices" can have substantial impacts. The challenge is exacerbated by the fact that it is the smallest "slices" that have the highest degree of interest in many cases as they often represent the renewable energy sources for which so much attention has been directed toward.

For these reasons, it is not appropriate to try and achieve a certain accuracy rate (e.g., 98 percent). Instead, we suggest that this question is intrinsically tied to the next question about establishing a timeline. We suggest that all parties involved in the NSPM process strive for the most accuracy possible within the designated period of time, but also to accept that the end result may not be 100 percent accurate. Experience has shown that it should be possible to produce highly accurate results within the proposed timeframe.

The environmental impact information that is derived from the electricity resource mix process is also important, and needs to be communicated to the public, but over the last decade the means of obtaining this information has changed. While the information has historically been derived from the power source determination process in the NSPM, there are now multiple venues through which this information can be obtained. For this reason, ODOE supports the idea of "decoupling" the reporting of environmental impact information from the NSPM and the overall electricity resource mix process. In practice this would allow utilities to use their reported emissions to regulatory agencies when providing the environmental impact information to consumers (and by definition removing any conflict between the processes). ODOE believes the details of how this could work are best addressed in the technical portion of this docket.⁷

Finally, in regards to the costs and benefits of the NSPM process, it is again critical to point out that the NSPM can't be discussed without also talking about the overall electricity resource mix process used to create the utility labels. They are two sides of the same coin. The only way to

⁷ It is worth noting that for mercury, SO_x, and NO_x the WSU database does in fact report out the US EPA data reported by utilities and power plant operators to the CAM (clean air markets) database so for these pollutants there really is no issue. For CO₂ the data are generated using fuel-specific emission factors from EIA, which are useful in that one is able to generate fuel-based emission totals the public cares about (e.g., "how much emissions are from coal") but plant-level totals won't necessarily match with US EPA CAM data, which is most consistent for regulatory purposes. Ideally both types of data would be available as they have different uses for different purposes.

provide comprehensive power source disclosure to consumers, policy makers, and all Oregonians is to have a program that includes the NSPM component. It is inappropriate to portray this decision as strictly a cost/benefit decision. ODOE views the NSPM as a fundamental and irreplaceable component of the overall electricity resource mix. The benefits of the overall resource mix are numerous. Beyond the disclosure requirements of SB 1149 discussed in this docket, the resource mix provides critical data about what power sources are serving Oregonians. It informs every aspect of energy policy in the state, from the highest levels of state government to conversations among ordinary Oregonians about our shared energy future. The electricity resource mix is used and requested by journalists, legislators, policy analysts, and the general public. It is a vital part of energy policy in Oregon.

Even in isolation, the NSPM component in and of itself has considerable value to the state. As noted, without it a complete and comprehensive electricity resource mix can't be constructed. But understanding the characteristics of market power has ancillary benefits as well. It is the NSPM process that was the primary means of informing DEQ's rulemaking on mandatory reporting of greenhouse gases as it related to providing an emissions factor for unspecified power. As the sole measurement of market power characteristics, it is the obvious and most important means available to justify an update to DEQ's mandatory reporting program in the future, should the characteristics of market power change in the future. It is also important for the Emission Performance Standard (EPS) programs run by OPUC and ODOE as a result of SB 101 in the 2009 session. Both of these agencies also need information on the characteristics of market power in order to provide emission factors to use for unspecified power (or judge the emission factors proposed by utilities in the case of the PUC).

More generally, understanding the resource mix of the market power component of Oregon's power supply is critical to understanding if high carbon specified sources are being shifted toward unspecified uses in response to changes in policy or market conditions. Different energy policies and strategies are needed to address specified and unspecified uses, and understanding the dynamics of the interactions between these two sides of Oregon's power supply is critical to future energy policy development and discussions about energy policy in numerous venues.

With regard to terminology, ODOE supports calling the NSPM simply the "market power mix" and generally referring to what is called "net system power" as "market power." If more detail is needed, "Northwest" can be added in front of the terms to distinguish its regional nature.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

ODOE is amenable to including a schedule in rule if that schedule is applied to the utilities providing the data as well as the agencies and entities that need to process the data. We do not believe that a specific date needs to be applied to all steps of the process. ODOE suggests that two flexible dates be included in the rule. First, the rule could state that utilities should provide the necessary claims data by the end of the third week in May. Second, the rule could state a target for the NSPM process to be completed by the end of August. That schedule should provide sufficient flexibility for all concerned to ensure that the entire electricity resource mix process proceeds in a timely fashion.

A number of caveats should be noted. First and foremost, the NSPM and the electricity resource mix process is a cooperative regional effort with the State of Washington. Washington has its own schedule for this process. By definition the NSPM and the electricity resource mix process can't proceed without the claims submitted by Washington. In addition, the NSPM process and the electricity resource mix process rely on federal data from the Energy Information Administration (EIA) to provide the fuel mix for all facilities. Should provision of those data be delayed it has the potential to delay the process (although provisions for missing data are already built into the database system at WSU). These factors should be kept in mind.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

ODOE does not believe that the NSPM in and of itself needs to be communicated to the general public separately from the electricity resource mix presented in the utility labels. Doing so would in fact be confusing to most consumers, and may lead to misuse of the data. The NSPM needs to be communicated to the utilities, of course, and no deviation from that existing practice is recommended. Unless there is a change in process from this inquiry or otherwise the NSPM results would continue to be emailed to the appropriate staff at the utilities once they are received by ODOE.

In the Staff description of the last workshop the following description is made in reference to the topic of NSPM communication: *Workshop participants expressed differing preferences for how the NSPM is presented on the label in the supply mix. Some expressed preference that the portion represented by the NSPM be in a separate "slice" while others prefer the portion represented by the NSPM be dispersed into the other applicable "slices."* However, section 4 of OAR 860-038-0300 is clear that utilities are to report power source and environmental impact information for both a company's own generating resources and market purchases. Reporting the information for only one of these two components is not an option under current PUC rules. PacifiCorp's decision to report power source information only for its own generating resources (and to provide no such information for market power) in the last several iterations of its label does not conform to PUC rules. To frame this as a choice between two equally valid options is not accurate. The option to not report power source information for market power by aggregating it all into its own "slice," as described by Staff, and then putting that "slice" into the "other" category, as PacifiCorp has chosen to do, does not meet either the plain language of the rule or the intent of the power source consumer disclosure requirement.

ODOE believes that the reporting of power source information should be done on the same pie chart by combining all like resources into single "slices" of the pie. This is by far the most understandable to the general public, who are the real consumers of this information. ODOE recognizes that the current rule does not specify whether the reporting of power source disclosure for both a utility's own generating resources and market purchases has to be combined or can be reported separately, so long as both aspects are fully reported to consumers. Providing separate pie charts, or doing a "breakaway" pie from the main pie chart is just too confusing to most consumers. Particularly when considering all of this information must be on one page.

During the workshop, the point was made that the ODOE website has the utility-level data for PGE and PacifiCorp (but not the statewide or COU data) broken into separate bar charts for

specified and unspecified sources. While this is true, the decision to present the data as it is currently exists on the ODOE website was a response to a request by a specific utility, and represents ODOE's cooperation with that specific request for data regarding that particular utility. It does not represent ODOE's view that it is necessarily the best way to present the data for public understanding – particularly in the context of a bill insert for the general public. The ODOE website was also envisioned as a complement to, and not a replacement for, or mirror of, the individual utility label. Therefore there is logic to having a more data-intensive and complete breakout of the data for those really interested in the process. Unfortunately breaking out the data in this fashion has proven to be problematic for the general public, which doesn't typically relate having to do the addition of the specified and unspecified portions to derive the proper totals for each resource. In future revisions we hope to better present these data so that the overall totals for each fuel or resource are better conveyed to the public at large.

Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

In this issue, the PUC raises many questions about what it means to have, claim, retire, and sell a REC. ODOE commends Staff for asking these difficult questions. The natural home for this question is in this docket, where we take up issues related to labels, reporting fuel mix, customers and their claims. The PUC is not compelled to treat the issue here in order to resolve other issues. However if it does, we agree that without owning the associated REC, a company cannot make claims that its power is from a specific renewable power resource.

The power resource is an essential feature of a REC and in fact, contains a marketable value – a fact demonstrated by the availability and success of a 100% wind power program. A single label is inconsistent if in one resource mix pie chart, power is reported as wind although the utility lacks the REC, and in the neighboring resource mix pie chart, power is reported as wind only *because* the utility has the REC. Either the REC enables the claim, or it does not. If a utility claims renewable power in its general mix and does not own the REC associated with that power at the time of its claim, then it is making an improper claim.

This position is in line with the REC guidelines in place for the voluntary power option programs. There is a definition of a REC in our agency's rules, but this definition is only in place for the Renewable Portfolio Standard.⁸ The voluntary programs adhere to eligibility standards set by Green-e, an independent organization. The Green-e National Standard gives specific examples of situations when a REC is no longer eligible for its program:

[An example of prohibited double use is] when the same REC is claimed by more than one party, including any expressed or implied environmental claims made pursuant to electricity coming from a renewable energy resource, environmental labeling or disclosure requirements. This includes representing the energy from which RECs are derived as renewable in calculating another entity's product or portfolio resource mix for the purposes of marketing or disclosure.⁹

⁸ OAR 330-160-0015 (9).

⁹ http://www.green-e.org/docs/energy/Appendix%20D_Green-e%20Energy%20National%20Standard.pdf.

By Green-e's standard, when PacifiCorp sells Glenrock I wind RECs to PGE's voluntary program, PacifiCorp can no longer claim the underlying power as wind in its resource mix without making a double claim. If PacifiCorp does claim the associated Glenrock I power as wind without the REC, then the REC is no longer eligible for the *voluntary* program. That means it is PGE's voluntary purchasing customer whose claim is invalidated, not PacifiCorp's.

ODOE's position that publishing the resource mix to customers constitutes a REC claim is consistent with consumer protection guidelines for environmental claims.¹⁰

As to how to indicate power if the utility no longer owns the associated REC, ODOE sees several options. One is to create a "null" power category, which customers may not understand but may be the simplest reconciliation. Another is to apply the net system power mix to the power and redistribute portions into real resource categories (the applicable "slices," in Staff's terminology), which may make more sense to customers. ODOE recommends that parties take up this matter in the technical workshop.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

As previously noted, ODOE supports calling the NSPM simply the "market power mix" and generally referring to what is called "net system power" as "market power." If more detail is needed "Northwest" can be added in front of the terms to distinguish its regional nature.

We have also begun referring to the label creation process and results as the "electricity resource mix" process. We note that the overall process is generally tracking energy and not power, and that terminology based around "fuel mix" language is rather archaic in the age of wind power and other non-traditional fuels. Given the general lack of understanding of the meaning of terminology addressing both energy and power we find that the term "electricity resource mix" seems to be both accurate in characterizing the process and understandable by the public.

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

It is a little unusual to discuss website wording in a rulemaking. An indirect suggestion is that terms in rule and terms on a website should be consistent. ODOE does not believe that public communications must necessarily be rigidly consistent with rule language. Still, ODOE offers the following suggestions. We defer to Staff on the appropriate correction, as it is their website, but would supply language if requested:

- Change title to "Power Choice Options"
- Include natural gas options
- Change "Restructuring Law SB 1149"
- Link to ODOE's SB 1149 schools program
- Should be called "Energy Trust of Oregon" and linked

¹⁰ See, for example, National Association of Attorneys General, *Environmental Marketing Guidelines for Electricity*, Environmental Marketing Subcommittee of the Energy Deregulation Working Group, December 1999. Federal Trade Commission Green Guides, *Proposed Revisions*, October 2010.

- The description of the POC should be brought up to date
- Should mention the public purpose charge self-direct program for industrial customers and link to ODOE's program, LECPPP



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May 30, 2012

VIA EMAIL

Oregon Public Utility Commission
550 Capitol Street NE, Ste 215
Salem, OR 97301-2551

Attn: Erik Colville, P.E., Sr. Utility Analyst

Re: AR 555 – Informal Comments of PacifiCorp

Pursuant to (i) the informal procedural schedule agreed to by interested parties in the above-referenced docket, (ii) Commission Staff's ("Staff") policy primer issued April 18, 2012, (iii) the May 2, 2012 workshop and (iv) Staff's May 3, 2012 workshop summary ("Staff Summary"), PacifiCorp d/b/a Pacific Power ("Pacific Power" or the "Company") respectfully submits these comments to address policies and procedures associated with various aspects of portfolio options and labeling under OAR 860-038-0220 and OAR 860-038-0300, respectively. Pacific Power has been an active participant in this proceeding and appreciates the opportunity to provide these comments.

While Pacific Power is encouraged by the ongoing dialogue among interested stakeholders in this docket, the Company is concerned that there has been inadequate consideration as to the fundamental intent of the labeling requirements. From the Company's perspective, the paramount public policy goal of power source labeling is to inform customers of the resources that they pay for and are served by. The Company's observation is that several stakeholders have differing interpretations as to the breadth and depth of the labeling requirements. These differences were highlighted at the May 2 workshop, but without resolution as to the threshold matter of what purpose the labeling requirements seek to serve. Resolving this threshold matter is essential for informing the ultimate development of rules in this docket to ensure an efficient, educational and accurate labeling protocol. Accordingly, Pacific Power's comments are provided in this context.

Pacific Power attempts to address the questions and matters posed in the Staff Summary in the order in which they were presented. In providing these comments, Pacific Power respectfully requests that the Commission not perceive the absence of comments on any particular question, issue or other matter as a conclusive indication of Pacific Power's lack of interest, support or opposition with respect thereto. Pacific Power acknowledges the ongoing nature of the issues addressed herein and reserves the right to modify or present additional comments at a future time, as permitted.

A. Labels

1. Paper Label - Is there a better alternative to a paper label mode of communication?

Yes. Pacific Power supports an alternative to the current paper label mode of communication. Specifically, use of the internet, coupled with a once yearly paper label bill insert, will provide the most efficient and cost-effective means for distributing information to customers. In Pacific Power's experience, the frequency of quarterly paper label bill inserts provide little to no value for customers. In fact, Pacific Power already utilizes the internet to display label information for customers to access.¹

Pacific Power supports quarterly/monthly notations on customer bills directing the consumer to a specific internet page where the label information is presented.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it? Note: if the format needs to be updated, we will do so in the Technical Issues phase of this docket.

As stated above, the paramount public policy goal of power source labeling is to inform customers of the resources that they pay for and are served by. This objective should be abundantly clear to avoid confusion by customers and other interested stakeholders.

Pursuant to the discussion at the May 2 workshop, Pacific Power supports revisions to label format and descriptions to clarify that the rate premium payment customers pay goes toward supporting renewable energy development, but does not result in supplying specific "green energy" for the customer's individual use. This misunderstanding among customers will likely persist to some degree, but clarifying this distinction seems reasonable. Pacific Power does not have specific format or language changes to offer at this time, but plans to do so during the technical issues phase in this docket.

With respect to the suggestion of adding a summary program cost breakdown on the label, Pacific Power is concerned that providing this information on a label in a meaningful way will be challenging. Pacific Power already provides this information on its website, so the information is available to customers.² Pacific Power recommends that Staff consider the value of providing this information in a more meaningful, customer-friendly manner, including on company websites.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

Pacific Power respectfully recommends that the environmental impact message be eliminated from the label requirement as it does not provide meaningful information to customers. Given the breadth and depth of information readily available to customers and interested parties on the topic of environmental impacts of various electric generation resources, it seems futile for the Commission to mandate a brief summary of such impacts as part of power labels.

¹ <http://www.pacificpower.net/about/rr/ori.html>

² <http://www.pacificpower.net/env/bsre/faq.html>

- 3.1 How should the environmental impact information on the label be conveyed and what data should it reflect? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

With respect to whether the bar charts should continue to compare emissions to the Northwest Power Pool (“NWPP”) average, Pacific Power recommends that the bar charts should compare emissions to the Western Electricity Coordinating Council (“WECC”) average and not the NWPP average. For Pacific Power customers, the WECC average is a more accurate comparison, since (i) the Company buys and sells energy throughout the WECC region and (ii) PacifiCorp’s owned generation resources are located throughout the WECC region, not just within the NWPP. Further, one of Oregon’s key energy policy mandates, the Renewable Portfolio Standard (ORS 469A) (“RPS”), contemplates the interconnected nature of the West by allowing utilities to acquire renewable resources for compliance with the RPS throughout the WECC. *See* ORS 469A.135.

To the extent customers of other utilities located within the state would receive more accurate information about a utility’s energy resources by comparing emissions to the NWPP average, the statute and rules do not prohibit the use of different averages for different utilities. Whatever average is used for a particular utility should be done through the lens of providing customers of that particular utility with the most accurate information regarding the pool of resources from which the utility serves its customers.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

Yes. Pacific Power supports the label reflecting the most recent NSPM and revising rule language to that effect. This change would allow for the provision of more timely and accurate information to customers.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

Pacific Power has no opinion on this matter at this time.

6. Frequency of Communication - How often should consumers receive the Label?

See PacifiCorp response to A.1.

B. Reconciliation Report

7. Report Content –
 - a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.

Yes. Pacific Power currently provides cost breakdown information associated with its BlueSky program on the Company's website.³ Pacific Power is not opposed to providing cost breakdown information as part of the reconciliation report.

- b. Should the reconciliation report include the basic service product (the OAR implies so)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.

Pacific Power does not oppose presenting the basic service product on the reconciliation report, similar to the format utilized for portfolio options.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

Yes. PacifiCorp recommends that the reconciliation report be due no earlier than July 1 of each year. A July 1 or after due date will allow more accurate data to be incorporated to the benefit of customers.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

Pacific Power is not opposed to having the reconciliation report continue to be a part of the rules.

C. Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains? In this phase of the docket we will address the goal, use and accuracy requirements of the NSPM. Note: if the process steps need to be changed, we will do so in the Technical Issues phase of this docket.

As currently constituted, the Oregon Department of Energy ("ODOE") contracts with Washington State University ("WSU") to provide the following data: (1) the NWPP resource mix for unspecified market purchases, (2) emission data for specified resources and (3) a calculated fuel mix for PacifiCorp's owned resources and specified market purchases. In each instance, and as discussed below, Pacific Power seeks to ensure that the data provided by WSU maximizes efficiencies and value for customers.

First, with respect to calculating the NWPP resource mix, the NSPM applied to unspecified market purchases should reflect the WECC resource mix, as opposed to the NWPP resource mix, since the WECC resource mix more accurately reflects Pacific Power's purchases of resources throughout the WECC. Accordingly, there may be more value to customers in adopting a WECC resource mix.

³ *Id.*

Second, with respect to emissions data, Pacific Power recommends that emissions data provided by Pacific Power to the Oregon Department of Environmental Quality (“DEQ”) be used for the purpose of providing customers emissions information, as opposed to emissions data provided by WSU. DEQ is the state agency charged with compiling emissions data for Oregon electric utilities. This data is publicly available and consistent with state law. Pacific Power is struggling to reconcile the role of WSU in light of DEQ’s current emissions data collection activities.

Finally, with respect to the WSU calculated fuel mix for PacifiCorp’s owned resources and specified market purchases, it is unclear to Pacific Power if the WSU calculation is effective. Pacific Power develops its fuel mix consistent with the labeling requirements under OAR 860-038-0300, which is distributed to Pacific Power’s customers. In Pacific Power’s experience, the WSU calculated fuel mix is substantially similar to the fuel mix developed by Pacific Power. Accordingly, Pacific Power recommends that parties consider efficiencies between the WSU calculated fuel mix and utility developed fuel mixes, provided the information is substantially the same. This analysis will help to mitigate any customer confusion associated with multiple fuel mixes.

Pacific Power anticipates addressing the specifics of the NSPM process in the technical issue phase of this docket.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

Yes, there is a benefit to having a schedule for the NSPM process so that results are available on a specific date each year. Pacific Power recommends that the due date be no earlier than September 1 of each year to allow for the most accurate information to be available to customers.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

There is not widespread need for the NSPM results. Accordingly, Pacific Power supports the proposal that the NSPM results continue to be communicated to electric utilities in writing (email or other method).

With respect to how the NSPM is presented on the label in the supply mix, Pacific Power recommends that the portion represented by the NSPM should be displayed separate from owned resources and specified market purchases. This may require a re-working of the bill insert to meaningfully display this information, which can be discussed as part of the technical issues phase of this docket. Separating the two resource types (NSPM and owned resources and specified market purchases) will provide clarity to customers about how a utility acquires resources to provide safe, reliable and cost-effective service. This also avoids the comingling of fuel sources the Company specifically acquires (owned resources and purchases from specified resources) with fuel sources the Company purchases from the broader market (unspecified purchases).

Pacific Power would note that ODOE separately displays owned and specified resources from market purchases (i.e. unspecified purchases). Pacific Power and the ODOE worked cooperatively to develop a customer friendly analysis to demonstrate how energy resources are acquired. To the best of Pacific Power's knowledge, no complaints have been received by the Company regarding the manner in which ODOE displays the information on its website.

D. Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

The current rule states that “[t]he purpose of this rule is to establish requirements for electric companies and electricity service suppliers to provide price, power source, and environmental impact information necessary for consumers to exercise informed choice.” See OAR 860-038-0300(1). With respect to environmental impact information, the rule requires that environmental impact must be reported “using the annual emission factors for the most recent available calendar year applied to the expected production level for each source of supply included in the electricity product” and must include carbon dioxide, sulfur dioxide, nitrogen oxides and spent nuclear fuel.

The labeling requirements as provided for under ORS 757.600 et. al. and OAR 860-038-0300 are intended to provide customers with clear and concise information about the power sources used to provide safe, reliable and cost-effective service. Appropriate reporting of RECs and null power as part of the NSPM is not addressed. Incorporating REC and null power concepts into the Company's resource specific power mix is inconsistent with the principles of power source disclosure requirements. Reporting RECs and null power as if those concepts are a part of the NSPM and/or the Company's resource specific power mix will lead to unnecessary customer confusion. Accordingly, REC reporting, including the application of null power, should be separate and distinct from fuel mix reporting. The purchase and sale of unbundled RECs does not change the underlying generation resources included in customer rates. While the disclosure of the Company's activities related to the purchase and sale of environmental attributes may be in customer's interests, these disclosures should be made separately as REC (or other environmental product) purchase and sale disclosures. They should *not* be reported as if they alter the nature of the resources serving utility customers. The disposition of RECs is best addressed pursuant to the compliance mechanism established under the RPS.

In Pacific Power's experience, comingling the nuances of REC disposition and null power with power source labeling requirements leads to customer confusion and is contrary to the basic tenets of the rule. This position is consistent with the Commission's past treatment of this issue. For example, in AR 518, the Commission addressed this very issue in the context of banked RECs and labeling requirements. In that proceeding, Staff sought to limit the inclusion of certain renewable resources in power source disclosures based solely on the treatment of RECs. In rejecting Staff's proposal, the Commission commented that “[t]he underlying concern is confusion on the part of ratepayers/stakeholders... [t]he potential confusion is reporting less renewables in the utility's resource mix than are reflected in the utility's rates.” See Order 09-

225 at 9. The same risks exist in this context. The underlying public policy goal of power source labeling is to ensure that customers are informed regarding the resources that they pay for and are served by. To the extent that the incorporation of RECs into fuel mix reporting artificially adjusts or modifies the nature of the resources reported, this public policy goal is no longer met. As such, any REC reporting requirements should be clearly distinguished from fuel mix reporting.

With specific respect to REC reporting and null power, the concepts are admittedly complex, lack definition and have implications well beyond labeling requirements and this proceeding. If the null power concept is to be applied in a manner that it effectively “alters” the nature of the underlying generation resource, and costs thereof, this would represent a fundamental shift in the traditional utility regulatory framework. The implications of this application of null power would extend to traditional ratemaking activities as well as least-cost best-risk resource planning requirements. Pacific Power therefore questions whether the Commission has the authority to address null power without express authorization from the Legislature. The concept of null power is not currently addressed in statute or rule. Arguably, the inclusion of null power in this proceeding is evidence of the lack of clarity and definition around null power within the state’s broader energy policy. In this context, Pacific Power strongly recommends that the Commission refrain from addressing the issue of null power in this proceeding or in a separate investigative docket. The proper venue is the legislative branch, not the Commission.

Pacific Power opposes amending the rules in this proceeding or establishing guidelines to address the treatment of RECs and null power for the reasons stated.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

Pacific Power has no opinion on this issue at this time.

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

Pacific Power has no comment on this matter at this time.

Based on the foregoing, the Company respectfully requests that the Commission carefully consider these comments. Pacific Power looks forward to continuing to work with interested stakeholders in this proceeding.

Oregon Public Utility Commission
May 30, 2012
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Sincerely,



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Enclosure

cc: Service List – AR 555

MEMORANDUM

TO: AR 555 Service List

FROM: Portland General Electric Company

SUBJECT: AR 555 – Comments on Policy and Procedural Issues

DATE: May 30, 2012

Portland General Electric Company (PGE) appreciates the opportunity to comment on the policy and procedural issues in this docket. Our discussion of the issues follows each item identified in Staff's May 9 memorandum.

Labeling (OAR 860-038-0300)

Label

1. Paper Label - Is there a better alternative to a paper label mode of communication?

PGE agrees that a Web site based alternative to the paper label will give consumers more flexibility and better information. We also agree that a once yearly mailing of updated labeling information would reasonably accommodate consumers who do not have access to the internet. Regarding the timing of the mailing, PGE typically updates our adjustment rate schedules and makes other rate changes at the end of the year, so a mailing in the first quarter of the year would include updated resource mix data as well as rate changes.

We would also like to note that, based on a conservative interpretation of the existing rule, we are sending an insert to our large business customers monthly. This information typically goes to an administrative employee who is responsible for paying the bill, and not someone in management who would choose to act on the information. A change in the rule regarding frequency should also clarify the frequency of communication to large business customers. Given the sophistication of this type of consumer, it seems reasonable to consider eliminating bill insert mailings to large businesses.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it? Note: if the format needs to be updated, we will do so in the Technical Issues phase of this docket.

We are hesitant to revise the label messages without direct participation by the Portfolio Options Committee (POC), along with input from PGE's marketing and communications professionals. The label seems to function both as a marketing tool and basic consumer information. If consumer education is the primary reason for the notification, the label could be revised to strictly communicate definitions and facts, much like nutrition labeling on food packaging. As consumers are hopefully better informed today, using labeling information to stimulate consumer interest in renewable energy might now be the goal. To this end, the bill inserts could be

simplified to encourage people to visit their utility Web site where they can access more complete information about what they are purchasing.

Regarding program cost information, we think adding that type of information to the insert would be difficult for consumers to understand and is not material to customers exercising an informed choice. In addition, given the space restrictions on the bill insert, it will be difficult to include more information in an already crowded space. We would prefer to make program cost information available on our Web site where it can be more fully displayed and explained. Incorporating more than just basic information in labeling communications will tend to confuse rather than educate consumers.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

PGE agrees that the environmental impact message could be replaced with a reference to a website where the consumer has access to a more complete and informative discussion of emissions and global climate change. Whether or not the current messages are neutral and factual depends on personal beliefs about the science of climate change. Since the labeling rules were adopted, mercury and other air toxics have become a larger issue. Incorporating mercury into the environmental impact statistics would make people aware of an additional type of pollutant, and provide an additional incentive to purchase renewable rate products.

PGE does not have revisions to the suggested environmental impact messages, however, as advances in science and emission controls occur, it seems appropriate to allow utilities to adjust these messages as necessary. We believe the rules should provide utilities the flexibility to update this information without requiring a change to the rules.

We also agree that the POC should consider complaints from consumers to monitor any effects from changes to the environmental impact message. This could be expanded to include any other important messages to consumers.

The WECC resource mix contains a greater percentage of fossil fuel resources as compared to the NWPP mix. Using this for comparison, PGE's emissions appear to be less than the regional average for WECC statistics, and greater than the regional average for NWPP statistics. As we can't predict what the WSU net mix calculation would show for the WECC region, it appears that it would be a significant change. Due to the relative nature of the comparison, we question the value of this statistic. In addition, the bar charts are difficult to understand and the percentages are hard to determine in the small space allotted for them. From our perspective, a better example for informing customers might be to compare emissions in pounds per MWh for the utility's basic service and renewable rate products with the NWPP and the WECC regional averages.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

PGE agrees that the label should reflect the most recent NSPM. However, as the generation resource mix is usually very stable and changes slowly over time, a multiyear average would also be acceptable. A multiyear average would smooth out fluctuations due to good or bad water years, or extended plant outages. The circumstance where it would be important to reflect the most recent NSPM would be any additions or retirements of large amounts of generation capacity.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

PGE would like to see the rule be less prescriptive as it relates to frequency and methods of communication. We note that when the rule was first developed, the utilities did not have a track record with renewable rates, so there was skepticism about what they would achieve. Today, PGE is a national leader in renewable rate participation, and we prefer to have the most flexibility possible when communicating with our customers, rather than needing to request a rule change when our communication strategy changes. Greater flexibility could be accomplished by permitting changes to the frequency and method of communication by Commission order rather than through a rule change.

Proposed Changes to OAR 860-038-0300(2) and (3):

(2) For each service or product it offers, an electric company must provide price, power source, and environmental impact information to all residential consumers on the company's Web site, at least quarterly. The information must be based on the available service options and ~~the information must be supplied using a format prescribed by the Commission.~~ An electric company must supply price and power source information to residential consumers at least once a year on or with customer bills, also include on every bill a URL address, if available, for the ~~world wide web site where this information is displayed.~~ The electric company must report price information for each service or product for residential consumers as the average monthly bill and price per kilowatt-hour for monthly usage levels of 250, 500, 1,000 and 2,000 kilowatt-hours, for the available service options with the annual bill insert.

(3) An electric company and an electricity service supplier must provide price, power source and environmental impact information on the company's Web site. The information must be based on the available service options and supplied or with bills to nonresidential consumers using a format prescribed by the Commission. The electric company or electricity service supplier must supply price and power source information to nonresidential consumers at least once a year on or with customer bills, provide a URL address, if available, for a world web web site that displays the power source and environmental impact information for the products sold to consumers. ~~An Eelectric companiesy and an electricity service suppliers~~ must report price information for nonresidential consumers on each bill as follows: . . .

The Commission may alter by order the method, format, content, and frequency of the information provided under subsections 2 and 3.

6. Frequency of Communication - How often should consumers receive the Label?

PGE is in full agreement with the changes in frequency of communication, making quarterly notations on the bill and mailing a bill insert annually.

Reconciliation Report

7. Report Content

- a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.**

Other than the time spent to gather the data, including a cost breakdown is not difficult. However, in the past, this information has traditionally been reviewed and endorsed by the POC, which includes participation by the OPUC staff. As such, PGE doesn't see a need to revise this process. Some of the comments on this topic suggest a change in the interactions between the POC and the OPUC staff as to how program cost information is reviewed and who initiates changes. On this point, we think the original logic for the design of the report is still valid and do not see a need to add this component.

- b. Should the reconciliation report include the basic service product (the OAR implies so)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.**

Using the original design of the report as a guide, we believe that "all products" refers only to only renewable rate products, otherwise the basic service product would have been included from the beginning. The rule should be changed to clarify that basic service is not included in the reconciliation report.

An issue that appears to need more discussion is what can be audited by the renewable rate resource mix percentage comparisons. For PGE there are two relevant comparisons:

1. Comparison of the Green Source resource mix percentages for actual REC purchases with the applicable labeling brochure percentages.
2. Verification of the REC purchases made for the Clean Wind product. The Clean Wind resource mix percentages are based on the Basic Mix percentages, adjusted by a percentage to add wind and make corresponding reductions for other resources.

The best documentation for these percentages would be to include a representative bill insert for the previous year with the report as PGE includes the basic service percentages on the insert.

Using the bill inserts as documentation would make adding the resource mix percentages to the reconciliation report redundant.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

PGE does not see a compelling reason to change the report due date.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

The report provides an annual accounting of REC purchases by utilities and REC sales to consumers, and is primarily a tool used to monitor this activity. A utility that does not adequately support REC sales with purchases would face serious consequences from engaging in fraudulent practices. The report could be eliminated if the OPUC Staff assumed that the WREGIS registration system provides enough documentation for this purpose so that periodic audits would uncover any discrepancies. Fundamentally, if total annual REC purchases match or exceed REC sales, the utility is operating appropriately. If the OPUC were to combine all utility REC activity under one umbrella, this report could be combined with the Renewable Portfolio Standard Compliance report (also due June 1), to give a more comprehensive view of REC purchases and retirements.

Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains? In this phase of the docket we will address the goal, use and accuracy requirements of the NSPM. Note: if the process steps need to be changed, we will do so in the Technical Issues phase of this docket.

The process used to determine the NSPM appears to be cost effective. It is a cooperative effort between Oregon and Washington and enhances data provided by the Energy Information Administration. It would be a duplication of effort if each utility performed this calculation in house. We think the power mix analysis could be more transparent if it provided a list of the specific generation plants and MWh that sum to the MWh totals by resource.

As we understand the process, there should be no conflicts between the data used for the NSPM and reporting to the ODEQ. Washington State University uses the EIA database to determine emissions for utilities and the region, which is based on the reports the utilities make to the DOE and ODOE. This data should be consistent, unless the agencies focus on different reporting metrics. In response to changing the NSPM name to something more user friendly, we propose the following: Purchased Power Mix, Market Purchase Resource Mix or conversely, Resource Mix available for Market Purchase.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

PGE believes that the current schedule is adequate. If our suggestion that resource mix and rate statistics be updated in the first quarter of the year, an October or November due date for completion of net system mix data would be sufficient.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

PGE does not suggest any changes to how the NSPM is handled or communicated.

Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

The issue is essentially whether for purposes of labeling information renewable generation should reflect how RECs are used to comply with the Oregon Renewable Portfolio Standard. This issue was addressed by the Commission in phase II of docket AR 518. In that docket, the Commission considered a proposed rule that would have required that renewable generation, for purposes of power source labeling, be permitted only in the year in which the associated RECs were used for RPS compliance. In other words, under the proposed rule banked RECs or the “null power” associated with such RECs could not be used for power source labeling purposes. The Commission rejected the proposed rule for the following reasons:

The underlying concern is confusion on the part of ratepayers/stakeholders. While confusion is possible under either formulation of the rule, the utility version is less problematic. If the Staff version of the rule was adopted, a utility would understate its renewable generation in its resource mix to avoid “using” RECs needed and banked for future RPS compliance. The potential confusion is reporting less renewables in the utility’s resource mix than are reflected in the utility’s rates. Under the utility’s version of the rule, confusion can occur when the utility satisfies the future RPS standard using banked RECs, but reports a resource mix that falls short of the standard. We adopt the utility version of the rule because explaining the nuances of banked RECs is less confusing at the time of RPS compliance.

In this regard our view is consistent with the results of Pacific Power’s working group interaction. Pacific Power reported that customers prefer power source disclosures that demonstrate the growth of renewable energy generation over time.

Order 09-225 at 9. PGE believes that the Commission's decision in AR 518 answers the question of how to report RECs and Null Power.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

The terms in the rule (OAR 860-038-0300) should be consistent. If there are inconsistencies, they should be identified and addressed. As referenced in our response to question 13 above, the Commission has already addressed the interrelationship between the labeling rule and the provisions applicable to compliance with the RPS standard.

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

The wording and terms on the PUC Restructuring Consumer Information Web site seem consistent. However, since the utility renewable rate product names and the OPUC category names for the rate products are often used interchangeably, the OPUC categories may be confusing to anyone who is not well versed in which rate product belongs in what category. This appears to be a minor issue for most consumers who sign up for renewable rates as they probably interact directly with the utility and don't start from OPUC Web site. Most consumers are probably unaware that their renewable rate is in either the Fixed Renewable or Renewable Usage category, therefore we don't suggest any changes.

We do think that for many consumers, searching for renewable rate information under the category of Electric Restructuring would not be intuitive. Instead of making name changes, it seems more intuitive to look for this information under the heading, Renewable Energy in the State of Oregon, which already contains some information on PGE and PacifiCorp's renewable rates.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 555

In the Matter of a Rulemaking to Update
Certain Division 038 Rules (Portfolio
Options/Labeling).

Comments of Renewable Northwest
Project – Policy & Procedures

Renewable Northwest Project (“RNP”) appreciates the opportunity to comment on the questions posed at the May 2, 2012, policy and procedures workshop in AR 555. These comments address most of the questions presented, in order, below. RNP’s most significant interests are summarized here, by way of introduction:

- The Public Utility Commission of Oregon (“Commission” or “OPUC”) should ensure that the state’s green power programs continue to follow national best practices for communicating to customers about renewable energy credits (“RECs”). These best practices will minimize customer confusion to the extent realistically possible.
- For all questions concerning green power program cost breakdown, this docket should await recommendations from the Portfolio Options Committee (“POC”). In general, labels should continue to emphasize product content.
- To protect the contractual integrity of RECs and the end consumers who purchase them, electricity from which a REC has been stripped (“null power”) should not be represented, directly or indirectly, as coming from a renewable resource.

RNP’s responses to the specific questions follow:

1. Paper Label - Is there a better alternative to a paper label mode of communication?

RNP does not object to greater reliance on the internet for communication with customers, provided that consumer advocates agree that information is reaching their constituents.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it?

The label’s function is to communicate the basic cost, supply characteristics, and environmental performance of different electricity portfolio options.

Communication about RECs. OPUC staff raised the question whether the label adequately explains that REC products have the function of “greening” customers’ delivered power by matching it with environmental attributes that support renewable energy projects that may or may not deliver power to the utility’s balancing area. RNP agrees with the general workshop consensus that no wholesale change to the label is needed to address this issue. Label wording should be examined to ensure that national best practices for communication about RECs are being followed. Appropriate language can be found in the Green-e Energy “Code of Conduct and Customer Disclosure Requirements,” which contains a sample product content label for REC products (page 27), sample price, terms, and conditions label (pages 29-30), and a discussion of how to respond to consumers who are confused by the separate sale and marketing of RECs and electricity (pages 37-39).¹

Ultimately, no label can ensure that every customer understands electricity, grid operations, and the role of RECs. The standard should be whether a reasonable consumer (who actually read the label) could understand the concept of a REC product. Following the Green-e Energy best practices will meet this standard.

It is worth noting that even this goes beyond what is considered necessary to avoid “misleading” customers. The Federal Trade Commission (“FTC”) thoroughly examined renewable energy claims when considering revisions to its “Green Guides.”² Acknowledging that consumers cannot “determine for themselves the source of electricity flowing into their homes,” the FTC examined the difference between consumers acquiring renewable energy through RECs versus a power contract.³ The FTC concluded that the distinction between RECs and power contracts was not significant enough to require special communication to consumers:

Even assuming that consumers thought renewable energy claims were based on contractual purchases (rather than REC purchases), there is no reason to believe that this fact would be material to consumers. No evidence on the record suggests that a contract-based system more reliably tracks renewable energy than a well-designed REC-based system. Accordingly, the Commission does not have a sufficient basis to advise marketers to disclose that their renewable energy claims are based on RECs.⁴

In short, Oregon’s green power program labels will more than adequately inform customers if they follow Green-e best practices for communicating about RECs.

Program cost breakdown. OPUC staff asked whether the product content label should include a green power program cost breakdown. RNP recommends that this docket

¹ The Code of Conduct can be downloaded here: http://www.green-e.org/docs/energy/Appendix_B-National Code of Conduct Cust Disclosure.doc.

² Federal Trade Commission, 16 C.F.R. Part 260, *Guides for the Use of Environmental Marketing Claims*, Proposed Revisions to the Guidelines, 75 Fed. Reg. 63552 (October 15, 2010), Part VI(D), pages 63589-63592.

³ *Id.* at 63589.

⁴ *Id.* at 63592.

await recommendations from the POC, which is presently evaluating program cost breakdown. RNP's preliminary view, however, is that a program cost breakdown does not fit the purpose of the product content label to provide basic cost, supply, and environmental performance information. It is not clear why it would be any more "useful, reliable, or necessary" to summarize green power program cost categories than it would be to break down the cost categories associated with the basic service option. (Incidentally, the quoted phrase from SB 1149, used in OPUC staff's workshop notes, has no relation to the green power programs. It describes the information that electricity service suppliers must provide to direct access customers, who are making a much more serious commitment than green power purchasers.)

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

3.1 How should the environmental impact information on the label be conveyed and what data should it reflect?

RNP believes that the label should retain some measure of the green power product's environmental performance relative to either the basic service mix or regional averages. The current label format contains two elements related to environmental impact: (1) the bar chart comparing the product's levels of specific pollutants to a regional average; and (2) a prescribed narrative description of certain environmental impacts.

Although RNP believes that the existing narrative description remains neutral and factual, RNP also recognizes that very little can be communicated in a label narrative, that regular updates would be worthwhile, and that keeping descriptions up to date may be more trouble than it is worth. Something like bar chart may be sufficient to communicate the relevant environmental performance data, and consumers can reference (or be provided with references) to other sources to draw conclusions about that data.

The label might be more useful if environmental performance data were matched to categories presently regulated and/or tracked by Oregon DEQ, enabling easy reference to Oregon DEQ's website for further information (or EPA's or ODOE's). Also, rather than labeling the specific air pollutants and then defining them, descriptive categories could be used – *i.e.*, Air Pollutants (NO₂), Air Pollutants (SO₂), Air Toxics (mercury et al.), Greenhouse Gas Emissions (CO₂e). More space could be provided by eliminating reference to nuclear fuel wastes for the present time, given the low likelihood of new nuclear development in the region in the near term.

In sum, it is important to communicate the relative environmental performance of the product options. Efficiencies in tracking performance and communicating environmental impact information could be found through cross-references to agencies that more frequently update environmental impact information.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

RNP agrees that the label should reflect the most recently completed NSPM.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

RNP has no opinion at this time.

6. Frequency of Communication - How often should consumers receive the Label?

RNP has no opinion at this time (but see response to Question 1).

7. Reconciliation Report Content

- a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)?

RNP recommends that this docket await recommendations from the POC, which is presently evaluating program cost breakdown. Preliminarily, RNP believes that the reconciliation report may be a useful vehicle to communicate any information that the POC recommends the OPUC receive regularly from the green power programs.

- b. Should the reconciliation report include the basic service product (the OAR implies so)?

Reporting the basic service at the same time as the green power products seems logical and will promote consistency in communication about different electricity service options.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

RNP has no opinion at this time.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

RNP has no opinion at this time.

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains? In this phase of the docket we will address the goal, use and accuracy requirements of the NSPM.

RNP believes that it is very important to continue to determine with reasonable accuracy the supply characteristics of market power purchases made by Oregon utilities. For some utilities, market purchases constitute a relatively significant share of resource supply. Moreover, determining the emissions profile of the regional market is important to assigning an emissions profile to both unspecified and null power for reporting purposes (see discussion under Question 13, below), and will become increasingly important if

greenhouse gas emissions are regulated in the future. A separate reason to continue the NSPM process is to maintain Oregon's partnership in a long-standing regional cooperative effort. These are important elements of the NSPM process that go far beyond the significance of the NSPM conclusions to the overall Oregon or utility-specific fuel mix.

In the workshop, the question presented ultimately seemed to be a narrow one—*i.e.*, is there continued value in making a quite small expenditure of customer money to continue participating in the regional process to determine the regional market power mix. RNP submits the answer is yes. Not only can the market power supply characteristics be significant to a short utility's fuel mix, but also the emissions reporting and regulating schemes will rely on accurate knowledge of these supply characteristics to develop an emissions factor for unspecified electricity and null power.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

RNP has no opinion, so long as the schedule continues to allow Oregon to function adequately within the regional process.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public?

RNP strongly believes that market purchases should be reflected in a single "pie" along with utility-generated electricity. Most helpful to consumers—who are expecting a *resource* mix, not a transactional source mix—would be to include the resource contents of market purchases within a single slice for each resource type. That is, a utility's purchased hydro would be combined with its own hydro in a single slice labeled simply "hydro." For a document whose purpose is to help customers understand which resource types produce their electricity, and which will not itself have any bearing on a utility's greenhouse gas emission liabilities, it is difficult to see any other option as preferable.

If ultimately it is considered unacceptable to include multiple resource types of market purchases in the appropriate resource mix slices, then it should be labeled something descriptive like "mixed" or "market," with its major components listed elsewhere in the document. Simply labeling it "other" without further explanation in the resource mix is not accurate; it is, in fact, a mix of the resource types already contained in the pie chart.

RNP generally agrees with workshop participants that the NSPM has a specialty audience and need not be communicated to the general public. A new term to describe the NSPM would be helpful to minimize confusion (see discussion under Question 14, below).

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

The contractual ability to ensure that the RECs are not double counted is paramount to the growth of renewable energy. This means not only that each REC is registered on a tracking system and/or independently audited; it also requires that the electricity underlying the REC (a.k.a. “null power”) is in no way represented, directly or indirectly, as coming from a renewable resource. This contractual integrity protects renewable energy development and, ultimately, it protects the end consumers of these RECs. This is particularly relevant in a docket where we are addressing green power purchasing programs that allow Oregon utility customers to buy and claim nonpower attributes.

Utility power mixes should not describe null power in a manner that would constitute a claim on the REC. According to industry standards, this treatment is considered double counting and would strip the REC of its value. In the voluntary market, the Green-e Energy consumer protection program is the REC certification process used by the vast majority of voluntary market participants to ensure that customers receive a product that is a) not double counted and b) accompanied with a proper level of disclosure and has not been misrepresented in any way. If a user of null power implied that it was procured from renewable sources, then this would constitute a double-claim under Green-e Energy’s rules and the associated REC would be ruled invalid in the voluntary market by Green-e Energy.

Green-e Energy directly discusses these issues in its *Best Practices in Public Claims for Green Power Purchases and Sales*.⁵ If null power were implied as renewable in a power mix disclosure, any contracts for RECs that have to meet the Green-e Energy standard would be invalidated and the revenue to these generators from current and future REC sales would disappear almost immediately. For green power purchasers, if the associated null power was able to be claimed as renewable, even by implication, then these customers could no longer support renewable energy projects reported in the Oregon power supply mix. This is outcome would have negative consequences for both consumers and generators.

It is worth considering how the FTC and the National Association of Attorneys General (“NAAG”) would view power supply disclosure that allows a renewable claim on null power. It is possible that a direct or implied representation that may lead a consumer to reasonably conclude that null power is coming from renewable sources risks running afoul of the FTC’s proposed revisions to the Green Guides and NAAG’s Environmental Marketing Guidelines for Electricity.⁶ The text of rule proposed by the FTC states:

If a marketer generates renewable electricity but sells renewable energy certificates for all of that electricity, it would be deceptive for the marketer to represent, directly or by implication, that it uses renewable energy.⁷

⁵ Center for Resource Solutions. *Best Practices in Public Claims for Green Power Purchases and Sales*. Oct. 2010.

⁶ National Association of Attorneys General. *Environmental Marketing Guidelines for Electricity*. December, 1999

⁷ Proposed Green Guides Section 260.14(d), 75 Fed. Reg. at 63606-63607.

The NAAG guidance states that a claim must be presented clearly in terms of what attributes the claimant retains, and provides a relevant example:

Western Hydropower, a company that generates hydroelectric power in a region that allows for tradable tags, sells to another facility tags representing the hydroelectric nature of the power generated. The company then markets the untagged energy under the name Western Hydropower, thus implying that the electricity still has the attributes that were sold with the tag. The company's marketing scheme is deceptive.⁸

Similar to this example, it may be deceptive for a utility that sells or does not own the REC associated with renewable generation to then, in its fuel mix disclosure, give the impression that the null power was actually renewable.

The possible emergence of carbon regulatory schemes does not warrant a different view of these issues. In California, where a carbon cap-and-trade scheme is being implemented, agencies and stakeholders are working out mechanisms to maintain the integrity of RECs and avoid double counting. Both the California and eastern Regional Greenhouse Gas Initiative cap-and-trade schemes include voluntary renewable energy set-asides to lower the cap to account for emission reductions on behalf of renewable energy generation.⁹ When Oregon moves toward regulation of greenhouse gas emissions, agencies and stakeholders can work together toward a similar resolution. (Notably, the Oregon DEQ's greenhouse gas reporting form contains a "null electricity" tab.¹⁰)

In short, Oregon should not permit utilities to directly or indirectly claim null power as renewable power in the power supply mix. The reporting should either include a slice for "null power," with a reasonable definition; or, preferably, the null power should be assigned the NSPM characteristics and allocated in the same way as recommended for market purchases above (see discussion under Question 12, above).

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

In the workshop, participants discussed the need for new terms to more accurately and clearly describe the "fuel mix" disclosure and the "net system power mix." RNP agrees that the term "fuel mix" should be updated in an era when non-fueled resources are more prevalent, but does not have a strong preference among various alternatives; some version of "power supply mix," "electricity supply mix," "electricity resource mix," or other generic designation would be appropriate. For "net system power mix," which refers to the supply characteristics of unspecified market purchases in the region, a term like "market power

⁸ NAGG, Environmental Marketing Guidelines for Electricity, Section 2 (d).

⁹ See generally, Center for Resource Solutions, Renewable Energy Certificates, Carbon Offsets, and Carbon Claims – Best Practices and Frequently Asked Questions (April 9, 2012), available at http://www.resource-solutions.org/pub_pdfs/RECs&OffsetsQ&A.pdf.

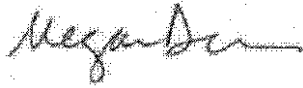
¹⁰ Oregon DEQ's reporting form for investor-owned utilities can be found here: <http://www.deq.state.or.us/eq/climate/electricity.htm>.

supply mix,” “purchased power mix,” or “market electricity content” with an appropriate regional designation would be preferable.

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website wording and terms consistent? Should they be?

RNP has not reviewed the website in detail, but suggests that reference to “electricity choices” could be preferable to “restructuring.” The latter term may mean increasingly less to consumers as memory of public discussion about restructuring fades.

Respectfully submitted this 30th day of May, 2012.



Megan Walseth Decker
Chief Counsel
Renewable Northwest Project

**JULY 2, 2012
TECHNICAL
WORKSHOP
(AND RESPONSIVE)
DOCUMENTS**

From: COLVILLE Erik

Sent: Tuesday, July 03, 2012 2:56 PM

To: ONEIL Rebecca; SATYAL Vijay A; 'janet.prewitt@doj.state.or.us'; 'amortlock@3degreesinc.com'; 'imcgowan@3degreesinc.com'; 'catriona@oregoncub.org'; 'ray@oregoncub.org'; 'david.tooze@portlandoregon.gov'; 'jason.heuser@eweb.org'; 'scott.havis@greenmountain.com'; 'rj.johnson@nexteraenergy.com'; 'jennifer.gross@nwnatural.com'; DRUMHELLER Bill; 'aaron.lively@pacificorp.com'; 'debi.winney@pacificorp.com'; 'rhonda.rasmussen@pacificorp.com'; 'ryan.flynn@pacificorp.com'; 'oregondockets@pacificorp.com'; 'thor.hinckley@pgn.com'; 'brendan.mccarthy@pgn.com'; 'pge.opuc.filings@pgn.com'; 'pge.opuc.filings@pgn.com'; 'bruce.werner@pgn.com'; 'david.white@pgn.com'; JOHNSON Juliet; ANDRUS Brittany; ANDRUS Stephanie; 'megan@rnp.org'

Subject: AR 555 Staff Summary of Technical Workshop

AR 555 Service List,

Thank you to those who attended the technical workshop yesterday. Staff has summarized the workshop discussion in the attached summary of technical issues. If you find material errors in the attached memo, please let me know and they will be corrected. If you simply find you disagree with how an issue is summarized, please address your disagreement in your upcoming comments.

The next step in this docket is for parties to submit comments on the technical issues, via email with copies to all, by close of business July 25, 2012.

Issues identified as possible Rule wording revisions will be addressed further in the update phase of this docket and will appear in an August 8 Staff Proposed Updates memo. The possible Rule wording updates will then be discussed in an update workshop scheduled for September 26. The time and location for the September 26 workshop will be set as we approach that date.

Thank you for your participation in this process.

Erik Colville, P.E. | Sr. Utility Analyst | Oregon Public Utility Commission

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**PUBLIC UTILITY COMMISSION OF OREGON
MEMORANDUM**

DATE: July 3, 2012
TO: AR 555 Service List
FROM: Erik Colville, Senior Utility Analyst
SUBJECT: AR 555 Update – Staff Summary of Technical Issues

Although AR 555 is ultimately a rulemaking, the primary purpose of the docket is to explore all aspects of portfolio options and labeling to bring the program/process up to date. The technical workshop for this docket was held July 2 and was attended by those identified on Attachment 1. During the workshop, the following technical issues were discussed. Staff's summary of the discussion is presented following each issue. Docket parties are scheduled to offer their comments regarding these issues, via email with copies to all, by close of business July 25, 2012.

Portfolio Options (OAR 860-038-0220)

None at this time

Labeling (OAR 860-038-0300)

Label

1. Paper Label - Is there a better alternative to a paper label mode of communication?

Workshop participants support using the internet as the primary source for label information along with a monthly notation on/with the bill with the direct internet address (URL) and the phone number for requesting a hard copy of the label. The information on the internet would generally be updated annually during the fourth quarter. The general distribution of a hard copy label as a bill insert would be annual. Support of this approach was conditioned on the following: 1) the label information be very easy to find on the internet (it is not today), preferably by communicating a direct URL to find the information; 2) there is continual publishing of a phone number where consumers can call to request a hard copy of the labeling information and those requests are met at any time; and 3) if there is a change in the label information that requires a change in the labeling material (eg a one or two percentage point change in resource mix), that information be made available in hard copy label form with the next billing, even if the annual publication is still some months away. Comments on the percentage change trigger and hard copy mailing deadline are requested.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it?

Workshop participants were generally in agreement that the existing label information format is sound. Discussion was divided on whether there should be separate pie charts depicting unspecified power and another depicting specified power. Docket parties are requested to offer thoughts in this regard in their July 25 comments.

According to CUB, the current label format was developed through focus groups conducted in the early 2000s. Among other things, the focus groups found that consumers were able to grasp the concept that their energy comes from a “pool” of energy that is “greened” by their additional rate premium payment. The general thinking of workshop participants was that the label wording and descriptions may or may not benefit from revision to clarify that the rate premium payment goes toward supporting renewable energy but not toward supplying specific “green energy” for their use. It was suggested that consumer communication wording from Green-e be incorporated into the label wording. If the resulting wording appears to clarify the communication it can be used. If clarity is not improved, using the existing wording may be the best approach going forward. Docket parties are requested to include possible updated wording in their July 25 comments.

The subject of adding a summary program cost breakdown on the label was discussed. Due to the complexity of communicating the various benefits gained in exchange for the customer rate premium, the workshop participant consensus was to include cost breakdown information on the internet but not on the paper label. There was also a suggestion to ask the program marketers to report to the Portfolio Options Committee (POC) their experience with how customers receive and understand the program and its costs.

Lastly, the idea of expanding the size and/or quality of the label was explored. PGE and PacifiCorp were requested to provide feedback in their July 25 comments related to capabilities and limitations for expanding the label.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

The aspects of this issue discussed during the workshop included that the annual paper label should have some basic environmental impact language, given that those relying on the paper label may lack internet access and may have few information sources to draw upon. Generally for the internet based label information, it may be appropriate to eliminate the environmental impact message, thereby leaving consumers to gather information to inform their decision from their own sources, or to reference sources such as the EPA website at <http://www.epa.gov/air/airpollutants.html>. Docket parties are requested to offer revised environmental impact language in their July 25 comments.

- 3.1 How should the environmental impact information on the label be conveyed and what data should it reflect? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

Workshop participants generally embraced retaining the current environmental impact bar charts on the label. The current Net System Power Mix process calculates “Mercury and other air toxics” thereby facilitating the addition of that bar chart to the assortment of other bar charts.

Lastly, there was workshop discussion of whether the bar charts should continue to compare emissions to the NWPP average or if they should compare to the WECC average, given that some of PacifiCorp’s generation resources are located outside the NWPP. Docket parties are requested to offer thoughts about this in their July 25 comments.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

Workshop participants agreed that the Rule requirement for using the current NSPM should be extended beyond electricity service suppliers to the electric companies. Revised Rule wording will be carried forward into the early August process focused on Rule updates.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

Staff wishes to clarify that the reasoning behind making the Rule wording less prescriptive is to avoid Rule revisions when changes to non-essential matters are needed (eg label format and delivery process, reconciliation report format, NSPM calculation process, environmental impact comparator, miscellaneous procedures, etc). Recognizing the need for regulatory certainty, Staff's preferred approach is to prescribe essential requirements in Rule wording (eg due dates, label or report content, NSPM definition, roles and responsibilities, etc) and use Commission orders for non-essential matters. Staff suggests that regulatory certainty can also be improved through Rule wording that requires a public process leading up to Commission orders covering non-essential matters. Docket parties are requested to provide suggested prescriptive Rule wording revisions in their July 25 comments. The requested wording revisions will inform the early August memoranda and workshop process focused on the Rule updates.

6. Frequency of Communication - How often should consumers receive the Label?

This matter is addressed in Issue 1 above.

Reconciliation Report

7. Report Content –

- a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)?

Workshop participants were in agreement that the reconciliation report should include program cost breakdown so that the PUC may readily confirm actual costs compared to those communicated to consumers on the label. This agreement was conditioned upon the cost breakdown reflecting what is recommended by the POC and adopted by the PUC (the PUC has asked the POC to make a recommendation in this regard). Workshop participants also discussed the value of including copies of the labels made available during the compliance year with the reconciliation report for that compliance year. Docket parties are requested to provide feedback in their July 25 comments regarding the proposed reconciliation report template offered as Attachment 4 to the June 13 Technical Primer memorandum.

- b. Should the reconciliation report include the basic service product (the OAR implies so)?

There was agreement during the workshop that the basic service product be included in the reconciliation report, along with and in the same format as the portfolio options.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

Staff invites docket parties to suggest alternate due dates in their July 25 comments. July 1 was one such suggestion made during the workshop. The revised due date will be carried forward into the early August process focused on Rule updates.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

Staff observed widespread support for the reconciliation report remaining in the Rule.

Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains?

There appeared in the workshop to be widespread understanding that although the original intent of the NSPM was simply to support labeling¹, over time, ancillary benefits have resulted. One of the PUC's responsibilities is to be sure consumer, ratepayer, and tax payer money is spent wisely. Generally, for a cost to pass this test it must offer at least a benefit "equal" to the cost. The cost of concern was identified to include both the direct cost of contracts with outside entities, as well as the cost of staff time within the utilities and agencies. Parties are asked to offer, in their July 25 comments, concise, specific benefits of the current NSPM process that may be weighed against the cost.

There was also discussion at the workshop of a concern that the NSPM not conflict with greenhouse gas reporting to ODEQ. Workshop participants appeared to conclude, with the current NSPM process, there should be no conflict between the NSPM and regulatory reporting.

Finally, in an effort to reduce or eliminate misunderstanding of what the NSPM is workshop participants explored alternate names for what is currently called the NSPM. The term Unspecified Market Purchases was identified as the preferred alternate term. This alternate term will be carried forward into the early August process focused on Rule updates.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

Workshop participants discussed setting an annual due date for the NSPM process results. The last day of August or last day of September was suggested. Docket parties are requested to identify in their July 25 comments their preferred due date. This date is not intended to be a part of the Rule but rather an "internal" due date. Not including this date in Rule reflects that there are parties involved in the NSPM process who are not well bound by OAR requirements.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public?

¹ Note that the only place in the OAR where the NSPM is mentioned (other than its definition) is 860-038-0300, which are the labeling requirements.

Workshop participants agreed the NSPM result should continue to be communicated in writing (email or other method) to only those with a need for, and an understanding of, the information.

Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

The purpose of this rulemaking docket is limited to bringing the portfolio options and labeling program/process up to date. Following review of the May 30 comments and discussion during the workshop there was recognition this issue is larger than just how information is presented in the label supply mix pie chart. As a result, Staff is redirecting the discussion to identify a recommendation to the Commission of a productive venue to address this issue. Docket parties are requested to offer their thoughts on this matter in their July 25 comments.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

Docket parties are encouraged to offer wording revisions they may identify for consistency. The requested wording revisions will inform the early August memoranda and workshop process focused on the Rule updates.

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

Staff supports moving the contents of Electric Restructuring to Renewable Energy in the State of Oregon. Staff appreciates and will take under advisement the additions suggested by ODOE.

Attachment 1

Policy/Procedures Workshop Attendees
July 2, 2012

PacifiCorp

Debi Winney
Tashiana Wangler
Rhonda Rasmussen
Ryan Flynn
Bryce Dalley
Ariel Son

PGE

David White
Brendan McCarthy
Jay Tinker

ODOE

Vijay Satyal
Bill Drumheller
Rebecca O'Neil

Megan Decker, RNP

Jeff Bissonnette, CUB

PUC Staff

Erik Colville

DOJ for Staff (by phone)
Stephanie Andrus

**PUBLIC UTILITY COMMISSION OF OREGON
MEMORANDUM**

DATE: June 13, 2012
TO: AR 555 Service List
FROM: Erik Colville, Senior Utility Analyst
SUBJECT: AR 555 Update - Technical Primer

Although AR 555 is ultimately a rulemaking, the primary purpose of the docket is to explore all aspects of portfolio options and labeling to bring the program/process up to date. Staff's Scope and Policy/Procedures memos identified the following technical issues for exploration. Our technical workshop is scheduled for June 27 (may be revised). To stimulate participation during the workshop, Staff's thinking is presented below following each item. Item numbering consistency with the previous memos has been maintained.

Portfolio Options (OAR 860-038-0220)

None at this time

Labeling (OAR 860-038-0300)

Label

1. Paper Label - Is there a better alternative to a paper label mode of communication?

Staff's Thinking: In comments following the P/P workshop, CUB (with the conditions below) and others support a monthly notation on the bill with the direct URL and the phone number for requesting a hard copy. The general distribution of a hard copy label as a bill insert could then be annual. Staff agrees.

CUB can accept providing a hard copy of labeling information on an annual basis with the following conditions: 1) the information is very easy to find online (it is not today), preferably with communicating a direct URL to find the information; 2) there is continual publishing of a phone number where consumers can call to request a hard copy of the labeling information and those requests are met at any time; and 3) if there is a change in the resource mix that requires a change in the labeling material, that information is made available in hard copy immediately to a utility's customers, even if the annual publication is still some months away.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it?

Staff's Thinking: According to CUB, the current label format was developed through focus groups conducted in the early 2000s. Among other things, the focus groups found that consumers were able to grasp the concept that their energy comes from a "pool" of energy that is "greened" by their additional rate premium payment. Staff proposes that the basic label format remain unchanged. Attachment 1 is the label format currently prescribed by the Commission.

The general thinking of policy/procedure (P/P) workshop participants was that the label wording and descriptions will benefit from revision to clarify that the rate premium payment goes toward supporting renewable energy but not toward supplying specific “green energy” for their use. On page 4 of Best Practices in Public Claims for Green Power Purchases and Sales by Center for Resource Solutions (Green-e), it says “RECs signify the sole and full claim that renewable energy was put onto the grid on behalf of the final purchaser who uses the REC.” Staff proposes to incorporate that language into the label as shown on Attachment 2.

Lastly, there was a P/P workshop participant suggestion of adding a summary program cost breakdown on the label to aid in providing the useful, reliable and necessary information desired by the Legislature (SB 1149, 1999 Session) so that consumers can exercise informed choice. Staff cannot imagine how a consumer could possibly exercise informed choice without knowing how much of what they pay actually goes toward what they are paying for. Staff proposes adding the following language to the label, as shown on Attachment 2.

Program Costs \$X out of every rate premium dollar is used to buy RECs.	<i>Insert Pie Chart</i>
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3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

Staff's Thinking: General discussion during the P/P workshop suggested it may be appropriate to eliminate the environmental impact message, thereby leaving consumers to gather decision making information from their own sources to inform their decision. Staff suggests the label portion titled “Information on Environmental Impacts” be deleted. In its absence Staff recommends leaving consumers to gather decision making information from their own sources to inform their decision. As an alternate, Staff would be agreeable to referencing the following EPA website: <http://www.epa.gov/air/airpollutants.html>. Attachment 2 reflects the label with the information deleted.

Lastly, P/P workshop participants discussed the question of how to measure whether changes to the environmental impact message result in too little information for consumers. An increase in complaints was noted as a possible measure. There was also a suggestion that possibly the Portfolio Options Committee (POC) should/could ask for periodic complaint data from the utilities and PUC. Parties are encouraged to offer thoughts in this regard during the technical workshop.

- 3.1 How should the environmental impact information on the label be conveyed and what data should it reflect? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

Staff's Thinking: P/P workshop participants suggested retaining the current environmental impact bar charts on the label. “Mercury and other air toxics” was suggested to be added to the assortment of bar charts. Staff agrees with this suggestion. Staff invites discussion at the technical workshop about the procedure for calculating the relative impact of mercury emissions.

Lastly, there was P/P workshop discussion of whether the bar charts should continue to compare emissions to the NWPP average or if they should compare to the WECC average, given that

much of PacifiCorp's generation resources are located outside the NWPP. In comments following the P/P workshop, PacifiCorp suggested the comparison be expanded to the WECC to reflect its generation fleet. Others comment that the NWPP is a better comparator. ODOE notes that the NWPP is larger than most customers realize, so a brief qualifier be added listing the states in the NWPP. Staff's initial thinking is that Oregon customers relate better to the NWPP than they do to the WECC. Staff therefore prefers to retain the NWPP. Staff invites further discussion of this matter at the technical workshop.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

Staff's Thinking: OAR 860-038-0300(5) requires labels for ESSs to use the NSPM for the current calendar year. This requirement is not included in OAR 860-038-0300(4) for electric companies. Staff agrees with ODOE and other participant's post P/P workshop comments that the requirement for using the current NSPM should be extended to the electric companies.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

Staff's Thinking: In comments following the P/P workshop, PGE offered the following suggested revisions to make the Rule less prescriptive. Staff invites further discussion of this matter at the technical workshop.

Proposed Changes to OAR 860-038-0300(2) and (3):

(2) For each service or product it offers, an electric company must provide price, power source, and environmental impact information to all residential consumers on the company's Web site at least quarterly. The information must be based on the available service options and ~~The information must be supplied using a format prescribed by the Commission. An electric company must supply price and power source information to residential consumers at least once a year on or with customer bills.~~ also include on every bill a URL address, if available, for the world wide web site where this information is displayed. The electric company must report price information for each service or product for residential consumers as the average monthly bill and price per kilowatt-hour for monthly usage levels of 250, 500, 1,000 and 2,000 kilowatt-hours, for the available service options with the annual bill insert.

(3) An electric company and an electricity service supplier must provide price, power source and environmental impact information on the company's Web site. The information must be based on the available service options and supplied or with bills to nonresidential consumers using a format prescribed by the Commission. The electric company or electricity service supplier must supply price and power source information to nonresidential consumers at least once a year on or with customer bills, provide a URL address, if available, for a world web web site that displays the power source and environmental impact information for the products sold to consumers. ~~An electric companies and an electricity service suppliers~~ must report price information for nonresidential consumers on each bill as follows: ...

The Commission may alter by order the method, format, content, and frequency of the information provided under subsections 2 and 3.

6. Frequency of Communication - How often should consumers receive the Label?

Staff's Thinking: In comments following the P/P workshop, CUB and others support a monthly notation on the bill with the direct URL and the phone number for requesting a hard copy. The general distribution of a hard copy label as a bill insert could then be annual. Staff agrees.

Reconciliation Report

7. Report Content –

- a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)?

Staff's Thinking: P/P workshop participants discussed including the program cost breakdown (a brief, three or four point breakdown) in the reconciliation report so that the PUC may readily confirm actual costs compared to those communicated to consumers on the label (see Item 2 above). In addition, such reporting was discussed as an aid for the PUC to compare actual costs to those recommended by the POC/adopted by the PUC (the PUC has asked the POC to make a recommendation in this regard). Attachment 3 is the reconciliation report format currently prescribed by the Commission. Staff proposes revising the reconciliation report as reflected in Attachment 4. The "cost" tab reflects a suite of possible categories, not categories Staff proposes.

- b. Should the reconciliation report include the basic service product (the OAR implies so)?

Staff's Thinking: P/P workshop participants discussed presenting the basic service product on the reconciliation report, along with and in the same format as the portfolio options. This was noted to be a benefit because it will put all information that is being communicated to consumers into a single regulatory report. Staff agrees and offers a proposed revised reconciliation report as reflected in Attachment 4.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

Staff's Thinking: Staff invites technical workshop participants to suggest alternate due dates, and to be prepared to select the revised due date at the workshop.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

Staff's Thinking: Staff observed widespread support in comments following the P/P workshop for the reconciliation report remaining in the Rule. Staff agrees.

Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains?

Staff's Thinking: There appeared in the P/P workshop to be widespread understanding that although the original intent of the NSPM was simply to disclose the source of and environmental impact from the mix of generation in the region that is not otherwise claimed, committed or encumbered, over time ancillary benefits have resulted. One of the PUC's responsibilities is to be

sure consumer, ratepayer, and tax payer money is spent wisely. Generally, for a cost to pass this test it must offer at least a benefit “equal” to the cost. The cost of concern was identified to include both the direct cost of contracts with outside entities, as well as the cost of staff time within the utilities and agencies. Parties were asked to offer, in their May 30 comments, specific benefits of the current NSPM process that could be weighed against the cost. Comments following the P/P workshop varied as to whether there is a need to change the NSPM process. Staff did not find in the comments any specific benefits to justify the process as it is currently conducted. Staff invites participants in the technical workshop to be prepared to offer specific, concrete justification for the NSPM as it is currently conducted. To help stimulate participation in this discussion, Staff offers a brief NSPM Update PowerPoint presentation in Attachment 5.

There was also discussion at the P/P workshop of a concern that the NSPM not conflict with greenhouse gas reporting to ODEQ. In comments following the P/P workshop Pacific Power recommends that emissions data provided to the ODEQ be used for the purpose of providing customers emissions information, as opposed to emissions data provided by WSU. PGE commented that, as it understands the process, there should be no conflicts between the data used for the NSPM and reporting to the ODEQ. PGE notes WSU uses the EIA database to determine emissions for utilities and the region, which is based on the reports the utilities make to the DOE and ODOE. Staff reads the comments from PacifiCorp and PGE as both stating the ODEQ emissions reporting should be the source of the information used in the NSPM.

Finally, P/P workshop participants expressed concern there may be misunderstanding of what the NSPM is. As a result, the question was asked - Should the term Net System Power Mix be changed in the Rule, and in communication to consumers and utilities, to be more clear? In comments following the P/P workshop, alternate terms were offered as follows: market power supply mix, purchased power mix, market electricity content, market power mix, electricity resource mix, purchased power mix, and market purchase resource mix or conversely, resource mix available for market purchase. During the technical workshop Staff intends to ask participants to select the preferred term.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

Staff's Thinking: There was general agreement during the P/P workshop and in comments following that workshop there is a benefit to having a schedule for the NSPM process so that the result is available on a specific date each year. In its comments, ODOE notes that a schedule for delivery of the NSPM must necessarily be flexible enough to recognize there may be many parties involved. Staff invites technical workshop participants to suggest alternate due dates, and to be prepared to select the due date at the workshop.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public?

Staff's Thinking: During the P/P workshop there was the suggestion that the NSPM result continue to be communicated in writing (email or other method) to only those with a need for, and an understanding of, the information. Comments following the P/P workshop generally agreed with the suggestion. Staff also agrees with this suggestion.

Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

Staff's Thinking: Comments following the P/P workshop highlighted the need to avoid making a claim that null power is renewable power.

PacifiCorp commented that incorporating REC and null power concepts into the Company's resource specific power mix is inconsistent with the principles of power source disclosure requirements. Pacific Power opposes amending the rules in this proceeding or establishing guidelines to address the treatment of RECs and null power for the reasons stated. The Company states with respect to how the NSPM is presented on the label in the supply mix, Pacific Power recommends that the portion represented by the NSPM should be displayed separate from owned resources and specified market purchases.

RNP commented that Oregon should not permit utilities to directly or indirectly claim null power as renewable power in the power supply mix. The reporting should either include a slice for "null power," with a reasonable definition; or, preferably, the null power should be assigned the NSPM characteristics and allocated in the same way as recommended for market purchases.

Staff sees a pattern in the comments that null power be reported separately from other sources. Doing so would avoid a claim that the power is renewable and would avoid delving into the very complex issues surrounding treatment of RECs. Staff agrees with PGE's statement in comments that docket AR 518 has dealt with that issue already. Staff proposes the power source pie chart and NSPM include a separate category for null power. Staff also proposes that null power attract the NSPM characteristics.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

Staff's Thinking: Comments following the P/P workshop did not offer changes to the Rule wording for consistency. Staff encourages technical workshop participants to offer wording changes they may identify for consistency.

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

Staff's Thinking: In its comments following the P/P workshop RNP suggests that reference to "electricity choices" could be preferable to "restructuring." PGE offered that for many consumers, searching for renewable rate information under the category of Electric Restructuring would not be intuitive. Instead of making name changes, it seems more intuitive to look for this information under the heading, Renewable Energy in the State of Oregon, which already contains some information on PGE and PacifiCorp's renewable rates. ODOE suggests the following changes:

- Change title to "Power Choice Options"

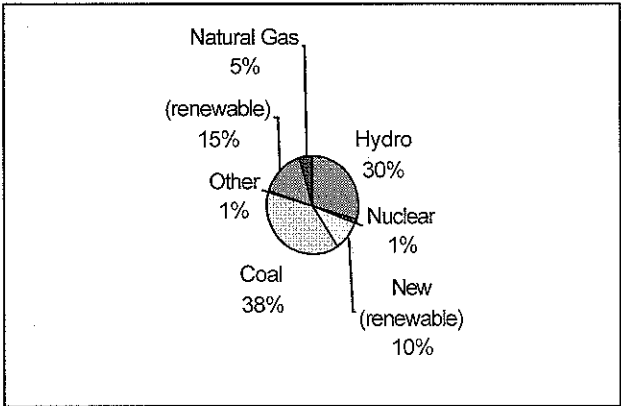
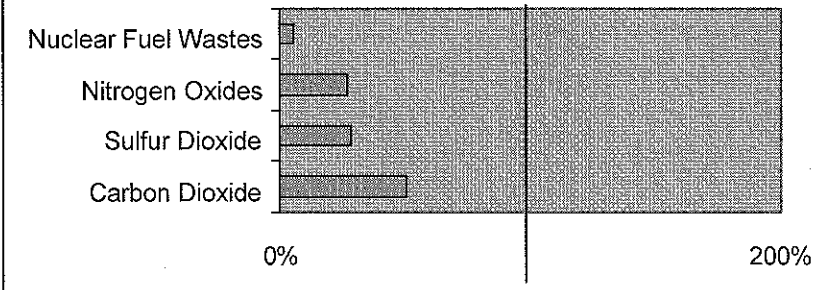
- Include natural gas options
- Change “Restructuring Law SB 1149”
- Link to ODOE’s SB 1149 schools program
- Should be called “Energy Trust of Oregon” and linked
- The description of the POC should be brought up to date
- Should mention the public purpose charge self-direct program for industrial customers and link to ODOE’s program, LECPPP

Staff supports moving the contents of Electric Restructuring to Renewable Energy in the State of Oregon. Staff appreciates and will take under advisement the additions suggested by ODOE.

ELECTRICITY PRICE, POWER SOURCE, AND ENVIRONMENTAL LABEL FORMATS
As prescribed the Oregon Public Utility Commission on November 20, 2001

Page 1 of 3

Basic Format

	Option Name Option description																		
Cost Comparison These examples are based on four levels of use. Please refer to your bill to find out how much electricity you use each month.	250 kWh	500 kWh	1000 kWh	2000 kWh															
	Bill Amount	\$X.XX	\$X.XX	\$X.XX	\$X.XX														
	Description of additional charges																		
	Adjusted Bill Amount	\$X.XX	\$X.XX	\$X.XX	\$X.XX														
	Average cents / kWh	X.X	X.X	X.X	X.X														
Price Formula These price formulas relate only to the electricity price and do not include transmission and delivery costs or local taxes and fees.	Describe Price Formula																		
Supply Mix During the calendar year 20XX, your supplier plans to buy power or unique claims on the electricity produced from these types of power plants. The portion supplied by (electric company name) is based on recent utility production and purchases. (May not add to 100 percent due to rounding.)	 <table border="1" style="margin: auto;"> <caption>Supply Mix Data</caption> <thead> <tr> <th>Source</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Coal</td> <td>38%</td> </tr> <tr> <td>Hydro</td> <td>30%</td> </tr> <tr> <td>New (renewable)</td> <td>10%</td> </tr> <tr> <td>Natural Gas (renewable)</td> <td>15%</td> </tr> <tr> <td>Other</td> <td>1%</td> </tr> <tr> <td>Nuclear</td> <td>1%</td> </tr> </tbody> </table>					Source	Percentage	Coal	38%	Hydro	30%	New (renewable)	10%	Natural Gas (renewable)	15%	Other	1%	Nuclear	1%
Source	Percentage																		
Coal	38%																		
Hydro	30%																		
New (renewable)	10%																		
Natural Gas (renewable)	15%																		
Other	1%																		
Nuclear	1%																		
Environmental Impact Amounts of pollutants per kilowatt-hour of supply mix, compared to the Northwest U.S. average.	 <table border="1" style="margin: auto;"> <caption>Environmental Impact Data</caption> <thead> <tr> <th>Pollutant</th> <th>Relative Level (0% to 200%)</th> </tr> </thead> <tbody> <tr> <td>Nuclear Fuel Wastes</td> <td>~10%</td> </tr> <tr> <td>Nitrogen Oxides</td> <td>~25%</td> </tr> <tr> <td>Sulfur Dioxide</td> <td>~25%</td> </tr> <tr> <td>Carbon Dioxide</td> <td>~45%</td> </tr> </tbody> </table>					Pollutant	Relative Level (0% to 200%)	Nuclear Fuel Wastes	~10%	Nitrogen Oxides	~25%	Sulfur Dioxide	~25%	Carbon Dioxide	~45%				
Pollutant	Relative Level (0% to 200%)																		
Nuclear Fuel Wastes	~10%																		
Nitrogen Oxides	~25%																		
Sulfur Dioxide	~25%																		
Carbon Dioxide	~45%																		
Terms & Conditions	Describe Terms and Conditions																		

The Information on Environmental Impacts must be described as:

Information on Environmental Impacts

Carbon Dioxide is a major contributor to global climate change. Among the likely impacts for Oregon are less mountain snow pack and less water available in summer, higher sea levels, and threats to forests, crops, and fish and wildlife habitat. Coal and natural gas are the main sources of carbon dioxide from power generation.

Nitrogen Oxides and Sulfur Dioxide are air pollutants that affect human health, plants, fish and wildlife. Nitrogen oxides contribute to smog. Coal is the main source of these pollutants from power generation. Natural gas plants produce nitrogen oxides.

Nuclear Fuel Wastes contain the most radioactive and long-lived waste formed during operation of nuclear power plants. These wastes are stored at nuclear power reactor sites. The U.S. has no permanent disposal site for these wastes.

Hydropower Impacts - Some hydropower dams contribute to the decline of salmon and other fish and wildlife populations.

Source: Oregon Office of Energy

Residential and Nonresidential Formats

Residential Format

The companies must use the basic format and add a column for each option. The information must be provided at least quarterly. The option must be described under the option name. The cost comparison information must be shown in dollars per month and cents per kWh. The cost comparison information may be shown separately from the other information in accompanying materials. The format includes the price formula (e.g., for a fixed renewable option: "Basic Service rate + an additional fixed monthly amount to purchase clean wind power = electricity price"). The supply mix and environmental impact information must be shown using the pie chart and bar chart formats shown in Basic Format. The main terms and conditions must be shown.

Nonresidential Format

Electric companies and electricity service suppliers must use the basic format and provide the information on or with each bill. Electric companies and electricity service suppliers may provide a full set of printed information on a quarterly basis if the entity provides a URL address for a world-wide web site that displays the power source and environmental impact information for the products sold to consumers on each bill. If the electric company or electricity service supplier bills a nonresidential consumer electronically, the labeling information may also be provided electronically.

Electric companies and electricity service suppliers are not required to use the detailed format in the Cost Comparison and Price Formula sections. They are required to provide price information. They may display that information based on their pricing structure.

Attachment 2 – Label Template

Electricity Price, Power Source, and Environmental Impact Label Format

Basic Format

	Option Name				
<p>Cost Comparison These examples are based on four levels of use. Please refer to your bill to find how much electricity you use each month.</p>	<i>Option Description</i>				
		250 kWh	500 kWh	1000 kWh	2000 kWh
	Bill amount	\$x.xx	\$x.xx	\$x.xx	\$x.xx
	Description of additional charges				
	Adjusted bill amount	\$x.xx	\$x.xx	\$x.xx	\$x.xx
Average cents/kWh	x.x	x.x	x.x	x.x	
<p>Price Formula The price formula relates only to the electricity price, and does not include transmission and delivery costs or local taxes and fees.</p>	<i>Describe Price Formula</i>				
<p>Power Source (Mix) During the (<i>insert year</i>) calendar year (<i>insert electric supplier name</i>) had this mix of power sources (may not add to 100% due to rounding). The renewable sources were represented by ownership of RECs. RECs signify the sole and full claim that renewable energy was put onto the electrical grid on behalf of the final purchaser who uses the REC. Your additional rate premium was used to buy some of these RECs. Power designated as “new” means it comes from sources that began operation after (<i>insert date</i>)*.</p>	<i>Insert Pie Chart</i>				
<p>Environmental Impact Relative environmental impact per kilowatt-hour compared to the Northwest US¹ average.</p>	<i>Insert Bar Chart</i>				
<p>Program Costs \$X out of every rate premium dollar is used to buy RECs.</p>	<i>Insert Pie Chart</i>				
<p>Terms and Conditions</p>	<i>Describe Terms and Conditions</i>				

* Per ORS 757.600, a new renewable energy resource means a project or addition placed in operation after July 23, 1999.

¹ The Northwest US is called the NWPP and is comprised of all or major portions of the states of Washington; Oregon; Idaho; Wyoming; Montana; Nevada; and, Utah; a small portion of Northern California; and, the Canadian provinces of British Columbia and Alberta.

Attachment 2 – Label Template

Residential and Nonresidential Formats

Residential Format

The companies must use the basic format and add a column for each option. The information must be provided at least quarterly. The option must be described under the option name. The cost comparison information must be shown in dollars per month and cents per kWh. The cost comparison information may be shown separately from the other information in accompanying materials. The format includes the price formula (e.g., for a fixed renewable option: "Basic Service rate + an additional fixed monthly amount to purchase clean wind power = electricity price"). The supply mix and environmental impact information must be shown using the pie chart and bar chart formats shown in Basic Format. The main terms and conditions must be shown.

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Electric companies and electricity service suppliers must use the basic format and provide the information on or with each bill. Electric companies and electricity service suppliers may provide a full set of printed information on a quarterly basis if the entity provides a URL address for a world-wide web site that displays the power source and environmental impact information for the products sold to consumers on each bill. If the electric company or electricity service supplier bills a nonresidential consumer electronically, the labeling information may also be provided electronically.

Electric companies and electricity service suppliers are not required to use the detailed format in the Cost Comparison and Price Formula sections, but they are required to provide price information. They may display that information based on their pricing structure.

ELECTRICITY PRODUCT CLAIM RECONCILIATION REPORT - Per OAR 860-038-0300 (10)

Electric Company / Electricity Service Supplier Name: _____

Reporting Year: _____

Sale of Block Products

Product Name	Block Size (kWh)	Large			Existing Renewables MWH Sold	New* Renewables MWH Sold	Total MWH Sold
		Portfolio Customers Blocks Sold	Nonresidential Customers Blocks Sold	Total Blocks Sold			
Total Block Sales							

Sale of Blended Products

Product Name	% New Renewables in Product	% Existing Renewables in Product	Large		Existing Renewables MWH Sold	New Renewables MWH Sold	Total MWH Sold
			Portfolio Customers MWH Sold	Nonresidential Customers MWH Sold			
Total Blended Sales							
Total Sales							

List of New Renewable Purchases and Generation Used to Meet Sales Requirement

Generator Facility Name or Wholesale Supplier	Generator Location (City, State)	Total MWH Purchased or Generated	MWH Resold or Self Consumed	Net MWH Used to Meet Sales Requirement	Renewable Fuel Type	Date Generated (Mo/Yr)	Facility Installation Date (Mo/Yr)	Tradable Renewable Credits?	
									Y
								Y	N
								Y	N
								Y	N
								Y	N
								Y	N
Total New Renewable									

* (Per ORS 757.600, a new renewable energy resource means a project or addition placed in operation after July 23, 1999)

List of Existing Renewable Purchases and Generation Used to Meet Sales Requirement

Generator Facility Name or Wholesale Supplier	Generator Location (City, State)	Total MWH Purchased or Generated	MWH Resold or Self Consumed	Net MWH Used to Meet Sales Requirement	Renewable Fuel Type	Date Generated (Mo/Yr)	Facility Installation Date (Mo/Yr)	Tradable Renewable Credits?
								Y N
								Y N
								Y N
								Y N
								Y N
Total Existing Renewable								

Balance of Net Purchases/Generation and Sales

New Resources Existing Resources	Net Purchases/ Generation	Sales	Difference

Verification of Product Content Labeling

	Product 1		Product 2		Product 3		Product 4	
	Name:	Claimed Percentage	Name:	Claimed Percentage	Name:	Claimed Percentage	Name:	Claimed Percentage
Fuel (% of 100%)								
Biomass								
Coal								
Geothermal								
Hydro								
Natural Gas								
Nuclear								
Wind								
Environmental Impact**								
Nuclear Fuel Wastes								
Nitrogen Oxides								
Sulfur Dioxide								
Carbon Dioxide								

** (% above or below regional average)

Certification: I CERTIFY THAT THE INFORMATION REPORTED IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

SIGNATURE	TITLE	DATE
NAME OF CONTACT PERSON AND PHONE NUMBER		

Attachment 4 - Reconciliation Report Template
Revised

Power Source and Environmental Impact Reconciliation ^{1 and 2}
Electric Company/Electricity Service Supplier Name:
Reporting Year:

Page 1

Verification of Product Content Labeling

Power Source (Mix)	Basic Service		Product 1		Product 2		Product 3		Product 4		Product 5	
	Claimed %	Actual %	Claimed %	Actual %	Claimed %	Actual %	Claimed %	Actual %	Claimed %	Actual %	Claimed %	Actual %
Biomass												
Coal												
Cogeneration												
Geothermal												
Hydro												
Landfill Gases												
Natural Gas												
Nuclear												
Other												
Petroleum												
Solar												
Waste												
Wind												
Total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Environmental Impact ³												
Carbon Dioxide												
Sulfur Dioxide												
Nitrogen Oxides												
Spent Nuclear Fuel												

¹ Refer to attached Consumer Labels (claimed) for reporting year, as published

² Using most recent Net System Power Mix (insert year) applied to Net Market Purchases

³ Percent above or below NWPP average using the most recent data from eGrid for pollutants (insert year) and ODOE for spent nuclear fuel (insert year)

Balance of Purchase/Generation and Sales

Product Name	Residual/Deficit From Prior Reporting Year	Total Generated/REC Purchases MWh	MWh Sold	Gen/RECs Used Minus Sold (MWh)
New* Resources		0	0	0
Existing Resources		0	0	0

* Per ORS 757.600, a new renewable energy resource means a project or addition placed in operation after July 23, 1999.

Certification: I CERTIFY THAT THE INFORMATION REPORTED ON PAGES 1-8 IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

SIGNATURE:

TITLE:

DATE:

NAME OF CONTACT PERSON AND PHONE NUMBER:

Power Source and Environmental Impact Reconciliation
 Electric Company/Electricity Service Supplier Name: 0
 Reporting Year: 0

List of New Generation Used to Meet Sales Requirement

Generator Facility Name or Wholesale Supplier	Generator Facility Capacity/Ohl Share of Capacity (MWh)	Generator Location (City/County, State)	First Year of Delivery or Contract	Generated For (Product Name)	Previously Banked (Yes/No)	Total Generated MWh	Total MWh Used to Meet Sales Requirement This Reporting Year	Total MWh Banked for Future Use	Fuel/Renewable Resource Type	Date Generated (Month/Year)	Date Acquired (Month/Year)	Date Used or Claimed (Month/Year)
Total	—	—	—	—	—	0	0	0	—	—	—	—

List of Existing Generation Used to Meet Sales Requirement

Generator Facility Name or Wholesale Supplier	Generator Facility Capacity/OR Share of Capacity (MW)	Generator Location (City/County, State)	First Year of Delivery or Contract	Generated For (Product Name)	Previously Banked (Yes/No)	Total Generated MWh	Total MWh Used to Meet Sales Requirement This Reporting Year	Total MWh Banked for Future Use	Fuel/Renewable Resource Type	Date Generated (Month/Year)	Date Acquired (Month/Year)	Date Used or Claimed (Month/Year)
Total												

List of New³ Renewable Energy Certificates (or Tradeable Renewable Certificates) Used to Meet Sales Requirement:

Generator Facility Name or Wholesale Supplier	Generator Facility Capacity/DK Share of Capacity (MW)	Generator Location (City/County/State)	First Year of Delivery or Contract	Purchased For (Product Name)	Renewable/ Unrenewable	Previously Banked (Year/Qty)	Total Represented MWh	Total MWh Used to Meet Sales Requirement This Reporting Year	Total MWh Banked for Future Use	Renewable Resource Type	Date Issued (Month/Year)	Date Acquired (Month/Year)	Date Used or Claimed (Month/Year)	Date Sold (Month/Year)	Sold but Used for Compliance During Previous Reporting Period (Yes/No)	WREGIS Serial Number
							0	0	0							
Total																

Use of Existing Renewable Energy Certificates (or Tradeable Renewable Certificates) Used to Meet Sales Requirement

Generator Facility Name or Wholesale Supplier	Generator Facility Capacity/Or Share of Capacity (MW)	Generator Location (City/County, State)	First Year of Delivery or Contract	Purchased for (Product Name)	Bundled/ Unbundled	Previously Banked (Yes/No)	Total Represented MWh	Total MWh Used to Meet Sales Requirement Total Reporting Year	Total MWh Banked for Future Use	Renewable Resource Type	Date Issued (Month/Year)	Date Acquired (Month/Year)	Date Used or Claimed (Month/Year)	Date Sold (Month/Year)	Sold but Used for Compliance during Previous Reporting Period (Yes/No)	YR2016 Serial Number
Total																

Power Source and Environmental Impact Reconciliation

Electric Company/Electricity Service Supplier Name: 0

Reporting Year: 0

Sale of Block Products

Product Name	Block Size (kWh)	Residential Customer Blocks Sold	Non-Residential Customer Blocks Sold	Total Blocks Sold	New* Renewables MWh Sold	Existing Renewables MWh Sold	Total MWh Sold
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
Total Block Sales	---	0	0	0	0	0	0

* Per ORS 757.600, a new renewable energy resource means a project or addition placed in operation after July 23, 1999.

Power Source and Environmental Impact Reconciliation

Electric Company/Electricity Service Supplier Name: 0
 Reporting Year: 0

Sale of Blended Products

Product Name	% New* Renewables in Product	% Existing Renewables in Product	Residential Customer MWh Sold	Non-Residential Customer MWh Sold	New* Renewables MWh Sold	Existing Renewables MWh Sold	Total MWh Sold
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
							0
Total Blended Sales	---	0.0%	0	0	0	0	0

* Per ORS 757.600, a new renewable energy resource means a project or addition placed in operation after July 23, 1999.

Power Source and Environmental Impact Reconciliation

Electric Company/Electricity Service Supplier Name: 0
Marketer Name:
Reporting Year: 0

Portfolio Options Cost Reconciliation

	Product 1	Product 2	Product 3	Product 4	Product 5
Total Revenue					
Portion Allocated to Development Fund					
Spent for Community Based Projects					
Spent for REC Purchases					
Spent for Transaction Fees					
Spent for Generation Purchases					
Spent for Marketing					
Spent for Marketer Profit and Overhead					
Spent for Company Administration					
Spent for Company Advertising					
Total Expense	\$0	\$0	\$0	\$0	\$0
Expense/Revenue Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

Why Consider Changing the Net System Power Mix Process?

- The net system power mix process is thought to be time consuming and cumbersome.
- The process is thought to yield little added value when compared to alternate methods.

DOJ has advised the PUC has great latitude in changing the process – with ODOE agreement - without Rule change.

Where Does the Requirement for Net System Power Mix Come From?

- The Net System Power Mix exists only in Division 038. In that context it is used only as part of the Labeling requirement.
- The Net System Power Mix is to be calculated, as determined by ODOE on behalf of the PUC, and applied to net market purchases of electricity (not company owned generating resources).

What is the Net System Power Mix Used For?

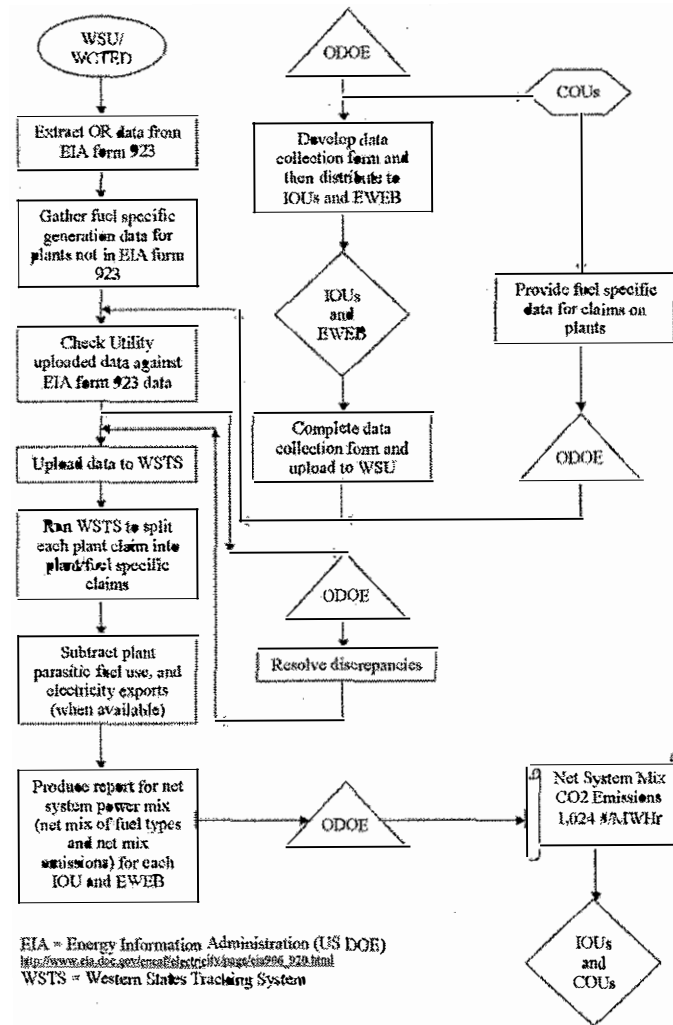
PUC Staff held a conference call with users of the Net System Power Mix data and learned:

- IOUs use it for their net market purchases in calculating their company specific power mix, then on their Label.
- ESSs use it for their Label, as directed by Rule.
- ETO uses it to calculate project environmental benefits and performance.
- NWECC and RNP believe they use it for analysis regarding reduction of carbon emissions.
- Counties are interested in having it available.

A Tour of Some Alternate Processes
(Examples Only - Not Proposals)
but First, What is the Current Process?

Current Net System Power Mix Process

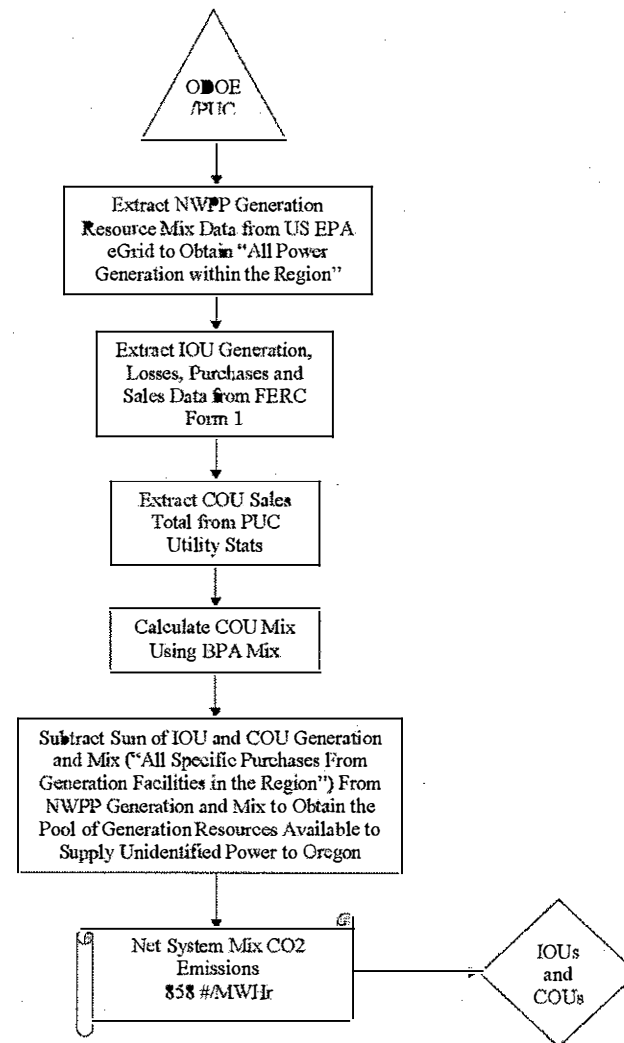
Lets Call This Process "ODOE"



Alternate Net System Power Mix Process

With
Reinterpretation of
Net System Power
Mix Definition

Lets Call This Process
"PUC"

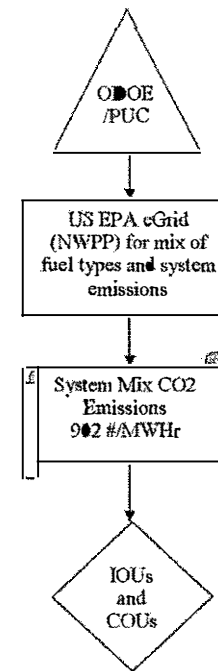


eGrid = <http://www.epa.gov/cleanenergy/energy-resources/eGRID/index.html#download>
NWPP = Northwest Power Pool

Alternate Net System Power Mix Process

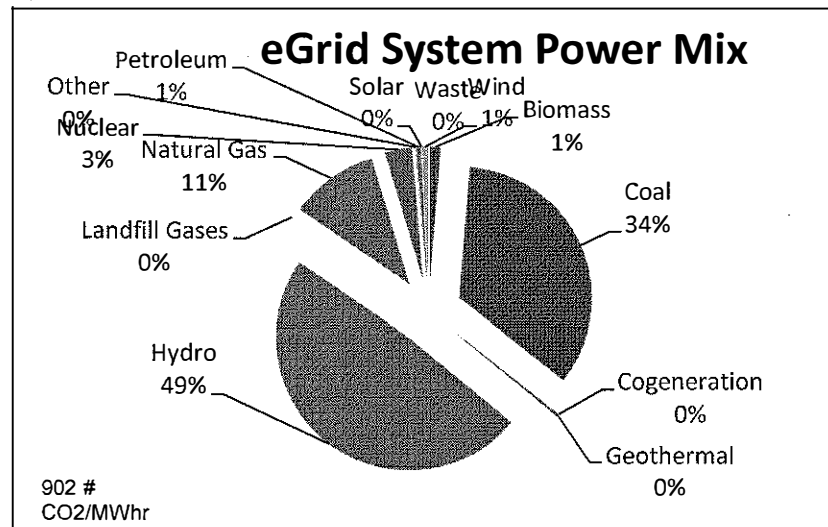
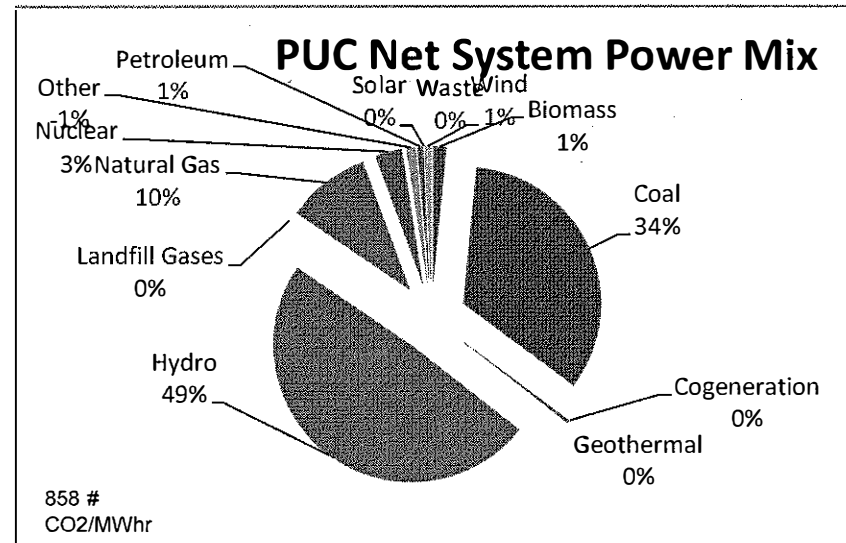
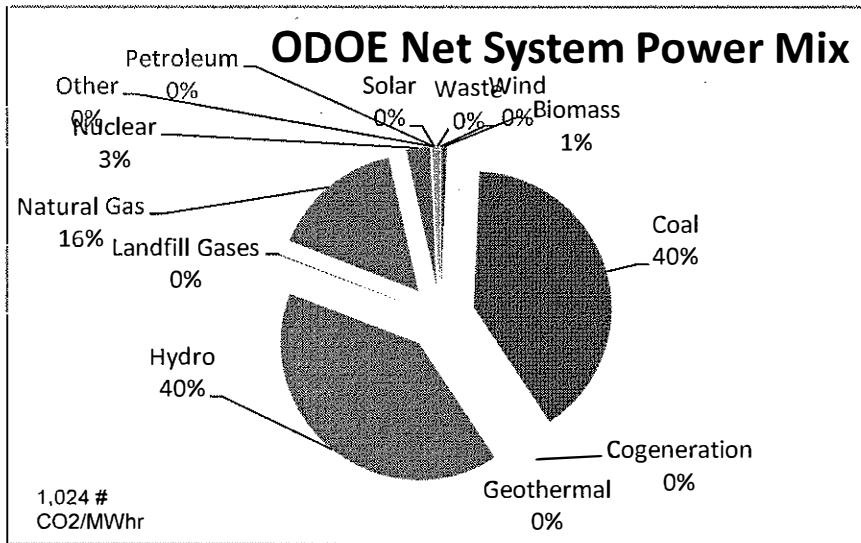
With Simplified Interpretation of Net System Power Mix Definition

Lets Call This Process "eGrid"



eGrid = <http://www.epa.gov/cleanenergy/energy-resources/eGrid/index.html#download>
NWPP = Northwest Power Pool
NWPPCC = Northwest Power and Conservation Council http://www.nwpcouncil.org/library/2008/2008_08.pdf
WCI = Western Climate Initiative <http://www.westernclimateinitiative.org/component/content/view/full/1000>
Records: Default Emission Factor Calculator: 2008 Final Default Emissions Factor Calculator (1).doc

Comparison of Results Using Different Net System Power Mix Processes



Benefits of an Alternate Process

- An alternate net system power mix process, as described above, could be carried out by PUC staff or staff from ODOE.
- An alternate process could rely on third party data available on-line.
- An alternate process does not necessarily require input from the IOUs, ESSs, or COUs.
- Results can be comparable to those of the current process.
- Could avoid contracting with WCTED/WSU, and reduce state staff resources.

Benefits of the Current Process

- The current process is as accurate as any other process.
- The current process does not mislead anyone.
- The current process is familiar to those involved.
- Continuing the current process eliminates resistance to change.

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 555

In the Matter of a Rulemaking to Update
Certain Division 038 Rules (Portfolio
Options/Labeling).

Comments of Renewable Northwest
Project – Technical

Renewable Northwest Project (“RNP”) appreciates the opportunity to provide the following comments on portfolio options and labeling requirements. The comments follow the format of Staff’s July 3, 2012 Summary of Issues discussed at the AR 555 technical workshop on July 2, 2012.

1. Paper Label

- a. No comment.

2. Label Format

- a. Pie Chart – Unspecified/Specified: How to handle unspecified market purchases in resource mix: with separate pie chart or sprinkled into single pie chart?
 - i. For the purpose of communicating resource mix to customers and the public, a single pie chart including both specified and unspecified sources is superior. Just as the resource mix chart does not distinguish between owned and contracted-for resources, it should not distinguish between those resources and market purchases in communicating basic resource mix information. The distinction in “knowability” between specified and unspecified power sources is not sufficiently material to require communication to customers, given (1) the rigor with which the resource mix of unspecified market purchases is determined (see #10 below); and that (2) even for specified resources, it is not “knowable” that specific electrons are delivered. Customers and the public deserve a simple, accurate picture of resource mix.
 - ii. If utilities wish to communicate the unspecified/specified distinction within a single chart, they could cross-hatch a sub-slice within each resource slice and label the cross-hatching as “estimate from market purchases.” See Appendix 1 for example.

- b. REC description: Is there a clearer way to describe REC products in the label box currently labeled "Supply Mix"? Suggested wording?
- i. The Green-e Customer Disclosure Publication requires the following customer-friendly description of RECs to be placed on some product content labels where out-of-region RECs are used: *"This is a renewable certificate product. For every unit of renewable electricity generated, an equivalent amount of renewable certificates is produced. The purchase of renewable certificates supports renewable electricity generation, which helps offset conventional electricity generation in the region where the renewable generator is located."*
 1. Pages 38-39 contain REC disclosure language required before purchase for some products and long REC disclosure language required for some products on the utility website as additional information about RECs. These may not be required for Oregon programs, but they do contain customer-friendly language that could be used.
 - ii. Building on this language, for 100% REC products, the relevant section in the Oregon label could say: *"During the calendar year 20XX, your supplier plans to buy renewable certificates from these types of power plants. For every unit of renewable electricity generated, an equivalent amount of renewable certificates is produced. The purchase of renewable certificates supports renewable electricity generation, which helps offset conventional electricity generation in the region."*
 - iii. For programs certified by Green-e, the utility may be required to use some form of the Green-e product content label. Any potential conflicts between Oregon and Green-e label requirements should be accommodated as necessary.
- c. Program Cost: Should the label include a program cost breakdown?
- i. RNP agrees with the consensus reflected in Staff's July 3, 2012 Summary of Issues memorandum. The product label is not the place to break down program costs of the green power programs, just as it is not the place to break down the costs of providing basic electricity service. Significantly more context than can be communicated on the label is required to advise customers of how program dollars are spent, and what benefits those categories of expenses deliver. The POC is making a recommendation about how program costs should be communicated to customers of the programs through the website.
- d. Label Quality: Given a single annual mailing, are there opportunities to improve the design quality of the label?
- i. RNP hopes that the utilities will, at minimum, explore adding color to the label. This could improve the communication of resource mix to customers, while still retaining the ability of the utilities to

communicate the unspecified/specified distinction if they desire. (See Appendix 1.)

3. Label Environmental Impact Message

- a. Paper Label Wording: What environmental impact language should be used on the annual paper label?
 - i. Proposed language: “These graphs compare the environmental performance of this electricity product with the average profile for electricity generation in the Northwest, with respect to emission of key air pollutants (SO₂, NO_x), toxins (mercury), and greenhouse gases (CO₂) associated with conventional energy generation. More information about the public health and environmental costs of those emissions can be obtained from the U.S. Environmental Protection Agency at <http://www.epa.gov/cleanenergy/energy-and-you/affect/index.html>, www.epa.gov/air/airpollutants.html and www.epa.gov/climatechange/ or by calling the Oregon Department of Environmental Quality at (503) 229-5696.”
- b. Internet Label Wording: What environmental impact language and/or links should be used in internet version?
 - i. Proposed language: “These graphs compare the environmental performance of this electricity product with the average profile for electricity generation in the Northwest, with respect to emission of key air pollutants (SO₂, NO_x), toxins (mercury), and greenhouse gases (CO₂) associated with conventional energy generation. More information about the public health and environmental costs of those emissions can be obtained from the U.S. Environmental Protection Agency at <http://www.epa.gov/cleanenergy/energy-and-you/affect/index.html>, www.epa.gov/air/airpollutants.html and www.epa.gov/climatechange/ or from the Oregon Department of Environmental Quality at <http://www.deq.state.or.us/aq/toxics/faq.htm>, www.deq.state.or.us/aq/climate/index.htm, or (503) 229-5696.
 - ii. Appropriate selections from the narratives on those websites could be included where more space is available in online versions.
- c. Bar Charts: What should they measure? What comparator is most appropriate (WECC, NWPP)?
 - i. RNP supports including mercury in the bar charts, as suggested by staff. RNP is not opposed to deleting nuclear waste at this time, as very little nuclear production exists or is likely to be developed in the Northwest; this would free up space to explain the significance of the other elements.

- ii. RNP would prefer retaining the NWPP comparison for all Oregon utilities, as it is the comparator that seems most relevant for an Oregon customer and it would maintain consistency to compare different utility products to the same benchmark.

4. Label Power Mix

- a. No comment at this time.

5. Label Rule Flexibility

- a. No comment at this time.

6. Frequency of Communication

- a. No comment at this time.

7. Reconciliation Report Content

- a. Program Cost: Should the report include the program cost information recommended by the POC and required by OPUC?
 - i. Yes, the reconciliation report should include the program cost reporting that the POC recommends, insofar as that recommendation is ultimately approved by the OPUC. It is unlikely that the POC will recommend reporting categories as granular as those reflected in the final tab of the reconciliation report template proposal discussed at the July 2, 2012 workshop. Because the final form of the reconciliation report need not be specified in the rules, it can await the POC's recommendation.

8. Reconciliation Report Due Date

- a. No comment at this time.

9. Reconciliation Report Value.

- a. No comment at this time.

10.NSPM Process

- a. Name: Is Unspecified Market Purchases a good name?
 - i. Upon reflection, the name needs some word reflecting the concept of a resource mix. I recommend Unspecified Market Purchases Mix, or UMPM. Instead of the "ump," it can stay closer to the current acronym, "U-M-P-M."
- b. Benefits: Stated concisely, what are the specific benefits of the NSPM/UMPM?
 - i. *Accuracy*.
 1. Uses empirical data, rather than regional estimates, to characterize unspecified resource mix.
 2. Utilities can provide feedback as data is analyzed.

3. Provides check on relative accuracy of EIA estimates.
- ii. *Informs development of other policy.*
 1. Enables most accurate determination of emission factors, as relevant to emissions reporting and performance standards.
 2. Will be able to track potential shifts in unspecified resource mix toward carbon-intensive resources, as utilities acquire cleaner specified resources.
 3. Maintains agency staff's knowledge about specific generating facilities across the region.
- iii. *Regional consistency and cooperation.*
 1. Ensures that Oregon maintains cooperation with regional partners.
 2. Keeps region in control of information, rather than dependent on federal agency budgets and processes that may change without notice.
- iv. *Relatively low cost.*
 1. Costs are relatively low compared with accuracy gains.
 2. Utility staff avoid duplicative work.
- v. *Running smoothly.*
 1. Utilities and agencies already familiar with process.
 2. No start-up costs for new process.

11.NSPM Schedule

- a. No comment at this time.

12. NSPM Communication

- a. No comment at this time.

13.RECs and Null Power

- a. Forum: Assuming that this docket cannot accommodate discussion of REC and null power issues, what is the most productive venue to address the issues?
 - i. Although RNP understands why OPUC staff prefers not to deal with reporting of null power in resource mix disclosures in this docket, RNP believes that it is appropriate and helpful to address the product label's treatment of null power at the same time we address communications and disclosures to those who may have purchased the RECs. The language of the very rule being examined seems to state

clearly that utilities must report the net system power mix for contracts under which the utilities do not own the RECs.¹

- ii. We recommend that at minimum the Commission reconvene the parties to this proceeding to address the issue and encourage participation by any others who wish to contribute to the discussion.

14. Rule Wording

- a. No comment at this time.

15. Website Wording

- a. No comment at this time.

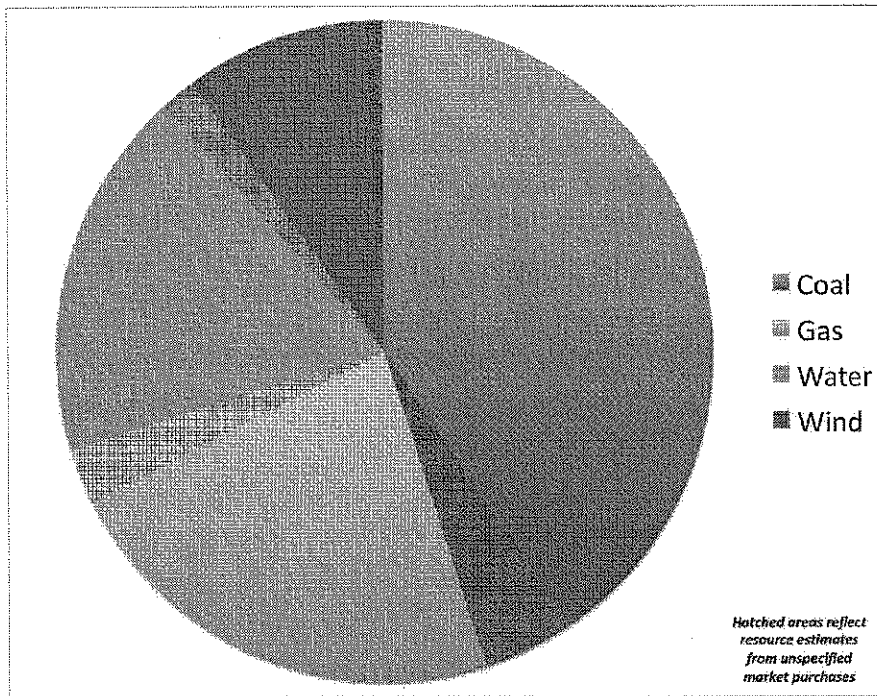
Respectfully submitted this 25th day of July, 2012.



Megan Walseth Decker
Chief Counsel
Renewable Northwest Project

¹ OAR 860-038-0300(4): "For power supplied through its own generating resources, the electric company must report power source and environmental impact information based on the company's own generating resources, not the net system power mix. An electric company's own resources include company-owned resources and wholesale purchases from specific generating units, less wholesale sales from specific generating units. An electric company's own resources do not include the non-energy attributes associated with purchases under the provisions of a net metering tariff or other power production tariff unless the electric company has separately contracted for the purchase of the Tradable Renewable Certificates. For net market purchases, the electric company must report power source and environmental impact information based on the net system power mix. The electric company must report power source and environmental impact information for standard offer sales based on the net system power mix." (Emphasis added.)

Appendix 1



**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 555

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON (“OPUC”)

REVISIONS TO DIVISION 038 RULE
REGARDING PORTFOLIO OPTIONS
AND LABELING

Comments of Oregon Department of Energy
(“ODOE”).

The Oregon Department of Energy (“ODOE”) appreciates the opportunity to provide comments in regards to the Portfolio Options and labeling requirement (OAR 860-0380-0300). ODOE notes that in many cases detailed comments were offered in previous rounds of this process and incorporates those responses by reference. As per discussion at the last workshop the NSPM is now referred to as the Unspecified Market Purchase (UMP) process. We use the term “UMP” in our comments below.

1. Paper Label - Is there a better alternative to a paper label mode of communication?

ODOE comments:

ODOE reinforces its recommendation that the now-annual label sent to customers become a high quality marketing piece (four-color, larger paper, larger fonts). The label is a proactive communication with customers about basic service, time of use, and standard resource mix. In addition, now that the emphasis has moved online, the unique audience for the paper label will be Oregonians who lack access to the internet. The label should be a notable, readable document for this demographic, which includes older and less affluent Oregonians. There should still be cost savings to utilities from this change in practice since they will only have to print labels once a year instead of quarterly.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it?

ODOE Comments:

Consumers are looking for a simple graphic to convey the source of their electricity. Providing that information in one pie chart is the most straightforward means of achieving that goal. A single pie chart with each resource type clearly delineated (e.g., hydro, natural gas, coal), and with resources obtained from each procurement method (e.g., owned, contracted, or market purchase) aggregated into like resource types, should be the heart of the utility label. This is

consistent with PGE’s current practice and PacifiCorp’s past practice, and there appears to be broad acceptance among the parties of continuing this approach (with one exception). The use of an “other” category in the pie chart should be avoided. If deemed unavoidable, the resource types captured in the “other” slice should be capped at 2 to 3 percent of the electricity resource mix. Consumers don’t care how their power is procured; they care about what types of resources comprise that power.

Should consumers want more detailed information than that on the utility label, it is available to them from the ODOE electricity resource mix website. The website provides a complementary, data-rich, and alternative means of viewing the electricity resource mix data. Both the unspecified and specified resource data are available for interested consumers and stakeholders from this resource. The availability of this more detailed resource to consumers (which can easily be referenced from the utility label if desired) should allay concerns that the most interested citizens or stakeholders will not be able to obtain additional detail. It is also important to note that this rich detail, and the ease with which it can be used to construct both meaningful utility labels and more detailed policy analyses, is a result of having the unspecified market purchase (UMP/“NSPM”) process and results available to Oregon. The UMP process is critical to deriving meaningful utility labels for Oregon.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

3.1 How should the environmental impact information on the label be conveyed and what data should it reflect? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

ODOE Comments:

1. Environmental Impact Message:

ODOE is in support of leaving the environmental impact message as it is currently. If parties strongly feel the need to remove the existing message, ODOE will support an effort to cite relevant and legitimate reference sources (e.g. Environmental Protection Agency) for pollutant specific impact messages by not only inserting the general reference site: <http://www.epa.gov/air/airpollutants.html> but also adding pollutant specific reference sites for the non-criteria air pollutants like Mercury (Hg): <http://www.epa.gov/mercury/about.htm>.

2. Emissions comparison in relation to WECC or NWPP average:

Staff has asked for comments in regards to whether the bar chart emissions comparison should be to the Northwest Power Pool (NWPP) or the Western Electricity Coordinating Council (WECC) region. ODOE strongly believes that the comparison should be to the NWPP region. All of PacifiCorp’s service territory is captured in the NWPP and virtually all of their generation facilities as well. If one considers the “error” between the footprint of the NWPP and the PacifiCorp footprint (with only a handful of outlier facilities), as opposed to the massive footprint of the WECC relative to the PacifiCorp

footprint there is a much greater mismatch with the WECC. In addition, from an Oregon perspective, the market power serving Oregon customers is more likely to come from the NWPP than from the WECC given transmission constraints and wheeling costs. ODOE also believes that the emissions benchmark should be the same for all utilities, and thus believes the NWPP makes more sense from that perspective since the NWPP is a better fit for every other Oregon utility. ODOE does not support using the WECC for one utility and the NWPP for others.

3. Emissions Information

ODOE reiterates its support for the use of emissions data consistent with existing regulatory emissions reporting programs (i.e., OR DOE and US EPA) and notes that for all pollutants other than CO₂ the data already come from the EPA clean air markets (CAM) database. As noted previously it would not be difficult to change the existing software to derive CO₂ emissions in the same manner, thus ensuring that the CO₂ data are not only consistent, but in fact identical to the reported data to EPA and/or ODEQ.

4. *Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?*

ODOE Comments:

ODOE agrees with the Staff proposal.

5. *Label Rule Flexibility - Should the Rule be revised to be less prescriptive?*

ODOE Comments:

ODOE reserves the right to comment at a later time and share specific inputs to any prescriptive language if suggested by other parties.

6. *Frequency of Communication - How often should consumers receive the Label?*

Reconciliation Report

7. *Report Content –*

- a. *Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)?***
- b. *Should the reconciliation report include the basic service product (the OAR implies so)?***

ODOE Comments:

Reconciliation reports are an important component of the program. They are the only report demonstrating fulfillment of REC obligation and verification of program claims. ODOE is generally supportive of Staff's proposed template (circulated as Attachment 4 before the technical workshop) to replace the previous template.

As previously stated in comments, we agree that the report should contain all information the PUC needs to determine consistency with its rule and statutory responsibilities. In addition, we recommend that the reconciliation report include the most recent label and pie chart representation sent to customers. ODOE notes that provision of the actual printed label may not be realistic given long lead times for both the graphic production and printing of the label.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

ODOE Comments:

ODOE believes that if the basic product service product is to be part of the reconciliation report then the timeline for the reconciliation report should be consistent with the timeline for the creation of the utility label, including the timeline for the UMP process which feeds into creation of the utility label. As such, ODOE believes a date at the end of September may be more realistic, providing time for both creation of the utility label and the administrative needs of completing the report.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

ODOE Comments:

ODOE supports keeping the reconciliation report.

Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains?

ODOE Comments:

ODOE provided extensive narrative comments in the previous round of comments (the "policy and procedure" phase) and reiterates those previous comments by reference. In response to Staff's request for a more concise format the previous comments of ODOE – as well as those of other parties – are summarized below through a tabular representation of the benefits and costs of the current UMP process.

Benefits of the Current Unspecified Market Purchase Process (UMP, aka "NSPM")
Gives the citizens of Oregon an accurate, comprehensive, and complete understanding of the state's electricity consumption that is not simply limited to utility-owned generation and specified market purchases.
Provides an accurate portrait of market power in the state of Oregon as is reasonably possible.
Reflects a <i>resource</i> mix; not an owned, specified or contracted generation mix.
Analytically characterizes unspecified market power based on empirical data, in contrast to assigning generation without any assessment as to what resources may comprise that power.
Allows utilities an opportunity to provide feedback as the UMP resource mix is determined.
Enhances data provided by EIA (PGE, 5/30/12).
Provides data that is timely and as current as possible -- in many cases ahead of the release of EIA data.
Reduces in-house duplicative efforts by utilities (PGE, 5/30/12).
Ensures regional consistency for the benefit of multi-jurisdictional utilities and regional power entities.
Appears to be a cost-effective process (PGE, 5/30/12).
Provides an understanding of market supply characteristics that are significant to a short utility's fuel mix and emissions reporting. (RNP, 5/30/12)
Provides an authoritative reference so that the margin of error associated with external analyses that use less precise sources for characterizing market power, like e-GRID data, is measurable.
Informs potential future rulemaking by the OPUC and ODOE to update emission factors for unspecified power for the Greenhouse Gas Emission Performance standard (i.e., SB 101 in the 2009 session)
Informs the assignment of emissions for unspecified power used by the ODEQ mandatory reporting program.
Tracks the relative share of carbon intensive sources in the unspecified power mix serving Oregon customers over time, which is of key interest to Oregon energy policy stakeholders.
Maximizes the information known about generation facilities both in-state and out-of-state.
Familiar to those involved and well-understood by the utilities (OPUC, 7/3/12.)

Costs of the Current Unspecified Market Purchase Process (UMP, aka "NSPM")
Direct costs of contract with WSU Energy Extension of \$16,000/year for the State of Oregon (split equally by ODOE and the OPUC) (OPUC 7/3/12)
ODOE staff time (which is scalable to the level of accuracy requested by utilities)
Staff time within utilities to provide data and review results (OPUC, 7/3/12)

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

ODOE Comments:

ODOE supports having an end date target of September 1 for the UMP process if such a date is complemented by a May 15 target date for utilities involved in the process to provide the necessary data. These dates reflect current practice with enough of a buffer to provide for unforeseen circumstances by both the participating utilities and agencies involved.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public?

ODOE Comments:

ODOE agrees with Staff and other parties' recommendation as in the Technical Primer dated July 3rd 2012 - "NSPM results should continue to be communicated in writing (email or other method) to only those with a need for, and an understanding of, the information."

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

ODOE Comments:

ODOE recognizes that the scope has changed in this proceeding and no longer intends to address null power. As noted in previous comments, ODOE believes that this proceeding regarding utility power labels and RECs is an appropriate proceeding to discuss how to handle the REC claim inherent in power resource mix reporting. If the Commission does not address the claim problem today, it does not go away. We hope that the Commission ultimately chooses to engage this issue with the same expert parties convened in this proceeding in some future forum.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

ODOE Comments:

ODOE reserves the right to comment on this issue at a later time.

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

ODOE Comments:

Staff indicated interest in ODOE's initial suggestions, and there were no additional comments related to this issue in the workshop. We have no further comments at this time.



825 NE Multnomah, Suite 2000
Portland, Oregon 97232

July 25, 2012

VIA E-MAIL

Public Utility Commission of Oregon
550 Capitol Street NE
Salem Oregon 97301-2551

Attention: Erik Colville, P.E., Sr. Utility Analyst

Re: AR 555 – Informal Comments of PacifiCorp

Pursuant to (i) the informal procedural schedule agreed to by interested parties in the above-referenced docket, (ii) the July 2, 2012 workshop (“July 2 Workshop”) and (iii) Staff’s July 3, 2012 workshop summary (“Staff Summary”), PacifiCorp d/b/a Pacific Power (“Pacific Power” or the “Company”) respectfully submits these comments to address various aspects of portfolio options and labeling under OAR 860-038-0220 and OAR 860-038-0300, respectively. Pacific Power has been an active participant in this proceeding and appreciates the opportunity to provide these comments.

Pacific Power attempts to address the questions and matters posed in the Staff Summary in the order in which they were presented. In providing these comments, Pacific Power respectfully requests that the Commission not perceive the absence of comments on any particular question, issue or other matter as a conclusive indication of Pacific Power’s lack of interest, support or opposition with respect thereto. Pacific Power acknowledges the ongoing nature of the issues addressed herein and reserves the right to modify or present additional comments at a future time, as permitted.

A. Labels

1. Paper Label - Is there a better alternative to a paper label mode of communication?

Pacific Power continues to support use of the internet, coupled with a paper label bill insert provided to customers in the fourth quarter of each calendar year, to most efficiently and cost-effectively distribute information to customers. Pacific Power proposes to make label information easily accessible on the internet and will include on customer bills a phone number for consumers to request a hard copy of the labeling information at any time.

With respect to the proposal that a paper label be included in customer bills in the billing cycle following a “change” in the label information, Pacific Power is concerned that this condition will be difficult to define and may result in a decrease in any cost savings gained through use of the internet and a once yearly paper label. In addition, as currently constituted, label information is

relatively static due to the fact that the fuel mix information is based on historical data, which is reconciled with the Oregon Department of Energy (“ODOE”) prior to issuance of the labels.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it? Note: if the format needs to be updated, we will do so in the Technical Issues phase of this docket.

As stated in Pacific Power’s May 30 comments, the paramount public policy goal of power source labeling is to inform customers of the resources that they pay for and are served by. This objective should be abundantly clear to avoid confusion by customers and other interested stakeholders.

To achieve this objective, Pacific Power continues to support the recommendation that the portion represented by the Net System Power Mix (“NSPM”) be displayed separate from owned resources and specified market purchases, consistent with how the ODOE website currently displays such information. Separating the two resource types (NSPM, owned resources and specified market purchases) will provide clarity to customers about how a utility acquires resources to provide safe, reliable, and cost-effective service. This also avoids the comingling of fuel sources the Company specifically acquires (owned resources and purchases from specified resources) with fuel sources the Company purchases from the broader market (unspecified purchases).

With respect to whether the label should be of higher quality or expanded in size, there are certain limitations that prevent a cost-effective expansion of the label. Improving the production quality of the labels can be achieved, but at a cost to customers, including, but not limited to, increased postage. Unless there is a compelling reason to spend additional customer dollars to improve the quality of the paper labels, the Company does not recommend having customers incur these additional costs.

Finally, with respect to clarifying the purpose and role of the rate premium payment, Pacific Power supports additional language be added to the labels. However, any specific language should be the subject of further discussions among interested stakeholders to this proceeding.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

Pacific Power recommends eliminating the environmental impact message from the label requirement. Given the breadth and depth of information readily available to customers and interested parties on the topic of environmental impacts of various electric generation resources, Pacific Power supports the inclusion of a website link to facilitate customer access to relevant environmental impact information, subject to further discussion among interested stakeholders.

In addition, to ensure that customers that are unable to readily access the internet may be directed to relevant information, Pacific Power proposes including a phone number on all customer bills for additional information.

- 3.1 How should the environmental impact information on the label be conveyed and what data should it reflect? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

Pacific Power continues to recommend that the bar charts should compare emissions to the Western Electricity Coordinating Council ("WECC") average and not the Northwest Power Pool ("NWPP") average for the reasons stated in the Company's May 30 comments and at the July 2, 2012 Workshop, including that (i) the WECC average is a more accurate comparison, since the Company buys and sells energy throughout the WECC region and (ii) PacifiCorp's owned generation resources are located throughout the WECC region, not just within the NWPP.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

Pacific Power has no additional comments at this time. Pacific Power anticipates submitting comprehensive amendments to the current rules in early August during the rule update process.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

Pacific Power has no additional comments at this time. Pacific Power anticipates submitting comprehensive amendments to the current rules in early August during the rule update process.

6. Frequency of Communication - How often should consumers receive the Label?

Pacific Power has no additional comments at this time.

B. Reconciliation Report

7. Report Content –
 - a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.

As noted in the Company's May 30 comments, Pacific Power currently provides cost breakdown information associated with its Blue Sky program on the Company's website. Pacific Power is not opposed to providing cost breakdown information as part of the reconciliation report, subject to an evaluation as to whether any required information to be included in the cost breakdown may otherwise be considered confidential or proprietary in nature. Regardless, Pacific Power recommends that interested stakeholders in this proceeding engage in further discussions as to the appropriate report format, whether that venue is before the POC or separately.

- b. Should the reconciliation report include the basic service product (the OAR implies so)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.

Pacific Power has no additional comments at this time.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

Pacific Power has no additional comments at this time.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

Pacific Power has no additional comments at this time.

C. Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains? In this phase of the docket we will address the goal, use and accuracy requirements of the NSPM. Note: if the process steps need to be changed, we will do so in the Technical Issues phase of this docket.

As stated in our May 30 comments, Pacific Power recommends that emissions data provided by Pacific Power to the Oregon Department of Environmental Quality (“DEQ”) be used for the purpose of providing customers with emissions information. DEQ is the state agency charged with compiling emissions data for Oregon electric utilities. To the extent relevant emissions data is not provided to DEQ, interested stakeholders in this proceeding should engage in further discussions as to the source of such emissions data.

Finally, Pacific Power supports the use of the term “Unspecified Market Purchases” in place of NSPM.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

Pacific Power restates its recommendation that the due date be no earlier than September 1 of each year to allow for the most accurate information to be available to customers.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

Pacific Power supports the proposal that the NSPM results continue to be communicated to electric utilities in writing (email or other method). With respect to how the NSPM should be presented on the label in the supply mix, please see comments to Question 2 above.

D. Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

Pacific Power supports Staff's approach to limit this rulemaking docket to updating portfolio options and labeling processes. With respect to identifying a recommendation to the Commission as to a venue to address REC and null power matters, the Legislature is the proper venue for determining public policy involving unsettled issues surrounding greenhouse gas accounting and reporting.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

Pacific Power has no comment on this issue at this time.

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

Pacific Power has no comment on this matter at this time.

Based on the foregoing, the Company respectfully requests that the Commission carefully consider these comments. Pacific Power looks forward to continuing to work with interested stakeholders in this proceeding.

Sincerely,



PACIFICORP
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MEMORANDUM

TO: AR 555 Service List

FROM: Portland General Electric Company

SUBJECT: AR 555 – PGE Comments on Staff Summary of Technical Issues

DATE: July 25, 2012

Portland General Electric (PGE) respectfully offers the following comments on the technical issues in this docket. As in our previous comments, discussion of the issues follows each item identified in Staff's July 3 memorandum.

Label

1. Paper Label - Is there a better alternative to a paper label mode of communication?

As stated in our previous comments, due to the timing of rate changes and the availability of data from the net system power mix process, PGE would prefer to make updates to the paper label and the internet in the first quarter of the year to most efficiently capture all changes in labeling data. Comments on the numbered items are as follows.

- 1) PGE's internet labeling information is located under the menu choice for residential or business customers, which is the first view when the "Home" Web screen first appears on our Web site. Clicking either category will bring up a menu option for renewable power options. Although renewable power is not one of the first menu choices viewed, it only requires one click on the residential or business headings to see a menu choice for renewable power. As this seems straightforward, we are unclear as to what menu changes would make labeling information easier to find. PGE would like to get more specific comments about the menu setup for renewable power to use as a basis for making changes.
- 2) On an ongoing basis, PGE publishes a phone number and URL to PGE's Web site on the monthly bill. PGE assumes that customers will use the centralized URL and phone number to access information on a variety of subjects, including renewable power. Therefore, we think it is important to re-examine the need to specifically identify renewable power information on customers' bill, when that information is one of many important topics available by phone and on our Web site.
- 3) PGE updates our labeling print materials and Web site information simultaneously, therefore, it is unlikely that the two sources of information will display conflicting data and require an update that is outside of our normal schedule. We also note that due to the lag in calculating resource mix data, the history period is always for the previous year, so the information is not particularly time sensitive. An additional complication is that PGE commits a year in advance to a bill insert schedule, and a requirement to include a bill insert with short notice would be very disruptive. For the above reasons we think the percentage change trigger is unnecessary and the actual implementation could create scheduling problems for other bill inserts with important consumer information.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it?

PGE's specified and unspecified resource mix percentages have traditionally been very similar so that differentiating graphs would not typically be informative. To eliminate confusion with specified and unspecified resources, we recommend consumers be directed to the ODOE Web site as the source for the Unspecified Power Mix.

PGE's Clean Wind and Green Source statements are listed below:

Clean Wind: Actual usage billed at the Basic Service rate + an additional fixed amount per unit = electricity price

Green Source: Actual usage billed at a slightly higher rate than Basic Service for higher-cost earth-friendly power = electricity price

We are open to revising the label wording, but we think the above wording is simple, direct, and differentiates between basic service and the renewable component of a consumer's purchase. A minor edit to the Clean Wind description would be to include "for higher-cost earth-friendly power" between per unit, and, = electricity price.

As mentioned in our comments on the reconciliation report below, we have concerns with the confidentiality of program cost information and what is appropriate for publication. Further discussion on the publication of program costs should consider the confidential nature of this information.

The current bill inserts are 3 panels on a 6 3/8 x 3 1/4 inch size paper. This could be increased to a 7 x 3 1/4 inch size that is typically used for four panel inserts. If the size of the insert were increased, the layout would need to be revised and reformatted to best utilize the extra space. Using recent costs as a guide, printing larger inserts in color would increase the cost for 725,000 inserts from about \$14,000 to around \$28,000, or roughly double the price.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

PGE has no environmental impact language revisions to suggest at this time.

3.1 How should the environmental impact information on the label be conveyed and what data should it reflect? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

PGE's 2011 FERC Form 1 lists power purchases from the Western Area Power Authority and a variety of entities in California. These transactions occur outside the service areas for the participants in the NWPP and cross into the WECC control area. We are uncertain what effect a change to WECC comparison data would have. To be consistent, the Unspecified Power Mix calculation for utilities with resources located outside the NWPP should be based on WECC resource mix statistics. An Unspecified Power Mix calculation based on WECC statistics would

most likely result in a higher percentage of coal. This would tend to increase a utility's net system resource mix percentage for coal. Comparing a utility resource mix with a higher percentage of coal with WECC percentages, also with a higher coal percentage, could dampen the effect of using WECC statistics. For PGE, we estimate that using data from the WECC region would probably result in bar chart emission percentages that are closer to or even less than the WECC regional average. Using NWPP data, the percentages for most emissions have generally been greater than the regional average.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

PGE agrees that Rule revisions be considered in early August.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

PGE agrees with the OPUC Staff's proposed wording revisions. We also support the elimination of the URL reference, which will be prescribed by the Commission. Whether or not the meaning of "format" is synonymous with the "content" of the labeling information appears to need further discussion. Our preliminary recommendation is to include content along with format and frequency as one of the attributes that will be prescribed by the Commission.

6. Frequency of Communication - How often should consumers receive the Label?

This matter is addressed in issue 1 above.

Reconciliation Report

7. Report Content –

a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc.)?

The data requirements for the proposed reconciliation report template appear very similar to the current report. The proposed report has expanded reporting tables for existing, new, block and blended categories and as promised, a cost reporting section has been added. After reviewing the cost categories, we see a potential issue with the confidential nature of the categories for REC purchases, transaction fees, profits and overhead. PGE currently reports the total spent for renewable power REC purchases as Green Power in the FERC Form 1 as a Purchased Power expense, but does not provide any further breakdown of this information in any other forum. In other proceedings, PGE has classified these cost categories as confidential. We are also unsure whether our marketers will provide a cost breakdown of their confidential information to us. Further discussion should occur regarding the confidentiality of this information and what protections need to be in place going forward.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

PGE agrees that a revised due date be considered in early August.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

Staff assessment, no comment is necessary.

Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains?

As mentioned in our previous comments, the NSPM process is cost effective from the standpoint that one entity provides a centralized service that would otherwise require efforts from multiple parties to calculate the Unspecified Power Mix. At this time, we don't have a conceptual framework to analyze the costs and benefits that exist beyond the support of resource mix statistics for labeling purposes.

Regarding the different methodologies in Staff's Technical Primer, Attachment 5, we note a significant difference in the resource mix percentages for hydro and coal between the ODOE Net System Mix calculation and the OPUC and Egrid calculations. The ODOE hydro is 9% less and the coal is 6% greater. It appears that the reason for the difference is the unclaimed resource analysis used in the ODOE method. This is fundamentally different than the PUC and Egrid calculations which appear to be based on generation statistics that are not differentiated by market availability. Using the PUC and Egrid calculations instead of the ODOE method, may have a significant effect on the bar chart emissions comparisons. Careful analysis of the source of generation data used by the three methods should occur before switching to a new method.

The current investigation of issues related to the labeling process, such as how to reconcile the resource mix percentages for current year generation with the accounting of RECs to meet Renewable Portfolio Standards (RPS) in future years, is an ancillary benefit of this process. Labeling issues are addressing this topic much earlier than otherwise would be the case for RPS implementation.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

Although there has never been a specific due date for the NSPM process results, our recollection is we have typically received this information sometime in late September or early October. A last day of September due date should be sufficient for the annual revision of PGE's data.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public?

Staff assessment, no comment is necessary.

Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

Our recommendation for a productive venue to discuss guidelines for RECs and null power is a workshop format similar to what is underway in AR 555, where a cooperative discussion that explores the unique accounting issues for banking and retiring RECs can occur.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

We have not identified any inconsistent wording in the rules at this time.

AUGUST 2012 COMMENTS

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 555

In the Matter of)
)
)
Revisions To Division 038 Rule Regarding)
Portfolio Options And Labeling)
_____)

**JOINT COMMENTS OF
THE CITIZENS' UTILITY BOARD OF OREGON
AND RENEWABLE NW PROJECT**

August 29, 2012

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 555

In the Matter of)	
)	JOINT COMMENTS OF THE
)	CITIZENS' UTILITY BOARD OF
Revisions To Division 038 Rule Regarding)	OREGON AND RENEWABLE NW
Portfolio Options And Labeling)	PROJECT
)	

The Citizens' Utility Board of Oregon (CUB) and the Renewable NW Project (RNP) appreciate the opportunity to offer comments on the Staff proposed updates dated August 8, 2012. Overall, RNP and CUB support the proposed updates as being reflective of the conversation at the July 2, 2012 technical workshop. Some specific comments on particular points are offered below.

Label

1. Paper Label - Is there a better alternative to a paper label mode of communication?

RNP and CUB support the Staff proposal as a balanced approach to reducing costs but keeping customers informed. Staff requests more discussion on the trigger level of percentage change for an additional hard copy notice to customers about the mix. RNP and CUB suggest a 5 percent change in any of the labeling categories be established as the threshold for additional hard copy notification.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it?

RNP and CUB support the Staff proposal, subject to the following comments. The proposed wording in third bullet point would be acceptable. There are issues related to the hard copy label design that need to be worked through to ensure that information is presented accurately and in an easy-to-read fashion. While more information can be communicated online, it must be ensured that information being provided in hard copy is

helpful to the consumer. Because the number of hard copy label notices is being significantly reduced, there should be some costs savings available to improve the hard copy label design. We support the utilities using those cost savings to improve label design.

Additionally, further input is requested in the Staff proposal regarding cost breakdowns in the fourth bullet point. Because the POC is not quite finished with its work, this request is difficult to answer, but a general breakdown between administrative costs, marketing costs, and REC costs would seem to be both helpful to the consumer and not overly burdensome to utilities or marketers.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

- 3.1 How should the environmental impact information on the label be conveyed and what data should it reflect? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

RNP and CUB support the proposed Staff language. We are open to discussing further refinements if other parties wish to discuss them, but the bulk of this language should provide a solid framework for communicating the environmental impact of the portfolio options.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

RNP and CUB support the Staff proposal.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

RNP and CUB support the Staff proposal, although we are open to discussing further refinements offered by other parties.

6. Frequency of Communication - How often should consumers receive the Label?

RNP and CUB point to our response to Question 1.

Reconciliation Report

7. Report Content –

- a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)?
- b. Should the reconciliation report include the basic service product (the OAR implies so)?

RNP and CUB support the Staff proposal on both points.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

RNP and CUB support the Staff proposal.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

RNP and CUB support the Staff proposal.

Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains?

RNP and CUB support the Staff proposal, noting that the process is ongoing and should include a broad range of stakeholders and other state agencies, especially the Oregon Department of Energy. We also underscore RNP's original point that, while supporting renaming the Net System Power Mix (NSPM) to Unspecified Market Purchases (UMP), it is more accurate to call it the Unspecified Market Purchases **Mix** (emphasis added).

RNP and CUB support the Staff proposal.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

RNP and CUB support the Staff proposal.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public?

RNP and CUB support the Staff proposal.

I. Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

RNP and CUB support the Staff proposal, but would request more specificity in terms of a proposed process and timeline.

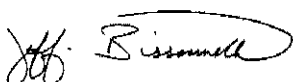
14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

RNP and CUB support the Staff proposal, although, again, are open to discussing further refinements offered by other parties.

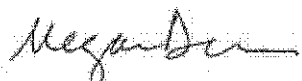
15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

RNP and CUB support the Staff proposal.

Respectfully Submitted,
August 29, 2012



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August 27, 2012

To: AR 555 Service List

From: Oregon Department of Energy

RE: Comments of the Oregon Department of Energy on Staff Proposed Updates, dated August 8, 2012, under docket AR 555

The Oregon Department of Energy (“ODOE”) appreciates the opportunity to provide comments in regards to the Portfolio Options and labeling requirement (OAR 860-0380-0300). ODOE notes that in many cases detailed comments were offered in previous rounds of this process and incorporates those responses by reference. As per prior discussion and in the proposed rule changes, the Net System Power Mix (NSPM) is now referred to as the Unspecified Market Purchases (UMP) process. We use the term “UMP” in our comments below.

1. Paper Label - Is there a better alternative to a paper label mode of communication?

The Staff proposal is acceptable. We note that ODOE is in a position to offer only annual updates to the electricity resource mix for utilities, and that the UMP process provides only annual results for both specified and unspecified power under the current process. Therefore the burden for more frequent updates for the electricity resource mix would fall on the utilities themselves (presumably using the annual UMP process results and modifying the specified power components as necessary). ODOE defers to the affected parties and other stakeholders to comment on the merits of this revision to the current process.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it?

Pie charts

The Staff proposal for construction of the pie chart is acceptable with the clarification that, in regards to depicting unspecified power in the electricity resource mix pie chart, the “appropriate slice” is the resource type which the UMP process has defined as the appropriate resource type (i.e., the coal portion of market power, the natural gas portion of market power, and so forth). Moreover, the overall percentage labeled for that resource type should be the addition of the specified and unspecified portions so that only one number represents each resource type as part of the pie chart. This is consistent with the example provided by RNP, although the labeling convention was not addressed in the staff proposal.

Cost vs. value of an improved label

ODOE believes that an improved label is important and a win- for ratepayers and utilities.

The utilities will save money overall by decreasing the frequency but increasing the quality of the label. Assuming that the rules are revised so that hard-copy labels are distributed annually, the cost of distributing the label will be reduced by 75%. PGE provided useful details about label size and costs. By PGE's numbers, costs for a single mailing would increase from \$14,000 to \$28,000 if an improved label were required. That means that currently, yearly costs for label production and distribution are \$56,000, and under our proposal (annual distribution, improved label), costs are only \$28,000. If this example is representative utilities will still save up to 50% on their current label distribution costs - so there are both cost-savings for utilities and dramatically improved customer information for ratepayers.

More importantly, the label needs improvement. ODOE notes that Staff's proposed updates memo includes a four-colored pie chart that cannot be replicated with the existing label color parameters. Parties in this proceeding have grappled with getting the words just right, but if the font size is tiny and the display unappealing, we are communicating to the public that the information is not important. We have missed the point if we produce an extremely accurate label that customers don't look at or need to scrutinize to understand. The utilities are capable of producing high-quality communication pieces. In fact, the label is usually paired with a monthly four-color bill newsletter with photos.

The printed label remains an important means of communication for a significant number of Oregonians. A substantial number of Oregonians (29%) do not use the internet at home, where they receive their power bill. (U.S. Census (2010) on internet usage in Oregon.) For these Oregonians an online label is either not reasonably available or is unlikely to be accessed, and the label is the only power mix communication that they will likely review.

For all of these reasons, we recommend an increase in the size and quality of the label for Oregon customers.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

3.1 How should the environmental impact information on the label be conveyed and what data should it reflect? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

The Staff proposal is acceptable with one clarification. The current UMP process provides information on mercury emissions only (and not other air toxics) derived from the EPA CAM database. Therefore the bar chart should reference mercury only. The focus on a single pollutant is consistent with the other bar chart elements. ODOE supports the use of the NWPP as the comparative power pool region for the bar chart emissions comparison.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

The Staff proposal is acceptable.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

In reference to our response to 3.1 above, we suggest the following modifications to Staff's proposed rules changes (see strikeout):

(6) Environmental impact must be reported for all retail electric consumers using the annual emission factors for the most recent available calendar year applied to the expected production level for each source of supply included in the electricity product. Environment impacts reported must include at least:

- (a) Carbon dioxide, measured in lbs./kWh of CO₂ emissions;*
- (b) Sulfur dioxide, measured in lbs./kWh of SO₂ emissions;*
- (c) Nitrogen oxides, measured in lbs./kWh of NO_x emissions;*
- (d) Mercury ~~and other air toxics~~, measured in lbs/kWh of emissions; and*
- (e) Spent nuclear fuel measured in mg/kWh of spent fuel.*

6. Frequency of Communication - How often should consumers receive the Label?

The Staff proposal (summarized in #1) to move to annual hard copy is acceptable.

Reconciliation Report

7. Report Content –

- a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)?**
- b. Should the reconciliation report include the basic service product (the OAR implies so)?**

The Staff proposal is acceptable.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

The Staff proposal is acceptable.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

The Staff proposal is acceptable.

Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains?

The Staff proposal is acceptable. We note that ODOE is always interested in working with the utilities and other stakeholders to improve the process and better meet the needs of those

involved, regardless of whether there is a formal process to address the issue or not. ODOE appreciates the comments and concerns that have arisen to date in AR 555 and plans to work with our regional partners to address those issues where solutions are practical and cost-effective.

ODOE supports renaming the NSPM to the UMP, but agrees with RNP that it is more accurate if UMP is expanded to the Unspecified Market Purchases Mix (UMPM) with “mix” added to the end. However, since the word will likely be appended in practice regardless we can support the existing Staff proposal either way.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

The Staff proposal is acceptable.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public?

The Staff proposal is acceptable.

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

Although Staff does not address a proper future venue, ODOE supports PGE’s proposal:

[A] productive venue to discuss guidelines for RECs and null power is a workshop format similar to what is underway in AR 555, where a cooperative discussion that explores the unique accounting issues for banking and retiring RECs can occur.

We note that RNP’s comments made the same request.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

ODOE’s comments on the rule language were noted in (5) above.

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

The Staff proposal is acceptable.

August 29, 2012

VIA E-MAIL

Public Utility Commission of Oregon
550 Capitol Street NE
Salem Oregon 97301-2551

Attn: Erik Colville, P.E., Sr. Utility Analyst

Re: AR 555 – Comments of PacifiCorp

Pursuant to (i) the informal procedural schedule agreed to by interested parties in the above-referenced docket, and (ii) Commission Staff's ("Staff") proposed updates issued August 8 2012, PacifiCorp d/b/a Pacific Power ("Pacific Power" or the "Company") respectfully submits these comments to address policies and procedures associated with various aspects of portfolio options and labeling under OAR 860-038-0220 and OAR 860-038-0300, respectively. Pacific Power has been an active participant in this proceeding and appreciates the opportunity to provide these comments.

With these comments, the Company addresses only the matters posed in Staff's proposed updates and does not restate prior comments. However, unless otherwise noted, the Company maintains its positions as stated in prior comments and reserves its right to present modified or additional comments to the Commission at a future time, as permitted.

In addition to the comments, the Company provides additional proposed redlines to OAR 860-08-0220. For sake of clarity, the Company accepted the redlines proposed by Staff; the attached redline therefore shows changes to the currently effective rule as well as the changes proposed by Staff.

A. Labels

1. Paper Label - Is there a better alternative to a paper label mode of communication?

The Company is generally supportive of Staff's proposal and finds that it is consistent with the Company's prior comments on this issue. However, the Company requests one point of clarity with respect to Staff's statement that "information on the internet would generally be updated annually during the fourth quarter." The Company requests that additional specificity be added to this requirement. Specificity is needed as to what "information on the internet" is updated annually and what does "generally be updated" mean? The Company provides redlines to the rule as a suggested way to clarify these points.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it? Note: if the format needs to be updated, we will do so in the Technical Issues phase of this docket.

The Company is supportive of the shaded pie chart approach proposed by Renewable Northwest Project (RNP). This approach adequately addresses the Company's concerns regarding separating the reporting of owned resources and specified purchases from unspecified market purchases.

As noted in its July 25, 2012 comments, the Company supports revisions to label wording and descriptions to clarify that the rate premium payment customers pay goes toward supporting renewable energy development, but does not result in supplying specific "green energy" for the customer's individual use. The Company proposes the following edits to the wording suggested by RNP:

"During calendar year 20XX, your supplier Pacific Power plans to buy renewable certificates from the following mix of eligible new renewable sources on behalf of customers participating in the company's voluntary renewable energy programs, ~~se types of power plants.~~ Actual resource mix figures may vary according to resource availability. The actual resource mix of the renewable energy you supported will be reported to you annually. For every unit of renewable electricity generated, an equivalent amount of renewable certificates is produced. The purchase of renewable certificates supports renewable electricity generation, which helps offset conventional electricity generation in the region."

With respect to the summary program cost breakdown on the label, the Company reiterates its concern that providing this information on a label in a meaningful way will be challenging. Therefore, to the extent possible, the Company suggests ensuring that the internet label is as simple and easy to understand as possible. To that end, the Company proposes to utilize its current practice of reporting renewable energy credits, marketing, and administrative costs. A link is provided here to Pacific Power's web page showing these cost categories: <http://www.pacificpower.net/env/bsre/faq.html>. The Company also asks for further clarification as to Staff's meaning when it indicates that the breakdown and format will be "different and unrelated" while the total costs summarized on the internet label will match those costs recommended by the portfolio options committee (POC) and adopted by the Commission.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

The Company reiterates its request that the environmental impact message be eliminated from the label requirement as it does not provide meaningful information to customers. Notwithstanding the foregoing, the Company does not specifically object to the environmental label language as proposed by Staff.

- 3.1 How should the environmental impact information on the label be conveyed and what data should it reflect? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

The Company continues to argue that, for Pacific Power customers, the WECC average is a more accurate comparison. In its proposal Staff disagrees on the basis that if one compares the “error” between the footprint of the NWPP and the PacifiCorp footprint and the “error” between the footprint of the WECC and the PacifiCorp footprint, there is a much greater mismatch with the WECC. Staff further asserts that the market power serving Oregon customers is more likely to come from the NWPP than from the WECC given transmission constraints and wheeling costs. Each of these arguments is beside the point. The purpose of the reporting requirement, as the Company understands it, is to inform customers regarding the resources that they pay for and are served by. The only resources included in the fuel mix report for Oregon are those resources included in the rates of Oregon customers. Therefore, the relevant question is what mix is a more accurate comparator with respect to the resources that Oregon customers *pay for* and *not* the size of the footprint of the resources as compared to the WECC or their physical proximity to Oregon. Transmission costs and wheeling constraints are simply irrelevant because they concern how energy moves from a single generator to load rather than an overall system mix included in customer rates. Viewed in this light, the resource mix included in Oregon customers’ rates, which includes resources located and purchases made throughout the WECC, is more accurately compared to the WECC system mix.

Further, Staff’s proposal apparently excludes from consideration a “handful of outlier facilities.” The Company asserts that it is of paramount importance to first consider all of the facilities that are included in Pacific Power’s Oregon customers’ rates (which presumably include the “handful of outlier facilities”) and then determine the most accurate resource mix by which the Company’s mix may be compared. The Company further disagrees that its plants located in eastern Wyoming could be considered “outlier” facilities when many of those plants contribute significantly to the Company’s system reliability and load service obligations.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

The Company has no further comment on this matter at this time.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

In its proposal, Staff states that its intent is to prescribe essential requirements in the rule wording and use Commission orders for non-essential matters. The Company disagrees that Commission orders are necessarily an efficient process for resolving non-essential matters. In fact, the Company would argue that non-essential matters are more easily dealt with in the context of a rulemaking docket such as this while essential and potentially controversial matters may be resolved by Commission order. Be that as it may, the Company suggests the attached prescriptive edits to the rule wording revisions circulated by Staff.

6. Frequency of Communication - How often should consumers receive the Label?

See PacifiCorp response to A.1.

B. Reconciliation Report

7. Report Content –
 - a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.

As noted previously, the Company is not opposed to providing cost breakdown information as part of the reconciliation report. However, there are further technical details that must be resolved with respect to the costs included in the reconciliation report as well as the timing of the reporting and vintage of the data included. The Company proposes resolving these issues in the technical phase of the docket.

- b. Should the reconciliation report include the basic service product (the OAR implies so)? Note: if the report format needs to be updated, we will do so in the Technical Issues phase of this docket.

As noted in prior comments, Pacific Power does not oppose presenting the basic service product on the reconciliation report, similar to the format utilized for portfolio options.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

The Company does not object to the September 1 due date proposed by Staff.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

Pacific Power is not opposed to having the reconciliation report continue to be a part of the rule.

C. Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains? In this phase of the docket we will address the goal, use and accuracy requirements of the NSPM. Note: if the process steps need to be changed, we will do so in the Technical Issues phase of this docket.

The Company continues to question the ongoing value of the NSPM process for the reasons described in its May 30, 2012 and July 25, 2012 comments. The Company anticipates addressing the specifics of the NSPM process in the technical issue phase of this docket. The Company is not opposed to renaming the NSPM as unspecified market purchases. However,

further rule changes are needed to reflect this change, which are proposed in the attached redline of the rule.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

Yes, assuming the NSPM process is determined to provide value on a going forward basis. The Company does not object to the September 1 due date proposed by Staff.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

The Company has no further comment on this at this time.

D. Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

For the reasons fully described in its May 30, 2012 and July 25, 2012 comments, the Company strongly supports Staff's proposal to remove this issue from this docket scope.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

The Company has no opinion on this issue at this time.

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

The Company has no comment on this matter at this time.

Based on the foregoing, the Company respectfully requests that the Commission carefully consider these comments. Pacific Power looks forward to continuing to work with interested stakeholders in this proceeding.

Sincerely,

/s/

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Attachment 1 - Staff Rule Revisions

860-038-0005

Definitions for Direct Access Regulation

As used in this Division:

(7237) "~~Unspecified Market Purchases~~ Net system power mix" means the mix of all power generation within the state or other region less all specific purchases from generation facilities in the state or region, as determined by the Oregon Department of Energy.

860-038-0300

Electric Company and Electricity Service Suppliers Labeling Requirements

- (1) The purpose of this rule is to establish requirements for electric companies and electricity service suppliers to provide price, power source, and environmental impact information necessary for consumers to exercise informed choice.
- (2) For each service or product it offers, an electric company must provide price, power source, and environmental impact information to all residential consumers ~~at least quarterly~~. The information must be based on the available service options. The information must be supplied using a format ~~and frequency~~ prescribed by the Commission. The information must be updated on an annual basis no later than DATE of each calendar year. ~~An electric company must also include on every bill a URL address, if available, for a world wide web site where this information is displayed.~~ The electric company must report price information for each service or product for residential consumers as the average monthly bill and price per kilowatt-hour for monthly usage levels of 250, 500, 1,000 and 2,000 kilowatt-hours, for the available service options.
- (3) An electric company and an electricity service supplier must provide price, power source and environmental impact information ~~on or with bills~~ to nonresidential consumers using a format ~~and frequency~~ prescribed by the Commission. The information must be updated and provided on an annual basis no later than DATE of each calendar year. ~~The electric company or electricity service supplier must provide a URL address, if available, for a world wide web site that displays the power source and environmental impact information for the products sold to consumers.~~ An electric company and an electricity service supplier must report price information for nonresidential consumers ~~on each bill~~ as follows:
 - (a) The price and amount due for each service or product that a nonresidential consumer is purchasing for the following/prior calendar year;
 - (b) The rates and amount of state and local taxes or fees, if any, imposed on the nonresidential consumer for the following/prior calendar year;
 - (c) The amount of any public purpose charge [add detail?]; and
 - (d) The amount of any transition charge or credit [add detail?].

Attachment 1 - Staff Rule Revisions

(4) For power supplied through its own generating resources, the electric company must report power source and environmental impact information based on the company's own generating resources, ~~not the unspecified market purchases net system power mix~~. An electric company's own resources include company-owned resources and wholesale purchases from specific generating units, less wholesale sales from specific generating units. The company's own resources do not include unspecified market purchases. An electric company's own resources do not include the non-energy attributes associated with purchases under the provisions of a net metering tariff or other power production tariff unless the electric company has separately contracted for the purchase of the Tradable Renewable Certificates. For net market purchases, the electric company must report power source and environmental impact information based on ~~the~~ the amount of unspecified market purchases net system power mix. The electric company must report power source and environmental impact information for standard offer sales based on the amount of unspecified market purchases net system power mix.

(5) For purposes of power source and environmental impact reporting, an electric company and an ESS should use the most recent current resources used for unspecified market purchases net system power mix for the current calendar year unless the electric company or ESS is able to demonstrate a different power source mix and environmental impact. ~~An ESS~~ demonstration of a different mix must be based on projections of the mix to be supplied during the current calendar year. Power source must be reported as the percentages of the total product supply including the following:

(a) Coal;

(b) Hydroelectricity;

(c) Natural gas;

(d) Nuclear; and

(e) Other power sources ~~fuels~~ including but not limited to new renewable resources, if over 1.5 percent of the total power source ~~fuel~~ mix.

(6) Environmental impact must be reported for all retail electric consumers using the annual emission factors for the most recent available calendar year applied to the expected production level for each source of supply included in the electricity product. Environment impacts reported must include at least:

(a) Carbon dioxide, measured in lbs./kWh of CO₂ emissions;

(b) Sulfur dioxide, measured in lbs./kWh of SO₂ emissions;

(c) Nitrogen oxides, measured in lbs./kWh of NO_x emissions;

(d) Mercury and other air toxics, measured in lbs/kWh of emissions; and

(e) Spent nuclear fuel measured in mg/kWh of spent fuel.

Attachment 1 - Staff Rule Revisions

- (7) Every bill to a direct access consumer must contain the ESS's and the electric company's toll-free number for inquiries and instructions as to those services and safety issues for which the consumer should directly contact the electric company.
- (8) The ESS must provide price, power source, and environmental impact in all contracts and marketing information.
- (9) The electric company must provide price, power source, and environmental impact in all standard offer marketing information.
- (10) By ~~September 1~~ June 1 for the prior calendar year, each electric company, and each ESS making any claim other than ~~unspecified market purchases~~ net system power mix, must file a reconciliation report on forms prescribed by the Commission. The report must provide a comparison of the power source ~~fuel~~ mix and emissions of all of the seller's certificates, purchase or generation with the claimed power source ~~fuel~~ mix and emissions of all of the seller's products and sales.
- (11) Each ESS and electric company owning or operating generation facilities shall keep and report such operating data about its generation of electricity as may be specified by order of the Commission.

MEMORANDUM

TO: AR 555 Service List
FROM: Portland General Electric Company
SUBJECT: AR 555 – PGE Comments on Staff's Proposed Updates
DATE: August 29, 2012

In response to the OPUC Staff's August 8 memo, Portland General Electric (PGE) offers the following comments on Staff's Proposed Updates in this proceeding.

This round of comments focuses in part on prescriptive wording changes to the labeling bill inserts. After this proceeding concludes and the rules change, we would like to address what process is necessary to make minor changes to the prescribed wording, as the need occurs. In the past, PGE has sought approval of minor changes from the OPUC staff by informing them of any proposed changes and requesting comments and approval. This process has yet to be discussed in AR 555. To provide more certainty in the future for people who are tasked with this responsibility, we would like to discuss how to maintain this understanding and the process for making minor revisions to the labeling bill inserts.

As in our previous comments, discussion of the issues follows each item identified in Staff's August 8 memorandum.

Label

1. Paper Label - Is there a better alternative to a paper label mode of communication?

PGE response: PGE addressed these issues in our July 25 comments. It appears that further discussion on the OPUC Staff's initial proposal would generate modifications that would benefit all parties. For reference, our July 25th comments are as follows:

As stated in our previous comments, due to the timing of rate changes and the availability of data from the net system power mix process, PGE would prefer to make updates to the paper label and the internet in the first quarter of the year to most efficiently capture all changes in labeling data. Comments on the numbered items are as follows.

- 1) PGE's internet labeling information is located under the menu choice for residential or business customers, which is the first view when the "Home" Web screen first appears on our Web site. Clicking either category will bring up a menu option for renewable power options. Although renewable power is not one of the first menu choices viewed, it only requires one click on the residential or business headings to see a menu choice for renewable power. As this seems straightforward, we are unclear as to what menu changes would make labeling information easier to find. PGE would like to get more specific comments about the menu setup for renewable power to use as a basis for making changes.*

- 2) *On an ongoing basis, PGE publishes a phone number and URL to PGE's Web site on the monthly bill. PGE assumes that customers will use the centralized URL and phone number to access information on a variety of subjects, including renewable power on customers' bill. Therefore, we think it is important to re-examine the need to specifically identify renewable power information, when that information is one of many important topics available by phone and on our Web site.*
- 3) *PGE updates our labeling print materials and Web site information simultaneously, therefore, it is unlikely that the two sources of information will display conflicting data and require an update that is outside of our normal schedule. We also note that due to the lag in calculating resource mix data, the history period is always for the previous year, so the information is not particularly time sensitive. An additional complication is that PGE commits a year in advance to a bill insert schedule, and a requirement to include a bill insert with short notice would be very disruptive. For the above reasons we think the percentage change trigger is unnecessary and the actual implementation could create scheduling problems for other bill inserts with other important consumer information.*

As further clarification to our July 25 comments, we do not support an update requirement for either the printed or online labeling material outside of the normal annual update of the applicable information.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it?

PGE response: PGE agrees with maintaining the existing label format prescribed in the 2001 template for the bill inserts and as a general format guide for labeling information on our Web site. The information on our Web site currently uses the bill insert formats, but provides considerably more detail because there are no limitations on the space available for footnotes and additional information. The proposal for depicting shaded areas for the unspecified power is possible for Web site chart presentation; however, it will be difficult to make the change legible and comprehensible on the bill insert charts. We also note that to a consumer seeing this information for the first time, the concept of specified and unspecified power may be confusing.

Regarding the revised prescribed label wording, we see a marginal benefit to renaming "Supply Mix" to "Power Source (Mix)". Space considerations also influence what can be used for titles and definitions and we note that the proposed title is slightly longer. Fitting messages into the appropriate spaces can be challenging for the bill insert designer.

We are concerned about the proposed Supply Mix language change. The specific wording suggested by RNP is a good description of what occurs for the renewable power rate products, but doesn't apply to the basic service and time of use products. The way the current label is structured the "Supply Mix" description applies to each of the plan options, including the basic service and time of use products. The proposed language would create confusion because it does not apply to all the listed plans. RNP's proposed statement appears to better serve as a footnote to the renewable power products, rather than as a description of the Supply Mix charts. We

recommend setting aside time at a future workshop to discuss bill insert changes with our Communications staff, with the objective to design and craft a product that adequately addresses definitional changes and bill insert design considerations.

We also wish to reiterate our concerns about the confidentiality of the cost categories breakdowns and hesitate to propose specific categories before this proposal is reviewed by the POC. The POC has considered program costs in the past and has an institutional history of determining what marketing costs are appropriate. On this issue we prefer to wait for the POC's recommendations on publishing program costs and reserve the right to provide comments on their proposal at that time.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

PGE response: The proposed environmental impact language change suggested by RNP appears to be appropriate for both the paper label and the internet label and we agree with referring consumers to the EPA. However, one objective for continuing to mail the bill insert is to inform people without access to the internet. We are also unsure whether the change is proposed for the environmental impact graphs, or the environmental impact statement on the side of the insert opposite the graphs. We would propose to keep the existing definitions and layout, but add the statement directing consumers to the EPA Web site for more information. This is another proposal where a workshop on bill insert design would facilitate incorporating wording changes into the labeling bill insert.

3.1. How should the environmental impact information on the label be conveyed and what data should it reflect? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

PGE response: When considered on a national scale, Staff's proposal to retain the environmental impact bar charts and maintain the emissions comparison with the NWPP resource mix is a uniquely regional perspective. We note that due to the amount of hydro resources in the NWPP, the region has very favorable emissions characteristics in comparison to the WECC and other regions of the United States. It seems appropriate that more discussion should occur about whether this regional comparison adequately informs consumers about the carbon intensity of electric generation in the Northwest, as it compares to the rest of the U.S.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

PGE response: See the attached file, 860-038-0005 PGE Redline 8-29-12. In sections (7) through (11), we propose using "energy service supplier" instead of "ESS" for consistency throughout the rule.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

PGE response: See the attached file, 860-038-0005 PGE Redline 8-29-12. To maintain design and creative flexibility, we propose to change “using a format” to “consistent with the requirements” in sections (2) and (3). We believe that the parties should develop requirements for the labeling information, but to the extent possible, the utilities' communications staff should be responsible for the graphic design of the bill insert in a manner consistent with those requirements. We think it is appropriate to give the designer some latitude, rather than requiring staff and other parties in this docket to specify the precise formatting details of the labeling bill insert.

We do not oppose a public process leading up to Commission orders that change the requirements or frequency of distribution applicable to label information. We believe the process should be informal and should not require that the Commission hold a formal hearing before issuing such an order.

6. Frequency of Communication - How often should consumers receive the Label?

This matter is addressed in issue 1 above.

Reconciliation Report

7. Report Content –

- a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc.)?**

PGE response: Including copies of the labels and the basic service in the reconciliation report is a minor expansion of the report. Again, we would like to reserve the right to make additional comments on including a program cost breakdown until after the POC makes their recommendation on the confidentiality of this information and what is appropriate to communicate to consumers.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

PGE response: We are in agreement with Staff’s proposal to change the report due date from June 1 to September 1.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

PGE response: We have no further comments on this proposal.

Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains?

PGE response: We have no objections to changing the rule wording to Unspecified Market Purchases (UMP).

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

PGE response: A September 1 due date for the UMP schedule would meet PGE's timeline for Unspecified Power Mix data.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public?

PGE response: We agree with Staff's assessment on this issue.

Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

PGE response: We agree that the issues associated with REC and Null Power are beyond the scope of this proceeding.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

We have not identified any inconsistent wording in the rules at this time.

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

PGE response: We agree with the ODOE recommendation to move the renewable energy information from Electric Restructuring to Renewable Energy on the OPUC Web site.

860-038-0005

Definitions for Direct Access Regulation

As used in this Division:

(72) "Unspecified Market Purchases" means the mix of all power generation within the state or other region less all specific purchases from generation facilities in the state or region, as determined by the Oregon Department of Energy.

860-038-0300

Electric Company and Electricity Service Suppliers Labeling Requirements

(1) The purpose of this rule is to establish requirements for electric companies and electricity service suppliers to provide price, power source, and environmental impact information necessary for consumers to exercise informed choice.

(2) For each service or product it offers, an electric company must provide price, power source, and environmental impact information to all residential consumers. The information must be based on the available service options. The information must be supplied consistent with using a format and frequency prescribed by the Commission. The electric company must report price information for each service or product for residential consumers as the average monthly bill and price per kilowatt-hour for monthly usage levels of 250, 500, 1,000 and 2,000 kilowatt-hours, for the available service options.

(3) An electric company and an electricity service supplier must provide price, power source and environmental impact information to nonresidential consumers consistent with the requirements using a format and frequency prescribed by the Commission. An electric company and an electricity service supplier must report price information for nonresidential consumers as follows:

(a) The price and amount due for each service or product that a nonresidential consumer is purchasing;

(b) The rates and amount of state and local taxes or fees, if any, imposed on the nonresidential consumer;

(c) The amount of any public purpose charge; and

(d) The amount of any transition charge or credit.

(4) For power supplied through its own generating resources, the electric company must report power source and environmental impact information based on the company's own generating resources, not the unspecified market purchases. An electric company's own resources include company-owned resources and wholesale purchases from specific generating units, less wholesale sales from specific generating units. An electric company's own resources do not include the non-energy attributes associated with

Attachment 860-038-0005 – PGE Staff Rule Revisions

purchases under the provisions of a net metering tariff or other power production tariff unless the electric company has separately contracted for the purchase of the Tradable Renewable Certificates. For net market purchases, the electric company must report power source and environmental impact information based on the unspecified market purchases. The electric company must report power source and environmental impact information for standard offer sales based on the unspecified market purchases.

(5) For purposes of power source and environmental impact reporting, an electric company and an electricity service supplier ESS should use the most recent unspecified market purchases unless the electric company or electricity service supplier ESS is able to demonstrate a different power source mix and environmental impact. A demonstration of a different mix must be based on projections of the mix to be supplied during the current calendar year. Power source must be reported as the percentages of the total product supply including the following:

- (a) Coal;
- (b) Hydroelectricity;
- (c) Natural gas;
- (d) Nuclear; and
- (e) Other power sources including but not limited to new renewable resources, if over 1.5 percent of the total power source mix.

(6) Environmental impact must be reported for all retail electric consumers using the annual emission factors for the most recent available calendar year applied to the expected production level for each source of supply included in the electricity product. Environment impacts reported must include at least:

- (a) Carbon dioxide, measured in lbs./kWh of CO₂ emissions;
- (b) Sulfur dioxide, measured in lbs./kWh of SO₂ emissions;
- (c) Nitrogen oxides, measured in lbs./kWh of NO_x emissions;
- (d) Mercury and other air toxics, measured in lbs/kWh of emissions; and
- (e) Spent nuclear fuel measured in mg/kWh of spent fuel.

(7) Every bill to a direct access consumer must contain the electricity service supplier ESS's and the electric company's toll-free number for inquiries and instructions as to those services and safety issues for which the consumer should directly contact the electric company.

Attachment 860-038-0005 – PGE Staff Rule Revisions

- | (8) The electricity service supplier ~~ESS~~ must provide price, power source, and environmental impact in all contracts and marketing information.

- (9) The electric company must provide price, power source, and environmental impact in all standard offer marketing information.

- | (10) By September 1 for the prior calendar year, each electric company, and each electricity service supplier ~~ESS~~ making any claim other than unspecified market purchases, must file a reconciliation report on forms prescribed by the Commission. The report must provide a comparison of the power source mix and emissions of all of the seller's certificates, purchase or generation with the claimed power source mix and emissions of all of the seller's products and sales.

- | (11) Each electricity service supplier ~~ESS~~ and electric company owning or operating generation facilities shall keep and report such operating data about its generation of electricity as may be specified by order of the Commission.

SEPTEMBER 26, 2012

WORKSHOP

MATERIALS

From: COLVILLE Erik
To: "dockets@oregoncub.org"; "oregondockets@pacificorp.com"; ANDRUS Brittany; ANDRUS Stephanie; "megan@rnp.org"; DRUMHELLER Bill; "ryan.flynn@pacificorp.com"; "renee.m.france@doj.state.or.us"; "jennifer.gross@nwnatural.com"; "scott.havis@greenmountain.com"; "jason.heuser@eweb.org"; "thor.hinckley@pgn.com"; JOHNSON Juliet; "rj.johnson@nexteraenergy.com"; "aaron.lively@pacificorp.com"; "brendan.mccarthy@pgn.com"; "catriona@oregoncub.org"; "jmcgowan@3degreesinc.com"; "amortlock@3degreesinc.com"; ONEIL Rebecca; "pge.opuc.filings@pgn.com"; "rhonda.rasmussen@pacificorp.com"; SATYAL Vijay A; "sommer@oregoncub.org"; "pge.opuc.filings@pgn.com"; "david.tooze@portlandoregon.gov"; "bruce.werner@pgn.com"; "david.white@pgn.com"; "debi.winney@pacificorp.com"
Subject: AR 555 Portfolio Options Updates Workshop
Date: Thursday, September 13, 2012 9:09:55 AM

Our final AR 555 workshop is scheduled for Sept 26 from 1:30 till 3:30 in the main hearing room at the PUC. The primary purpose of the workshop is to finalize what rule changes will proceed into the rule making phase of this docket. Based on the comments received in response to the Staff Updates memo, there will also be a need to discuss several other matters.

I would like to discourage attendance by phone but for those who cannot attend in person the phone bridge call in number is 855-463-3863 pass code 6782#.

Thank you for your participation.

Erik Colville, P.E. | Sr. Utility Analyst | Oregon Public Utility Commission
550 Capitol St. NE, Ste 215 | Salem, OR 97308-2148 | 📞: 503-378-6360 | 7: 503-373-7752 | ✉: erik.colville@state.or.us

From: COLVILLE Erik
To: "dockets@oregoncub.org"; "oregondockets@pacificcorp.com"; ANDRUS Brittany; ANDRUS Stephanie; "megan@rnp.org"; DRUMHELLER Bill; "ryan.flynn@pacificcorp.com"; "jennifer.gross@nwnatural.com"; "scott.havis@greenmountain.com"; "jason.heuser@eweb.org"; "thor.hinckley@pgn.com"; JOHNSON Juliet; "ri.johnson@nexteraenergy.com"; "aaron.lively@pacificcorp.com"; "brendan.mccarthy@pgn.com"; "catriona@oregoncub.org"; "imgowan@3degreesinc.com"; "amortlock@3degreesinc.com"; ONEIL Rebecca; "pge.opuc.filings@pgn.com"; "janet.prewitt@doj.state.or.us"; "rhonda.rasmussen@pacificcorp.com"; SATYAL Vijay A; "sommer@oregoncub.org"; "pge.opuc.filings@pgn.com"; "david.tooze@portlandoregon.gov"; "bruce.werner@pgn.com"; "david.white@pgn.com"; "debi.winney@pacificcorp.com"
Subject: AR 555 Portfolio Options Staff Proposed Update Memo
Date: Wednesday, August 08, 2012 3:05:54 PM
Attachments: [Attachment 1 Staff Rule Revisions.docx](#)
[Attachment 2 - Reconciliation Report Template - revised.xlsx](#)
[Staff Proposed Updates.docx](#)

Attached for your consideration is a memo reflecting Staff's proposed updates to the portfolio options and labeling program/process. This memo is intended to stimulate your comments that are due August 29 and your preparation for the Updates Workshop scheduled for September 26. The time and location for that workshop will be communicated as we approach that date.

Thank you for your participation in this update process.

Erik Colville, P.E. | Sr. Utility Analyst | Oregon Public Utility Commission

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**PUBLIC UTILITY COMMISSION OF OREGON
MEMORANDUM**

DATE: August 8, 2012
TO: AR 555 Service List
FROM: Erik Colville, Senior Utility Analyst
SUBJECT: AR 555 Update – Staff Proposed Updates

Although AR 555 is ultimately a rulemaking, the primary purpose of the docket is to explore all aspects of portfolio options and labeling to bring the program/process up to date. To carry out this purpose workshops to discuss: scoping for the docket was held February 15, 2012; policy/procedures issues was held May 2, 2012; and technical issues was held July 2, 2012. Workshop summaries were prepared by Staff and distributed to the service list on April 4, 2012, May 9, 2012, and July 3, 2012, respectively. Comments in response to the Staff summaries were offered by Citizens' Utility Board of Oregon (CUB), Renewable Northwest Project (RNP), Portland General Electric (PGE), PacifiCorp, and Oregon Department of Energy (ODOE) on May 30, 2012 and July 25, 2012.

The following update issues were identified by workshop participants. Following each update issue is Staff's proposed implementation of the update based on workshop discussions and comments received. Staff's proposed implementation is the result of considering the input received during workshops and in written comments.

Comments in response to Staff's proposed updates are scheduled to be received August 29, 2012. A workshop to finalize implementation of the updates is scheduled for September 26, 2012. The time and location of the workshop will be announced later.

Portfolio Options (OAR 860-038-0220)

None at this time

Labeling (OAR 860-038-0300)

Label

1. Paper Label - Is there a better alternative to a paper label mode of communication?

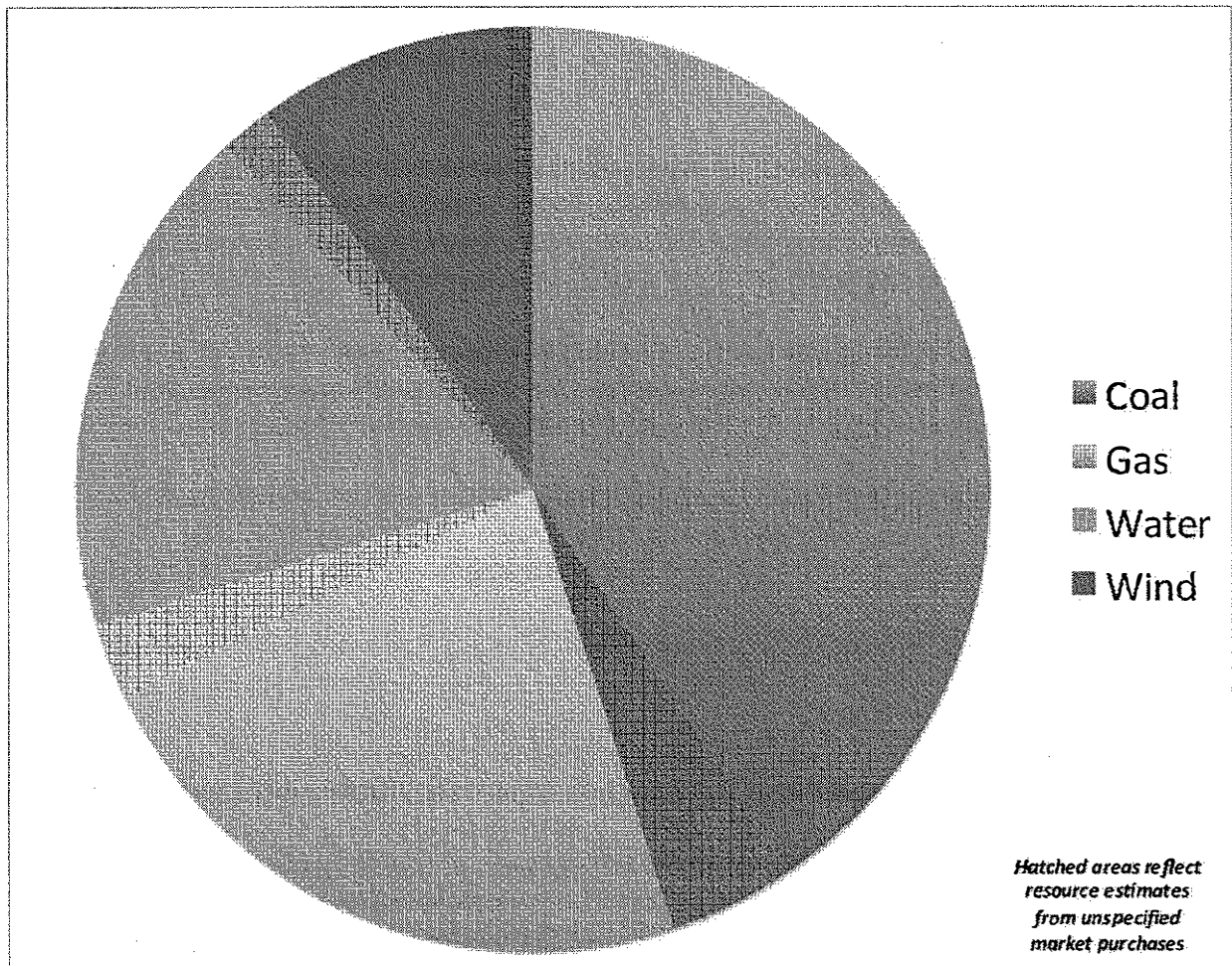
Staff Proposal: Use the internet as the primary source for label information along with a monthly notation on/with the bill with the direct internet address (URL) and the phone number for requesting a hard copy of the label. The information on the internet would generally be updated annually during the fourth quarter. The general distribution of a hard copy label as a bill insert would be annual. This approach is conditioned on the following: 1) the label information be very easy to find on the internet (it is not today), preferably by communicating a direct URL to find the information; 2) there is continual publishing of a phone number where consumers can call to request a hard copy of the labeling information and those requests are met at any time; and 3) if there is a change in the label information that requires a change in the labeling material (eg a one

or two percentage point change in resource mix), that information be made available in hard copy label form with the next billing, even if the annual publication is still some months away. Comments on the percentage change trigger and hard copy mailing deadline are requested.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it?

Staff Proposal:

- The existing label (prescribed in the 2001 PUC template) information format will remain essentially unchanged and used for both the internet label and annual paper label. The internet label “home page” will follow the prescribed format but may direct customers to information elsewhere in other formats.
- Unspecified power will not be depicted separately but may be identified by shading the appropriate slice in the pie chart. Refer to the following example provided by RNP.



- The prescribed label wording will be revised to rename “Supply Mix” to “Power Source (Mix)” and revised wording will replace that required by the 2001 PUC template. The revised wording below, suggested by RNP, is a good starting point.

Specific wording comments are requested in the August 29 party comments for finalization at the September 26 workshop.

“During the calendar year 20XX, your supplier plans to buy renewable certificates from these types of power plants. For every unit of renewable electricity generated, an equivalent amount of renewable certificates is produced. The purchase of renewable certificates supports renewable electricity generation, which helps offset conventional electricity generation in the region.”

- A summary program cost breakdown will be included on the internet label site but not on the annual paper label. Identification of specific cost breakdown categories, identifying the included subcategories and considering information confidentiality, are requested in the August 29 party comments for finalization at the September 26 workshop. In total the costs summarized on the internet label will match those costs being recommended by the POC and adopted by the PUC (the PUC has asked the POC to make a recommendation in this regard), but the breakdown and format will be different and unrelated.
 - The size and/or quality of the label will be unchanged. The label is a regulatory requirement with the express purpose of providing price, power source, and environmental impact information necessary for consumers to exercise informed choice (OAR 860-038-0300). Company comments identify additional costs associated with expanding the label’s size and/or quality. Without a regulatory information communication benefit, additional cost is not justified.
3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

Staff Proposal: Replace the “Information on Environmental Impacts” wording required in the 2001 PUC template with the following (suggested by RNP):

- For the paper label -

“The environmental impact graphs compare the environmental performance of this electricity product with the average profile for electricity generation in the Northwest, with respect to emission of key air pollutants (SO₂, NO_x), toxins (mercury), and greenhouse gases (CO₂) associated with conventional energy generation. More information about the public health and environmental costs of those emissions can be obtained from the U.S. Environmental Protection Agency at <http://www.epa.gov/cleanenergy/energy---and---you/affect/index.html>, www.epa.gov/air/airpollutants.html and www.epa.gov/climatechange/, or by calling the Oregon Department of Environmental Quality at (503) 229---5696.”
- For the internet label -

“The environmental impact graphs compare the environmental performance of this electricity product with the average profile for electricity generation in the

Northwest, with respect to emission of key air pollutants (SO₂, NO_x), toxins (mercury), and greenhouse gases (CO₂) associated with conventional energy generation. More information about the public health and environmental costs of those emissions can be obtained from the U.S. Environmental Protection Agency at <http://www.epa.gov/cleanenergy/energy---and---you/affect/index.html>, www.epa.gov/air/airpollutants.html and www.epa.gov/climatechange/, or from the Oregon Department of Environmental Quality at <http://www.deq.state.or.us/aq/toxics/faq.htm>, www.deq.state.or.us/aq/climate/index.htm, or (503) 229---5696.

3.1 How should the environmental impact information on the label be conveyed and what data should it reflect? Note: Specifics of the communication method will be handled in the Technical Issues phase of this docket.

Staff Proposal:

- Retain the currently prescribed environmental impact bar charts on the internet and annual paper label, with the addition of a mercury bar chart. The current Net System Power Mix process calculates “Mercury and other air toxics” thereby facilitating the addition of that bar chart to the assortment of other bar charts.
- The bar chart emissions comparison will be to the Northwest Power Pool (NWPP). As commented by ODOE, all of PacifiCorp’s service territory is captured in the NWPP and virtually all of their generation facilities as well. If one considers the “error” between the footprint of the NWPP and the PacifiCorp footprint (with only a handful of outlier facilities), as opposed to the massive footprint of the WECC relative to the PacifiCorp footprint there is a much greater mismatch with the WECC. In addition, from an Oregon perspective, the market power serving Oregon customers is more likely to come from the NWPP than from the WECC given transmission constraints and wheeling costs.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

Staff Proposal: The Rule requirement for use of the current NSPM will be extended beyond electricity service suppliers to the electric companies. Proposed revised Rule wording is attached.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

Staff Proposal: Attachment 1 presents Staff’s proposed Rule wording revisions. Staff wishes to clarify that the reasoning behind making the Rule wording less prescriptive is to avoid Rule revisions when changes to non-essential matters are needed (eg label format and delivery process, reconciliation report format, NSPM calculation process, environmental impact comparator, miscellaneous procedures, etc). Recognizing the need for regulatory certainty, Staff’s preferred approach is to prescribe essential requirements in Rule wording (eg due dates, label or report content, NSPM definition, roles and responsibilities, etc) and use Commission orders for non-essential matters. Staff suggests that regulatory certainty can also be improved through Rule wording that requires a public process leading up to Commission orders covering

non-essential matters. Docket parties are requested to provide suggested prescriptive Rule wording revisions in the August 29 party comments for finalization at the September 26 workshop.

6. Frequency of Communication - How often should consumers receive the Label?

Staff Proposal: This matter is addressed in update issue 1 above.

Reconciliation Report

7. Report Content –

- a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)?

Staff Proposal:

- The reconciliation report will include program cost breakdown so that the PUC may readily confirm actual costs compared to those communicated to consumers on the label. The cost breakdown will reflect what is recommended by the POC and adopted by the PUC (the PUC has asked the POC to make a recommendation in this regard).
 - The reconciliation report submittal to the PUC will include copies of the labels made available during the compliance year for that compliance year.
 - Attachment 2 presents Staff’s proposed reconciliation report format to replace the 2003 PUC reconciliation report template. The “Costs” tab is a placeholder and will be updated to reflect what is recommended by the POC and adopted by the PUC (the PUC has asked the POC to make a recommendation in this regard).
- b. Should the reconciliation report include the basic service product (the OAR implies so)?

Staff Proposal: The basic service product will be included in the reconciliation report, along with and in the same format as the portfolio options.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

Staff Proposal: The reconciliation report due date will be September 1 rather than June 1. Proposed revised Rule wording is attached.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

Staff Proposal: The reconciliation report will remain in the Rule.

Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains?

Staff Proposal: The current NSPM process steps and detail will remain unchanged. The benefits identified in party comments far outweigh the costs so the current steps and detail are clearly justified.

The NSPM will be renamed Unspecified Market Purchases (UMP). Proposed revised Rule wording is attached.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

Staff Proposal: September 1 is the due date for the results of the UMP process. The September 1 due date is coupled with a May 15 target date for utilities involved in the process to provide the necessary data. These dates will not be included in the Rule thus reflecting that there are parties involved in the UMP process who are not bound by OAR requirements.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public?

Staff Proposal: The UMP result will continue to be communicated in writing (email or other method) to only those with a need for, and an understanding of, the information.

Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

Staff Proposal: This update issue will be removed from this docket scope because it is larger than the purpose of the docket to bring the portfolio options and labeling program/process up to date.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

Staff Proposal: Docket parties are requested to provide suggested Rule wording consistency revisions in the August 29 party comments for finalization at the September 26 workshop.

15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

Staff Proposal: The contents of Electric Restructuring will be moved to Renewable Energy in the State of Oregon. Staff appreciates and will take under advisement the additions suggested by ODOE.

Attachment 1 - Staff Rule Revisions

860-038-0005

Definitions for Direct Access Regulation

As used in this Division:

(7237) "~~Unspecified Market Purchases~~ Net system power mix" means the mix of all power generation within the state or other region less all specific purchases from generation facilities in the state or region, as determined by the Oregon Department of Energy.

Comment [e1]: DOI is responsible for considering this wording.

860-038-0300

Electric Company and Electricity Service Suppliers Labeling Requirements

(1) The purpose of this rule is to establish requirements for electric companies and electricity service suppliers to provide price, power source, and environmental impact information necessary for consumers to exercise informed choice.

(2) For each service or product it offers, an electric company must provide price, power source, and environmental impact information to all residential consumers ~~at least quarterly~~. The information must be based on the available service options. The information must be supplied using a format and frequency prescribed by the Commission. ~~An electric company must also include on every bill a URL address, if available, for a world wide web site where this information is displayed.~~ The electric company must report price information for each service or product for residential consumers as the average monthly bill and price per kilowatt-hour for monthly usage levels of 250, 500, 1,000 and 2,000 kilowatt-hours, for the available service options.

(3) An electric company and an electricity service supplier must provide price, power source and environmental impact information ~~on or with bills~~ to nonresidential consumers using a format and frequency prescribed by the Commission. ~~The electric company or electricity service supplier must provide a URL address, if available, for a world wide web site that displays the power source and environmental impact information for the products sold to consumers.~~ An electric company and an electricity service supplier must report price information for nonresidential consumers ~~on each bill~~ as follows:

- (a) The price and amount due for each service or product that a nonresidential consumer is purchasing;
- (b) The rates and amount of state and local taxes or fees, if any, imposed on the nonresidential consumer;
- (c) The amount of any public purpose charge; and
- (d) The amount of any transition charge or credit.

Attachment 1 - Staff Rule Revisions

(4) For power supplied through its own generating resources, the electric company must report power source and environmental impact information based on the company's own generating resources, not the ~~unspecified market purchases~~ net system power mix. An electric company's own resources include company-owned resources and wholesale purchases from specific generating units, less wholesale sales from specific generating units. An electric company's own resources do not include the non-energy attributes associated with purchases under the provisions of a net metering tariff or other power production tariff unless the electric company has separately contracted for the purchase of the Tradable Renewable Certificates. For net market purchases, the electric company must report power source and environmental impact information based on the ~~unspecified market purchases~~ net system power mix. The electric company must report power source and environmental impact information for standard offer sales based on the ~~unspecified market purchases~~ net system power mix.

(5) For purposes of power source and environmental impact reporting, an electric company and an ESS should use the most recent unspecified market purchases net system power mix for the current calendar year unless the electric company or ESS is able to demonstrate a different power source mix and environmental impact. ~~An ESS~~ demonstration of a different mix must be based on projections of the mix to be supplied during the current calendar year. Power source must be reported as the percentages of the total product supply including the following:

(a) Coal;

(b) Hydroelectricity;

(c) Natural gas;

(d) Nuclear; and

(e) Other power sources fuels including but not limited to new renewable resources, if over 1.5 percent of the total power source fuel mix.

(6) Environmental impact must be reported for all retail electric consumers using the annual emission factors for the most recent available calendar year applied to the expected production level for each source of supply included in the electricity product. Environment impacts reported must include at least:

(a) Carbon dioxide, measured in lbs./kWh of CO₂ emissions;

(b) Sulfur dioxide, measured in lbs./kWh of SO₂ emissions;

(c) Nitrogen oxides, measured in lbs./kWh of NO_x emissions;

(d) Mercury and other air toxics, measured in lbs/kWh of emissions; and

(ed) Spent nuclear fuel measured in mg/kWh of spent fuel.

Attachment 1 - Staff Rule Revisions

(7) Every bill to a direct access consumer must contain the ESS's and the electric company's toll-free number for inquiries and instructions as to those services and safety issues for which the consumer should directly contact the electric company.

(8) The ESS must provide price, power source, and environmental impact in all contracts and marketing information.

(9) The electric company must provide price, power source, and environmental impact in all standard offer marketing information.

(10) By ~~September 1~~ June 1 for the prior calendar year, each electric company, and each ESS making any claim other than unspecified market purchases ~~net system power mix~~, must file a reconciliation report on forms prescribed by the Commission. The report must provide a comparison of the power source ~~fuel~~ mix and emissions of all of the seller's certificates, purchase or generation with the claimed power source ~~fuel~~ mix and emissions of all of the seller's products and sales.

(11) Each ESS and electric company owning or operating generation facilities shall keep and report such operating data about its generation of electricity as may be specified by order of the Commission.

Power Source and Environmental Impact Reconciliation

Electric Company/Electricity Service Supplier Name:
Reporting Year:

Verification of Product Content Labeling

Power Source (Mix)	Basic Service		Product 1		Product 2		Product 3		Product 4		Product 5	
	Claimed %	Actual %	Claimed %	Actual %	Claimed %	Actual %	Claimed %	Actual %	Claimed %	Actual %	Claimed %	Actual %
Biomass												
Coal												
Cogeneration												
Geothermal												
Hydro												
Landfill Gases												
Natural Gas												
Nuclear												
Other												
Petroleum												
Solar												
Waste												
Wind												
Total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Environmental Impact 3												
Carbon Dioxide												
Sulfur Dioxide												
Nitrogen Oxides												
Spent Nuclear Fuel												

¹ Refer to attached Consumer Labels (claimed) for reporting year, as published

² Using most recent Net System Power Mix (insert year) applied to Net Market Purchases

³ Percent above or below NWPP average using the most recent data from eGrid for pollutants (insert year) and ODOE for spent nuclear fuel (insert year)

Balance of Purchase/Generation and Sales

Product Name	Residual/Deficit From Prior Reporting Year	Total Generated/REC Purchases MWh	MWh Sold	Gen/RECs Used Minus Sold (MWh)
New* Resources		0	0	0
Existing Resources		0	0	0

* Per ORS 757.600, a new renewable energy resource means a project or addition placed in operation after July 23, 1999.

Certification: I CERTIFY THAT THE INFORMATION REPORTED ON PAGES 1-8 IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

SIGNATURE:

TITLE:

DATE:

NAME OF CONTACT PERSON AND PHONE NUMBER:

Power Source and Environmental Impact Reconciliation
 Electric Company/Electricity Service Supplier Name: 0
 Reporting Year: 0

List of New Generation Used to Meet Sales Requirement

Generator Facility Name or Wholesale Supplier	Generator Facility Capacity/OW Share of Capacity (MW)	Generator Location (City/County, State)	First Year of Delivery or Contract	Generated For (Product Name)	Previously Banked (Yes/No)	Total Generated MWh	Total MWh Used to Meet Sales Requirement This Reporting Year	Total MWh Banked for Future Use	Fuel/Renewable Resource Type	Date Generated (Month/Year)	Date Acquired (Month/Year)	Date Used or Claimed (Month/Year)
Total												

Power Source and Environmental Impact Reconciliation
 Electric Company/Electricity Service Supplier Name: 0
 Reporting Year: 0

List of Existing Generation Used to Meet Sales Requirement

Generator Facility Name or Wholesale Supplier	Generator Facility Capacity/OR Share of Capacity (MW)	Generator Location (City/County, State)	First Year of Delivery or Contract	Generated For (Product Name)	Previously Banked (Yes/No)	Total Generated MWh	Total MWh Used to Meet Sales Requirement This Reporting Year	Total MWh Banked for Future Use	Fuel/Renewable Resource Type	Date Generated (Month/Year)	Date Acquired (Month/Year)	Date Used or Claimed (Month/Year)
Total												
						0	0	0				

Power Source and Environmental Impact Reconciliation
 Electric Company/Electricity Services Supplier Name: 0
 Reporting Year: 0

List of New* Renewable Energy Certificates (or Tradeable Renewable Certificates) Used to Meet Sales Requirement

Generator Facility Name or Wholesale Supplier	Generator Facility Capacity (OR Share of Capacity) (MW)	Generator Location (City/Country/State)	First Year of Delivery or Contract	Purchased For (Product Name)	Bundled/Unbundled	Previously Banked (Yes/No)	Total Represented (MW)	Total MWh Used to Meet Sales Requirement This Reporting Year	Total MWh Banked for Future Use	Renewable Resource Type	Date Issued (Month/Year)	Date Acquired (Month/Year)	Date Used or Claimed (Month/Year)	Data Sold (Month/Year)	Sold but Used for Compliance During Previous Reporting Period (Yes/No)	WREGS Serial Number
							0	0	0							
Total																

Power Source and Environmental Impact Reconciliation
 Electric Company/Electricity Service Supplier Name: 0
 Reporting Year: 0

List of Existing Renewable Energy Certificates (or Tradeable Renewable Certificates) Used to Meet Solar Requirement

Generator Facility Name or Wholesale Supplier	Generator Facility Capacity (MW)	Generator Location (City/County/State)	First Year of Delivery or Contract	Purchased For (Product Name)	Bundled/ Unbundled	Previously Bought (Year/No)	Total Represented (MWh)	Total MWh Used to Meet Requirement Reporting Year	Total MWh Banked for Future Use	Receivable Resource Type	Date Issued (Month/Year)	Date Acquired (Month/Year)	Date Used or Claimed (Month/Year)	Date Sold (Month/Year)	Sold Not Used for Compliance During Previous Reporting Period (Year/No)	WREGIS Serial Number
Total																

Power Source and Environmental Impact Reconciliation

Electric Company/Electricity Service Supplier Name: 0
Marketer Name:
Reporting Year: 0

Portfolio Options Cost Reconciliation

	Product 1	Product 2	Product 3	Product 4	Product 5
Total Revenue					
Portion Allocated to Development Fund					
Spent for Community Based Projects					
Spent for REC Purchases					
Spent for Transaction Fees					
Spent for Generation Purchases					
Spent for Marketing					
Spent for Marketer Profit and Overhead					
Spent for Company Administration					
Spent for Company Advertising					
Total Expense	\$0	\$0	\$0	\$0	\$0
Expense/Revenue Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

**STAFF'S PROPOSAL
(AUGUST COMMENTS
AND SEPTEMBER
WORKSHOP)**

From: COLVILLE, Erik
To: "dockets@oregoncub.org"; "oregondockets@pacificorp.com"; ANDRUS, Brittany; ANDRUS, Stephanie; "megan@rnp.org"; DRUMHELLER, Bill; "renee.m.france@doj.state.or.us"; "jennifer.gross@nwnatural.com"; "scott.havis@greenmountain.com"; "jason.heuser@eweb.org"; "thor.hinckley@pgn.com"; JOHNSON, Juliet; "rj.johnson@nexteraenergy.com"; "aaron.lively@pacificorp.com"; "brendan.mccarthy@pgn.com"; "catriona@oregoncub.org"; "mcgowan@3degreesinc.com"; "amortlock@3degreesinc.com"; ONEIL, Rebecca; "pge.opuc.filings@pgn.com"; "rhonda.rasmussen@pacificorp.com"; SATYAL, Vijay A; "sommer@oregoncub.org"; "pge.opuc.filings@pgn.com"; "david.tooze@portlandoregon.gov"; "bruce.werner@pgn.com"; "david.white@pgn.com"; "mary.wiencke@pacificorp.com"; "debi.winney@pacificorp.com"
Cc: DAVIS, Diane
Subject: AR 555 Staff Proposed Updates - Final
Date: Thursday, September 27, 2012 10:32:17 AM
Attachments: Staff Proposed Updates - Final.docx
Attachment 6 - 2003 Reconciliation Report Template.pdf
Attachment 1 - OR IOU WECC NWPP Map.docx
Attachment 2 - Label Template.docx
Attachment 3 - 2001 Labeling format.pdf
Attachment 4 Staff Rule Revisions Rev 1.docx
Attachment 5 - Reconciliation Report Template - revised.xlsx

Attached for your information are Staff's final proposed updates to the portfolio options and labeling to bring them up-to-date. These proposed updates reflect the productive discussions during the Updates Workshop Sept 26, as well as written comments received Aug 29. Staff anticipates taking these proposed updates to the Commission at a public meeting for their approval. The timing for Commission action on these proposed updates has not been set, and may wait till the rulemaking process is complete.

The last phase of this docket is rulemaking. By Oct 17 Staff will issue a memo presenting its proposed Rule revisions. Docket participants will then have an opportunity on Nov 7 to respond to Staff's proposed revisions. Depending on the comments made, Staff will either initiate the formal rulemaking process, engage in additional rounds of written comments, or hold a workshop. Staff's goal is to reach as much consensus as possible on the Rule revisions before initiating formal rulemaking.

Once again, thank you for your participation.

Erik Colville, P.E. | Sr. Utility Analyst | Oregon Public Utility Commission

550 Capitol St. NE, Ste 215 | Salem, OR 97308-2148 | ☎: 503-378-6360 | 7: 503-373-7752 | ✉: erik.colville@state.or.us

**PUBLIC UTILITY COMMISSION OF OREGON
MEMORANDUM**

DATE: September 27, 2012
TO: AR 555 Service List
FROM: Erik Colville, Senior Utility Analyst
SUBJECT: AR 555 Update – Staff Proposed Updates - Final

A primary purpose of AR 555 is to explore all aspects of portfolio options and labeling to bring the program/process up to date. The following update issues were identified by docket participants. Following each update issue is Staff's proposed implementation of the update refined by discussions during the September 26 workshop.

Portfolio Options (OAR 860-038-0220)

None at this time

Labeling (OAR 860-038-0300)

Label

1. Paper Label - Is there a better alternative to a paper label mode of communication?

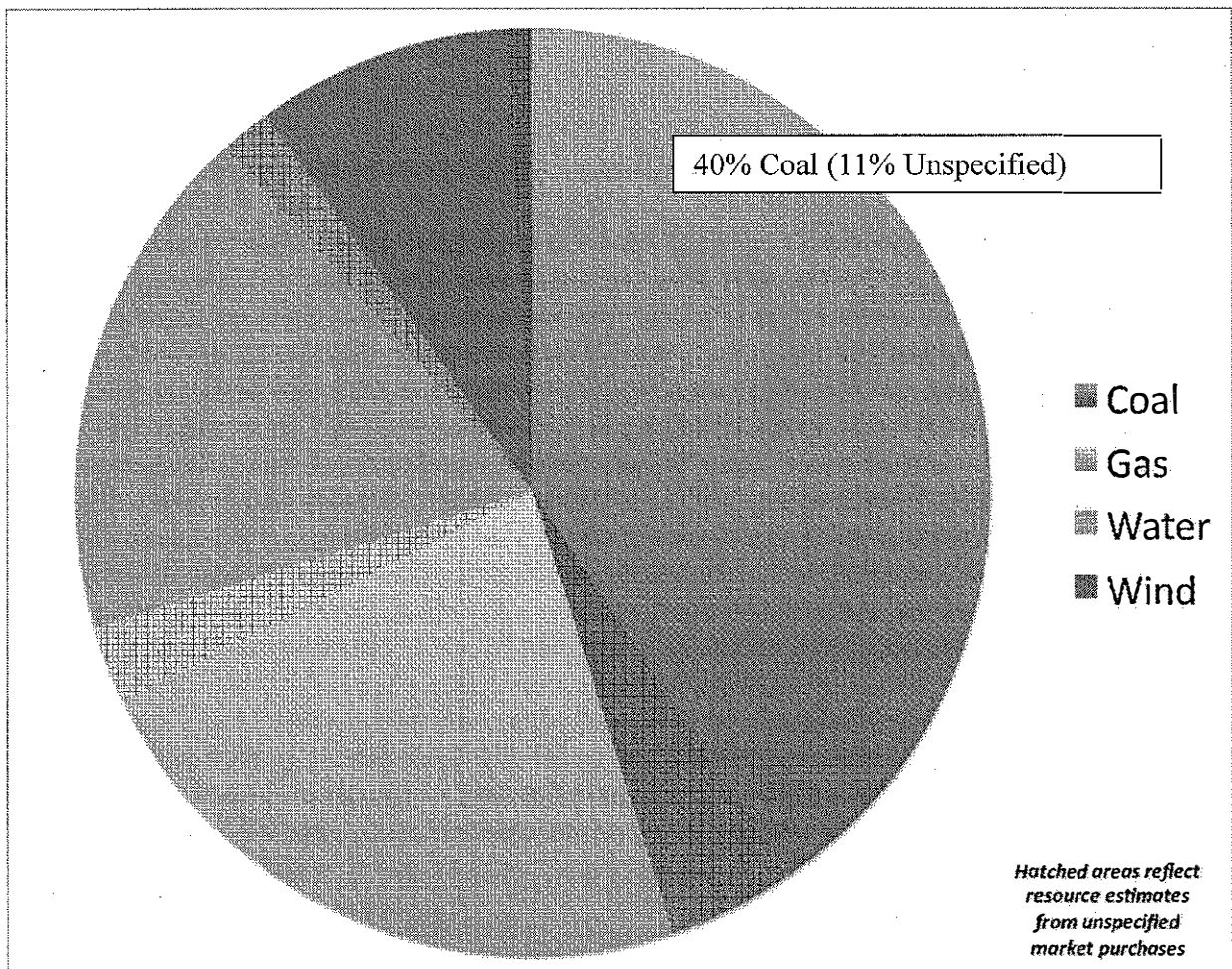
Staff Proposal: Yes. Use the internet as the primary source for label information along with a monthly notation on/with the bill with the direct internet address (URL) and the phone number for requesting a paper copy of the label. The label information on the internet would be updated annually during the first quarter, except as required for resource mix changes discussed below. The general distribution of a paper copy label as a bill insert would be annual. This approach is conditioned on the following: 1) the label information be very easy to find on the internet, preferably by communicating a direct URL to find the information; 2) there is continual publishing of a phone number where consumers can call to request a paper copy of the labeling information and those requests are met at any time; and 3) if there is a change in the internet based label information that requires a change in the labeling material (e.g., a five percentage point change in resource mix), that information be made available in paper copy label form within the next 90 calendar days, even if the annual publication is still some months away.

The goal of the three conditions above is to have the internet based label and the paper label reflect the same or substantially the same information. The direct URL will preferably lead to the internet label but may lead to a voluntary program home page with obvious links to the internet label for each customer type. The Portfolio Options Committee (POC) is a resource the Utilities are encouraged to utilize to guide their internet label site construction.

2. Label Format - Is the label format clear? What is the label to communicate and does it do it?

Staff Proposal:

- Yes. The existing label (prescribed in the 2001 PUC template) information format will remain essentially unchanged and used for both the internet label and annual paper label. The internet label “home page” will follow the prescribed label format but may direct customers to information elsewhere in other formats.
- Unspecified power will be identified by shading the appropriate slice in the pie chart (see the example below). The specific shading type can be selected by utility communications staff to optimize clarity of presentation. The “appropriate slice” is the resource type which the UMPM process has defined as the appropriate resource type (i.e., the coal portion of market power, the natural gas portion of market power, and so forth). Moreover, the overall percentage labeled for that resource type should be the addition of the specified and unspecified portions so that only one number represents each resource type as part of the pie chart. A potential method is shown below for noting the percentage of each resource type represented by the unspecified portion.



- The prescribed label wording will be revised to rename “Supply Mix” to “Power Source (Mix)”. The renaming of “Supply Mix” is for consistency with Rule wording. The “Supply Mix” descriptive wording required by the 2001 PUC template will remain unchanged. The following wording suggested by RNP will be used as a footnote for each of the REC based options.

“For every unit of renewable electricity generated, an equivalent amount of renewable certificates is produced. The purchase of renewable certificates supports renewable electricity generation, which helps offset conventional electricity generation in the region.”

- The summary program cost breakdown will be included on the internet label (directly on the label or by a link to another internet location) but will not be listed on the annual paper label. The costs summarized on the internet label will match those costs being recommended by the POC and adopted by the PUC (the PUC has asked the POC to make a recommendation in this regard).
- The label is a regulatory requirement with the express purpose of providing price, power source, and environmental impact information necessary for consumers to exercise informed choice (OAR 860-038-0300). The Utilities are encouraged, unless driven by updates identified in this docket, to avoid changing the size and/or quality of the label, to preserve cost savings resulting from reduced paper label publication frequency.

3. Label Environmental Impact Message - Is the label environmental impact message neutral and factual? Should it be?

Staff Proposal: Yes and no. Replace the “Information on Environmental Impacts” wording required in the 2001 PUC template with the following:

- For the paper label -

“The environmental impact charts compare the environmental performance of this electricity product with the average profile for electricity generation in the Northwest, with respect to emission of key air pollutants (SO₂, NO_x), toxins (mercury), and greenhouse gases (CO₂) associated with conventional energy generation. More information about the public health and environmental costs of those emissions can be obtained from the U.S. Environmental Protection Agency at <http://www.epa.gov/cleanenergy/energy---and---you/affect/index.html>, www.epa.gov/air/airpollutants.html and www.epa.gov/climatechange/, or by calling the Oregon Department of Environmental Quality at (503) 229---5696.”

- For the internet label -

“The environmental impact charts compare the environmental performance of this electricity product with the average profile for electricity generation in the Northwest, with respect to emission of key air pollutants (SO₂, NO_x), toxins (mercury), and greenhouse gases (CO₂) associated with conventional energy

generation. More information about the public health and environmental costs of those emissions can be obtained from the U.S. Environmental Protection Agency at <http://www.epa.gov/cleanenergy/energy---and---you/affect/index.html>, www.epa.gov/air/airpollutants.html and www.epa.gov/climatechange/, or from the Oregon Department of Environmental Quality at <http://www.deq.state.or.us/aq/toxics/faq.htm>, www.deq.state.or.us/aq/climate/index.htm, or (503) 229-5696.

3.1 How should the environmental impact information on the label be conveyed and what data should it reflect?

Staff Proposal:

- Retain the currently prescribed environmental impact bar charts on the internet and annual paper label, with the addition of a mercury bar chart. The current UMPM process calculates mercury thereby facilitating the addition of that bar chart to the assortment of other bar charts.
- The bar chart emissions comparison will be to the Northwest Power Pool (NWPP). It is recognized that generation of energy sold to customers in the region extends beyond the NWPP with the result that the comparison to NWPP may not be as accurate as it would be to the Western Electricity Coordinating Council (WECC). That disadvantage though is outweighed by thinking that customers are most interested in comparison to a more “local” region than the WECC. For reference, Attachment 1 presents a map of the WECC and NWPP with the location of Company generating facilities overlaid.

Attachment 2 presents Staff’s proposed revised label template. Attachment 3 presents the 2001 Label Template.

4. Label Power Mix - Should the label reflect the most current Net System Power Mix (NSPM)?

Staff Proposal: Yes. The Rule requirement for use of the current NSPM (renamed below as the Unspecified Market Purchase Mix, UMPM) will be extended beyond electricity service suppliers to the electric companies. Proposed revised Rule wording is Attachment 4.

5. Label Rule Flexibility - Should the Rule be revised to be less prescriptive?

Staff Proposal: Yes and no. Attachment 4 reflects Rule wording revisions in response to party comments. Staff wishes to reiterate that its reason behind making the Rule wording less prescriptive is to avoid Rule revisions when changes to non-essential matters are needed. Parties are free to disagree, and to propose their preferred Rule wording revisions.

6. Frequency of Communication - How often should consumers receive the Label?

Staff Proposal: This matter is addressed in update issue #1 above.

Reconciliation Report

7. Report Content –

- a. Should the reconciliation report include a program cost breakdown (RECs, marketing, admin, etc)?

Staff Proposal:

- Yes. The reconciliation report will include program cost breakdown so that the PUC may readily confirm actual costs compared to those communicated to consumers on the label. The cost breakdown will reflect what is recommended by the POC and adopted by the PUC (the PUC has asked the POC to make a recommendation in this regard).
 - The reconciliation report submittal to the PUC will include copies of the labels made available during the compliance year for that compliance year.
 - Attachment 5 is Staff’s proposed reconciliation report format to replace the 2003 PUC reconciliation report template (Attachment 6 is the 2003 template). The “Costs” tab is a placeholder and will be updated to reflect what is recommended by the POC and adopted by the PUC (the PUC has asked the POC to make a recommendation in this regard).
- b. Should the reconciliation report include the basic service product (the OAR implies so)?

Staff Proposal: Yes. The basic service product will be included in the reconciliation report, along with and in the same format as the portfolio options.

8. Report Due Date - Should the June 1 due date for the reconciliation report be revised?

Staff Proposal: Yes. The reconciliation report due date will be September 1 rather than June 1. Proposed revised Rule wording is Attachment 4.

9. Report Value - Should the reconciliation report continue to be part of the Rule?

Staff Proposal: Yes. The reconciliation report will remain in the Rule.

Net System Power Mix (NSPM)

10. NSPM Process - Is there a need to change the NSPM process steps and detail it currently contains?

Staff Proposal: No. Party consensus is that the NSPM process offers value so the process steps and detail will remain unchanged. The NSPM will be renamed Unspecified Market Purchase Mix (UMPM). Proposed revised Rule wording is Attachment 4.

11. NSPM Schedule - Is there a need for a schedule so that the NSPM process result has a specific due date each year? If so, what should that schedule be?

Staff Proposal: Yes. September 1 is the due date for the results of the UMPM process. This September 1 due date is coupled with a May 15 target date for Utilities involved in the process to provide the necessary data. These dates will not be included in the Rule thus reflecting that there are parties involved in the UMPM process who are not bound by OAR requirements.

12. NSPM Communication - How should the NSPM be communicated to the utilities and public?

Staff Proposal: The NSPM (now referred to as UMPM) result will continue to be communicated in writing (email or other method) to only those with a need for, and an understanding of, the information.

Other

13. REC and Null Power Guidelines - What guidelines should be used for how RECs and null power are reported in both the NSPM, and in the company specific power mix?

Staff Proposal: This update issue has been removed from this docket scope because it is larger than the purpose of the docket to bring the portfolio options and labeling program/process up to date.

14. Rule Wording Consistency - Are the wording and terms in these Rules consistent? Should they be?

Staff Proposal: Refer to Attachment 4 for Staff's proposed Rule wording revisions.

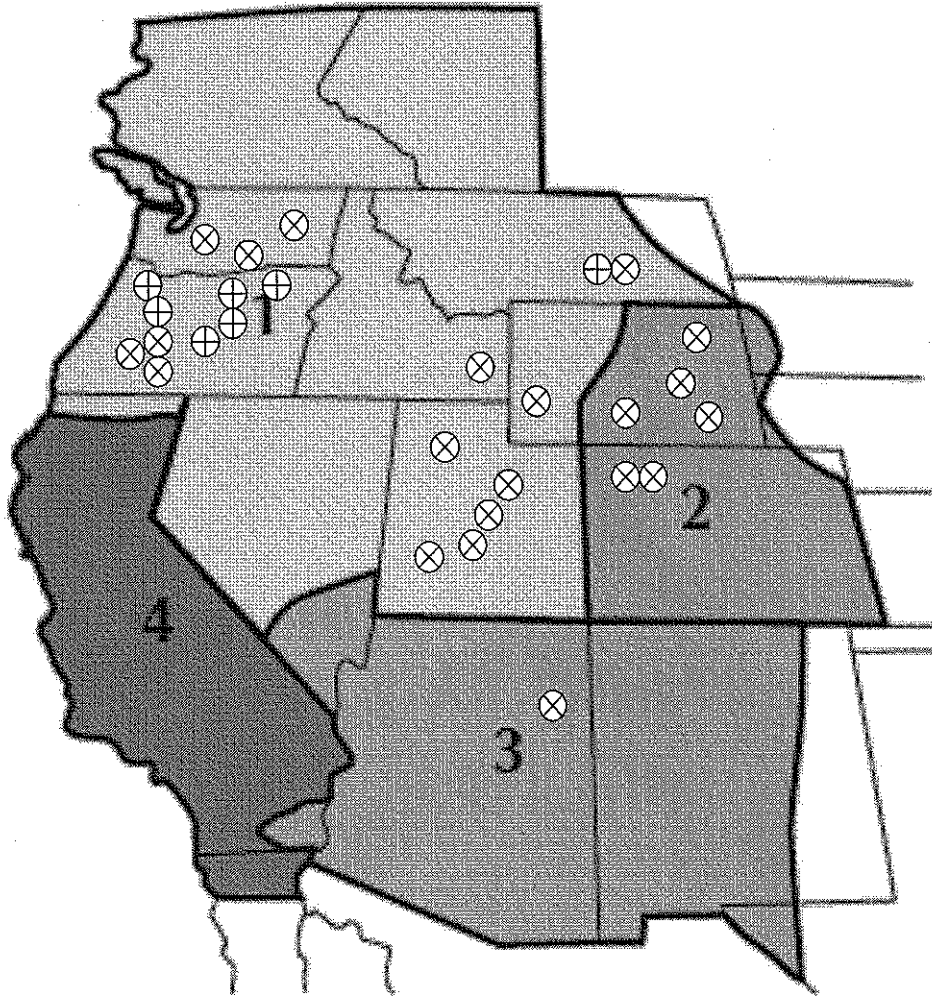
15. Website Wording Consistency – Are the PUC Restructuring Consumer Information website (http://www.puc.state.or.us/PUC/electric_restruc/consumer/index.shtml) wording and terms consistent? Should they be?

Staff Proposal: The contents of Electric Restructuring will be moved to Renewable Energy in the State of Oregon. Staff appreciates and will take under advisement the additions suggested by ODOE.

ATTACHMENT 1
PACIFICORP AND PGE GENERATION FACILITY MAP

⊗ PacifiCorp Generation Facility(ies)

⊕ PGE Generation Facility(ies)



WECC REPORTING AREAS

- 1. Northwest Power Pool Area (NWPP)**
- 2. Rocky Mountain Power Area (RMPA)**
- 3. Arizona/New Mexico/Southern Nevada Power Area (AZ/NM/SNV)**
- 4. California/Mexico Power Area (CA/MX)**

Attachment 2 – Label Template

Electricity Price, Power Source, and Environmental Impact Label Format

Basic Format for Paper Label (Internet Label is the same except for the “Information on Environmental Impacts”)

	Option Name				
	<i>Option Description</i>				
Cost Comparison These examples are based on four levels of use. Please refer to your bill to find how much electricity you use each month.		250 kWh	500 kWh	1000 kWh	2000 kWh
	Bill amount	\$x.xx	\$x.xx	\$x.xx	\$x.xx
	Description of additional charges				
	Adjusted bill amount	\$x.xx	\$x.xx	\$x.xx	\$x.xx
	Average cents/kWh	x.x	x.x	x.x	x.x
Price Formula The price formula relates only to the electricity price, and does not include transmission and delivery costs or local taxes and fees.	<i>Describe Price Formula</i>				
Power Source (Mix) During the (<i>insert year</i>) calendar year (<i>insert electric supplier name</i>) had this mix of power sources (may not add to 100% due to rounding). The renewable sources were represented by ownership of RECs. RECs signify the sole and full claim that renewable energy was put onto the electrical grid on behalf of the final purchaser who uses the REC. Your additional rate premium was used to buy some of these RECs. Power designated as “new” means it comes from sources that began operation after (<i>insert date</i>)*.	<i>Insert Pie Chart</i> <i>Insert Footnote 1 for Each REC Based Option¹</i>				
Environmental Impact Relative environmental impact per kilowatt-hour compared to the Northwest U.S. ² average.	<i>Insert Bar Chart</i>				
Terms and Conditions	<i>Describe Terms and Conditions</i>				
Information on Environmental Impacts					
The environmental impact charts compare the environmental performance of this electricity product with the average profile for electricity generation in the Northwest, with respect to emission of key air pollutants (SO ₂ , NO _x), toxins (mercury), and greenhouse gases (CO ₂) associated with conventional energy generation. More information about the public health and environmental costs of those emissions can be obtained from the U.S. Environmental Protection Agency at http://www.epa.gov/cleanenergy/energy---and---you/affect/index.html , www.epa.gov/air/airpollutants.html and www.epa.gov/climatechange/ , or by calling the Oregon Department of Environmental Quality at (503) 229---5696.					

* Per ORS 757.600, a new renewable energy resource means a project or addition placed in operation after July 23, 1999.

¹ For every unit of renewable electricity generated, an equivalent amount of renewable certificates are produced. The purchase of renewable certificates supports renewable electricity generation, which helps offset conventional electricity generation in the region.

² The Northwest U.S. is called the Northwest Power Pool (NWPP) and is comprised of all or major portions of the states of Washington; Oregon; Idaho; Wyoming; Montana; Nevada; and, Utah; a small portion of Northern California; and, the Canadian provinces of British Columbia and Alberta.

Attachment 2 – Label Template

Residential and Nonresidential Formats

The companies must use the basic format and add a column for each option. The option must be described under the option name. The cost comparison information must be shown in dollars per month and cents per kWh. The cost comparison information may be shown separately from the other information in accompanying materials. The format includes the price formula (e.g., for a fixed renewable option: "Basic Service rate + an additional fixed monthly amount to purchase clean wind power = electricity price"). The power source mix and environmental impact information must be shown using the pie chart and bar chart formats shown in Basic Format. The main terms and conditions must be shown.

ELECTRICITY PRICE, POWER SOURCE, AND ENVIRONMENTAL LABEL FORMATS
As prescribed the Oregon Public Utility Commission on November 20, 2001

Page 1 of 3

Basic Format

Option Name																					
Option description																					
Cost Comparison These examples are based on four levels of use. Please refer to your bill to find out how much electricity you use each month.		<u>250 kWh</u>	<u>500 kWh</u>	<u>1000 kWh</u>	<u>2000 kWh</u>																
	Bill Amount	\$X.XX	\$X.XX	\$X.XX	\$X.XX																
	Description of additional charges																				
	Adjusted Bill Amount	\$X.XX	\$X.XX	\$X.XX	\$X.XX																
	Average cents / kWh	X.X	X.X	X.X	X.X																
Price Formula These price formulas relate only to the electricity price and do not include transmission and delivery costs or local taxes and fees.	Describe Price Formula																				
Supply Mix During the calendar year 20XX, your supplier plans to buy power or unique claims on the electricity produced from these types of power plants. The portion supplied by (electric company name) is based on recent utility production and purchases. (May not add to 100 percent due to rounding.)	<table border="1"> <caption>Supply Mix Data</caption> <thead> <tr> <th>Source</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Coal</td> <td>38%</td> </tr> <tr> <td>Hydro</td> <td>30%</td> </tr> <tr> <td>New (renewable)</td> <td>10%</td> </tr> <tr> <td>Natural Gas</td> <td>5%</td> </tr> <tr> <td>Other</td> <td>1%</td> </tr> <tr> <td>Nuclear</td> <td>1%</td> </tr> <tr> <td>(renewable)</td> <td>15%</td> </tr> </tbody> </table>					Source	Percentage	Coal	38%	Hydro	30%	New (renewable)	10%	Natural Gas	5%	Other	1%	Nuclear	1%	(renewable)	15%
Source	Percentage																				
Coal	38%																				
Hydro	30%																				
New (renewable)	10%																				
Natural Gas	5%																				
Other	1%																				
Nuclear	1%																				
(renewable)	15%																				
Environmental Impact Amounts of pollutants per kilowatt-hour of supply mix, compared to the Northwest U.S. average.	<table border="1"> <caption>Environmental Impact Data</caption> <thead> <tr> <th>Pollutant</th> <th>Relative Level (0-200%)</th> </tr> </thead> <tbody> <tr> <td>Nuclear Fuel Wastes</td> <td>~5%</td> </tr> <tr> <td>Nitrogen Oxides</td> <td>~15%</td> </tr> <tr> <td>Sulfur Dioxide</td> <td>~15%</td> </tr> <tr> <td>Carbon Dioxide</td> <td>~15%</td> </tr> </tbody> </table>					Pollutant	Relative Level (0-200%)	Nuclear Fuel Wastes	~5%	Nitrogen Oxides	~15%	Sulfur Dioxide	~15%	Carbon Dioxide	~15%						
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Sulfur Dioxide	~15%																				
Carbon Dioxide	~15%																				
Terms & Conditions	Describe Terms and Conditions																				

The Information on Environmental Impacts must be described as:

Information on Environmental Impacts

<p>Carbon Dioxide is a major contributor to global climate change. Among the likely impacts for Oregon are less mountain snow pack and less water available in summer, higher sea levels, and threats to forests, crops, and fish and wildlife habitat. Coal and natural gas are the main sources of carbon dioxide from power generation.</p>
<p>Nitrogen Oxides and Sulfur Dioxide are air pollutants that affect human health, plants, fish and wildlife. Nitrogen oxides contribute to smog. Coal is the main source of these pollutants from power generation. Natural gas plants produce nitrogen oxides.</p>
<p>Nuclear Fuel Wastes contain the most radioactive and long-lived waste formed during operation of nuclear power plants. These wastes are stored at nuclear power reactor sites. The U.S. has no permanent disposal site for these wastes.</p>
<p>Hydropower Impacts - Some hydropower dams contribute to the decline of salmon and other fish and wildlife populations.</p>

Source: Oregon Office of Energy

Residential and Nonresidential Formats

Residential Format

The companies must use the basic format and add a column for each option. The information must be provided at least quarterly. The option must be described under the option name. The cost comparison information must be shown in dollars per month and cents per kWh. The cost comparison information may be shown separately from the other information in accompanying materials. The format includes the price formula (e.g., for a fixed renewable option: "Basic Service rate + an additional fixed monthly amount to purchase clean wind power = electricity price"). The supply mix and environmental impact information must be shown using the pie chart and bar chart formats shown in Basic Format. The main terms and conditions must be shown.

Nonresidential Format

Electric companies and electricity service suppliers must use the basic format and provide the information on or with each bill. Electric companies and electricity service suppliers may provide a full set of printed information on a quarterly basis if the entity provides a URL address for a world-wide web site that displays the power source and environmental impact information for the products sold to consumers on each bill. If the electric company or electricity service supplier bills a nonresidential consumer electronically, the labeling information may also be provided electronically.

Electric companies and electricity service suppliers are not required to use the detailed format in the Cost Comparison and Price Formula sections. They are required to provide price information. They may display that information based on their pricing structure.

Attachment 4 - Staff Rule Revisions

860-038-0005

Definitions for Direct Access Regulation

As used in this Division:

(7237) "Unspecified Market Purchase MixNet system power mix" means the mix of all power generation within the state or other region less all specific purchases from generation facilities in the state or region, as determined by the Oregon Department of Energy.

Comment [e1]: DOJ is responsible for considering this wording

860-038-0300

Electric Company and Electricity Service Suppliers Labeling Requirements

(1) The purpose of this rule is to establish requirements for electric companies and electricity service suppliers to provide price, power source, and environmental impact information necessary for consumers to exercise informed choice.

(2) For each service or product it offers, an electric company must provide price, power source, and environmental impact information to all residential consumers at least quarterly. The information must be based on the available service options. The information must be supplied consistent with the requirements using a format and frequency prescribed by the Commission. An electric company must also include on every bill a URL address, if available, for a world wide web site where this information is displayed. The electric company must report price information for each service or product for residential consumers as the average monthly bill and price per kilowatt-hour for monthly usage levels of 250, 500, 1,000 and 2,000 kilowatt-hours, for the available service options.

(3) An electric company and an electricity service supplier must provide price, power source and environmental impact information on or with bills to nonresidential consumers consistent with the requirements using a format and frequency prescribed by the Commission. The electric company or electricity service supplier must provide a URL address, if available, for a world wide web site that displays the power source and environmental impact information for the products sold to consumers. An electric company and an electricity service supplier must report price information for nonresidential consumers on each bill as follows:

- (a) The price and amount due for each service or product that a nonresidential consumer is purchasing;
- (b) The rates and amount of state and local taxes or fees, if any, imposed on the nonresidential consumer;
- (c) The amount of any public purpose charge; and
- (d) The amount of any transition charge or credit.

Attachment 4 - Staff Rule Revisions

(4) For power supplied through its own generating resources, the electric company must report power source and environmental impact information based on the company's own generating resources, not the ~~unspecified market purchase mix~~~~net-system power mix~~. An electric company's own resources include company-owned resources and wholesale purchases from specific generating units, less wholesale sales from specific generating units. An electric company's own resources do not include the non-energy attributes associated with purchases under the provisions of a net metering tariff or other power production tariff unless the electric company has separately contracted for the purchase of the Tradable Renewable Certificates. For net market purchases, the electric company must report power source and environmental impact information based on the ~~unspecified market purchase mix~~~~net-system power mix~~. The electric company must report power source and environmental impact information for standard offer sales based on the ~~unspecified market purchase mix~~~~net-system power mix~~.

(5) For purposes of power source and environmental impact reporting, an electric company and an energy service supplier~~ESS~~ should use the most recent unspecified market purchase mix~~net-system power mix~~ for the current calendar year unless the electric company or energy service supplier~~ESS~~ is able to demonstrate a different power source mix and environmental impact. An ~~ESS~~ demonstration of a different mix must be based on projections of the mix to be supplied during the current calendar year. Power source must be reported as the percentages of the total product supply including the following:

- (a) Coal;
- (b) Hydroelectricity;
- (c) Natural gas;
- (d) Nuclear; and
- (e) Other power sources~~fuels~~ including but not limited to new renewable resources, if over 1.5 percent of the total power source~~fuel~~ mix.

(6) Environmental impact must be reported for all retail electric consumers using the annual emission factors for the most recent available calendar year applied to the expected production level for each source of supply included in the electricity product. Environment impacts reported must include at least:

- (a) Carbon dioxide, measured in lbs./kWh of CO₂ emissions;
- (b) Sulfur dioxide, measured in lbs./kWh of SO₂ emissions;
- (c) Nitrogen oxides, measured in lbs./kWh of NO_x emissions;
- (d) Mercury, measured in lbs/kWh of Hg emissions; and
- (ed) Spent nuclear fuel measured in mg/kWh of spent fuel.

Attachment 4 - Staff Rule Revisions

(7) Every bill to a direct access consumer must contain the energy service supplier's ESS's and the electric company's toll-free number for inquiries and instructions as to those services and safety issues for which the consumer should directly contact the electric company.

(8) The energy service supplier ESS must provide price, power source, and environmental impact in all contracts and marketing information.

(9) The electric company must provide price, power source, and environmental impact in all standard offer marketing information.

(10) By September 1 for the prior calendar year, each electric company, and each energy service supplier making any claim other than unspecified market purchases, must file a reconciliation report for the prior calendar year on forms prescribed by the Commission. The report must provide a comparison of the power source mix and emissions of all of the seller's certificates, purchase or generation with the claimed power source mix and emissions of all of the seller's products and sales.

(11) Each energy service supplier ESS and electric company owning or operating generation facilities shall keep and report such operating data about its generation of electricity as may be specified by order of the Commission.

1 and 2

Power Source and Environmental Impact Reconciliation
Electric Company/Electricity Service Supplier Name:
Reporting Year:

Power Source (Mix)	Basic Service		Product 1		Product 2		Product 3		Product 4		Product 5	
	Claimed %	Actual %	Claimed %	Actual %	Claimed %	Actual %	Claimed %	Actual %	Claimed %	Actual %	Claimed %	Actual %
Biomass												
Coal												
Cogeneration												
Geothermal												
Hydro												
Landfill Gases												
Natural Gas												
Nuclear												
Other												
Petroleum												
Solar												
Waste												
Wind												
Total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Environmental Impact ³												
Carbon Dioxide												
Sulfur Dioxide												
Nitrogen Oxides												
Spent Nuclear Fuel												

¹ Refer to attached Consumer Labels (claimed) for reporting year, as published
² Using most recent Net System Power Mix (insert year) applied to Net Market Purchases
³ Percent above or below NWPP average using the most recent data from eGrid for pollutants (insert year) and ODOE for spent nuclear fuel (insert year)

Balance of Purchase/Generation and Sales

Product Name	Residual/Deficit From Prior Reporting Year	Total Generated/REC Purchases MWh	MWh Sold	Gen/RECs Used Minus Sold (MWh)
New* Resources	0	0	0	0
Existing Resources	0	0	0	0

* Per ORS 757.600, a new renewable energy resource means a project or addition placed in operation after July 23, 1999.

Certification: I CERTIFY THAT THE INFORMATION REPORTED ON PAGES 1-8 IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

SIGNATURE: TITLE: DATE:

NAME OF CONTACT PERSON AND PHONE NUMBER:

Power Source and Environmental Impact Reconciliation
 Electric Company/Electricity Service Supplier Name: 0
 Reporting Year: 0

List of Existing Generation Used to Meet Sales Requirement

Generator Facility Name or Wholesale Supplier	Generator Facility Capacity/OR Share of Capacity (MW)	Generator Location (City/County, State)	First Year of Delivery or Contract	Generated For (Product Name)	Previously Banked (Yes/No)	Total Generated MWh	Total MWh Used to Meet Sales Requirement This Reporting Year	Total MWh Banked for Future Use	Fuel/Renewable Resource Type	Date Generated (Month/Year)	Date Acquired (Month/Year)	Date Used or Claimed (Month/Year)
Total												

Power Source and Environmental Impact Reconciliation
 Electric Company/Electricity Service Supplier Name: 0
 Reporting Year: 0

List of New Renewable Energy Certificates (or Tradeable Renewable Certificates) Used to Meet State Requirement

Generator Facility Name or Wholesale Supplier	Generator Facility Capacity/Or Share of Capacity (MW)	Generator Location (City/County, State)	First Year of Delivery or Contract	Purchased For (Product Name)	Bundled/ Unbundled	Previously Banned (Yes/No)	Total Represented (MWh)	Total MWh Used to Meet Sales Requirement This Reporting Year	Total MWh Banked for Future Use	Renewable Resource Type	Date Issued (Month/Year)	Date Acquired (Month/Year)	Date Used or Claimed (Month/Year)	Date Sold (Month/Year)	Sold but Used for Compliance During Previous Reporting Period (Yes/No)	WREGIS Serial Number
							0	0	0							
Total																

Power Source and Environmental Impact Reconciliation
 Electric Company/Electricity Service Supplier Name: 0
 Reporting Year: 0

List of Existing Renewable Energy Certificates (or Tradable Renewable Certificates) Used to Meet Sales Requirement

Generator Facility Name or Wholesale Supplier	Generator Facility Capacity/Ownership Share of Capacity (MW)	Generator Location (City/County, State)	First Year of Delivery or Contract	Purchased For (Product Name)	Renewed/Unrenewed	Previously Renewed (Yr/Mo)	Total Renewable MWh	Total MWh Used to Meet Sales Requirement Reporting Year	Total MWh Banked for Future Use	Renewable Resource Type	Date Issued (Month/Year)	Date Acquired (Month/Year)	Date Used or Claimed (Month/Year)	Date Sold (Month/Year)	Sold into Load for Compliance During Previous Reporting Period (Yr/Mo)	WREGIS Serial Number
Total																

Power Source and Environmental Impact Reconciliation

Electric Company/Electricity Service Supplier Name: 0
Marketer Name:
Reporting Year: 0

Portfolio Options Cost Reconciliation

Product 1 Product 2 Product 3 Product 4 Product 5

Total Revenue
Portion Allocated to Development
Spent for Administration
Spent for Marketing
Spent for REC Purchases
Total Expense
Non-REC Expense Ratio

**Placeholder Only. To be finalized after the
Portfolio Options Committee
recommendation is made to the
Commission**

\$0 \$0
#DIV/0! #DIV/0!

ELECTRICITY PRODUCT CLAIM RECONCILIATION REPORT - Per OAR 860-038-0300 (10)
 Electric Company / Electricity Service Supplier Name: _____
 Reporting Year: _____

Sale of Block Products

Product Name	Block Size (kWh)	Portfolio Customers Blocks Sold	Large Nonresidential Customers Blocks Sold	Total Blocks Sold	New* Renewables MWH Sold	Existing Renewables MWH Sold	Total MWH Sold
Total Block Sales							

Sale of Blended Products

Product Name	% New Renewables in Product	% Existing Renewables in Product	Portfolio Customers MWH Sold	Large Nonresidential Customers MWH Sold	New Renewables MWH Sold	Existing Renewables MWH Sold	Total MWH Sold
Total Blended Sales							
Total Sales							

List of New Renewable Purchases and Generation Used to Meet Sales Requirement

Generator Facility Name or Wholesale Supplier	Generator Location (City, State)	Total MWH Purchased or Generated	MWH Resold or Self Consumed	Net MWH Used to Meet Sales Requirement	Renewable Fuel Type	Date Generated (Mo/Yr)	Facility Installation Date (Mo/Yr)	Tradable Renewable Credits?
								Y N
								Y N
								Y N
								Y N
								Y N
Total New Renewable								

* (Per ORS 757.600, a new renewable energy resource means a project or addition placed in operation after July 23, 1999)

List of Existing Renewable Purchases and Generation Used to Meet Sales Requirement

Generator Facility Name or Wholesale Supplier	Generator Location (City, State)	Total MWH Purchased or Generated	MWH Resold or Self Consumed	Net MWH Used to Meet Sales Requirement	Renewable Fuel Type	Date Generated (Mo/Yr)	Facility Installation Date (Mo/Yr)	Tradable Renewable Credits?
								Y N
								Y N
								Y N
								Y N
								Y N
								Y N
Total Existing Renewable								

Balance of Net Purchases/Generation and Sales

Net Purchases/Generation	Sales	Difference

New Resources Existing Resources

Verification of Product Content Labeling

	Product 1		Product 2		Product 3		Product 4	
	Name:	Actual Percentage	Name:	Actual Percentage	Name:	Actual Percentage	Name:	Actual Percentage
Fuel (% of 100%)								
Biomass								
Coal								
Geothermal								
Hydro								
Natural Gas								
Nuclear								
Wind								
Environmental Impact**								
Nuclear Fuel Wastes								
Nitrogen Oxides								
Sulfur Dioxide								
Carbon Dioxide								

** (% above or below regional average)

Certification: I CERTIFY THAT THE INFORMATION REPORTED IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

SIGNATURE	TITLE	DATE
NAME OF CONTACT PERSON AND PHONE NUMBER		

OCTOBER 17, 2012
STAFF PROPOSED RULE
DOCUMENTS

From: COLVILLE Erik
To: "dockets@oregoncub.org"; "oregondockets@pacificcorp.com"; ANDRUS Brittany; ANDRUS Stephanie; "megan@rnp.org"; DRUMHELLER Bill; "renee.m.france@doj.state.or.us"; "jennifer.gross@rwnatural.com"; "scott.havis@greenmountain.com"; "jason.heuser@eweb.org"; "thor.hinckley@pqn.com"; JOHNSON Juliet; "rj.johnson@nexteraenergy.com"; "aaron.lively@pacificcorp.com"; "brendan.mccarthy@pqn.com"; "catriona@oregoncub.org"; "imgowan@3degreesinc.com"; "amortlock@3degreesinc.com"; ONEIL Rebecca; "pge.opuc.filings@pqn.com"; "rhonda.rasmussen@pacificcorp.com"; SATYAL Vijay A; "sommer@oregoncub.org"; "pge.opuc.filings@pqn.com"; "david.tooze@portlandoregon.gov"; "bruce.werner@pqn.com"; "david.white@pqn.com"; "mary.wiencke@pacificcorp.com"; "debi.winney@pacificcorp.com"
Cc: DAVIS Diane
Subject: AR 555 Staff Proposed Rule Revisions
Date: Wednesday, October 17, 2012 11:17:47 AM
Attachments: [Staff Proposed Rule Revisions.docx](#)
[Staff Proposed Rule Memo.docx](#)

Although AR 555 is ultimately a rulemaking, the primary focus thus far has been to explore all aspects of portfolio options and labeling to bring the program/process up to date. We are now entering the pre-rulemaking phase of this docket.

I have attached for your review and comment Staff's proposed rule revisions based on the docket discussions to date. In "track changes mode", please offer your suggested changes to Staff's proposed revisions by November 7, 2011. Staff will consider the suggested changes offered by docket participants and respond with a memo transmitting its draft final rules by November 21, 2012. At that point Staff will initiate the formal rulemaking process through the Secretary of State.

Thank you in advance for your participation.

Erik Colville, P.E. | Sr. Utility Analyst | Oregon Public Utility Commission

550 Capitol St. NE, Ste 215 | Salem, OR 97308-2148 | ☎: 503-378-6360 | 7: 503-373-7752 | ✉: erik.colville@state.or.us

**PUBLIC UTILITY COMMISSION OF OREGON
MEMORANDUM**

DATE: October 17, 2012
TO: AR 555 Service List
FROM: Erik Colville, Senior Utility Analyst
SUBJECT: AR 555 Update – Staff Proposed Rule Revisions

Although AR 555 is ultimately a rulemaking, the primary focus thus far has been to explore all aspects of portfolio options and labeling to bring the program/process up to date. We are now entering the pre-rulemaking phase of this docket.

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Staff Proposed Rule Revisions

860-038-0005

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Comment [e1]: DOJ is responsible for considering this wording.

860-038-0300

Electric Company and Electricity Service Suppliers Labeling Requirements

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Staff Proposed Rule Revisions

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- (a) Coal;
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- (e) Other ~~power sources~~ ~~fuels~~ including but not limited to new renewable resources, if over 1.5 percent of the total ~~power source~~ ~~fuel~~ mix.

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Staff Proposed Rule Revisions

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**NOVEMBER 7, 2012
COMMENTS**

DAVIS Diane

From: Satyal, Vijay A [vijay.a.satyal@state.or.us]
Sent: Tuesday, November 06, 2012 4:47 PM
To: aaron.lively@pacificcorp.com; amortlock@3degreesinc.com; DRUMHELLER Bill; brendan.mccarthy@pgn.com; ANDRUS Brittany; bruce.werner@pgn.com; catriona@oregoncub.org; david.tooze@portlandoregon.gov; david.white@pgn.com; debi.winney@pacificcorp.com; dockets@oregoncub.org; COLVILLE Erik; imcgowan@3degreesinc.com; jason.heuser@eweb.org; jennifer.gross@nwnatural.com; JOHNSON Juliet; mary.wiencke@pacificcorp.com; megan@rnp.org; oregondockets@pacificcorp.com; pge.opuc.filings@pgn.com; ONEIL Rebecca; FRANCE Renee M; rhonda.rasmussen@pacificcorp.com; rj.johnson@nexteraenergy.com; scott.havis@greenmountain.com; sommer@oregoncub.org; ANDRUS Stephanie; thor.hinckley@pgn.com
Cc: DAVIS Diane
Subject: RE: AR 555 Staff Proposed Rule Revisions
Attachments: ODOE-AR_555_comments- Nov 6th.docx

Hello AR 555 listserv members:

Please find attached ODOE memo to the proposed rule revisions- In summary- no concerns/amendments to the Oct 17th draft.

Appreciate Staff's efforts through this phase and ODOE looks forward to the rulemaking phase of the docket.

Vijay



Vijay.A. Satyal - Sr. Policy Analyst PhD
Energy Policy Division - Oregon DOE
625, Marion St. NE, Salem, OR- 97301
email: vijay.a.satyal@"state.or.us
(W): 503-373-0008 / **(C):** 503-881-5032
web: www.oregon.gov/Energy

November 5th, 2012

To: AR 555 Service List

From: Oregon Department of Energy

RE: Comments of the Oregon Department of Energy on Staff Proposed Updates, dated November 5th 2012, under docket AR 555.

The Oregon Department of Energy (“ODOE”) appreciates the opportunity to comment on the Oregon Public Utility Commission (“OPUC”) Staff’s proposed rule revisions to the labeling requirement rules at OAR 860-038-0300.

ODOE finds the OPUC Staff Proposed Rule Revisions included in the October 17th email to be acceptable, and proposes no additional amendments at this time. ODOE understands that DOJ is responsible for considering the wording of OAR 860-038-0005(72), and notes that ODOE is committed to continuing its role in the process.

The data collected and reported greatly assists ODOE in fulfilling its statutory duties, and ODOE appreciates the efforts by all stakeholders and OPUC Staff in considering changes to the portfolio option and labeling requirement rules to ensure that the process functions effectively.

MEMORANDUM

DATE: November 7, 2012
TO: AR 555 Service List
FROM: Portland General Electric
SUBJECT: AR 555 Update – PGE Comments on Staff’s Proposed Rule Revisions

In response to the OPUC Staff’s October 17 memo requesting comments on the proposed rule revisions in AR 555, PGE offers the following comments:

We have appreciated the organization of the workshops and the input from the participants. The discussions have facilitated an open exchange of ideas. As a result, we think the proposed rule revisions adequately update for the current perspectives of the participants in this proceeding, and provide the additional flexibility necessary to address Portfolio Options and Labeling changes in the future. Resolving delivery mechanism, format and frequency issues through commission decision rather than by rule changes will result in a more efficient regulatory process. Therefore, we support the OPUC Staff’s proposed rule revisions and do not recommend any additional changes at this time.