

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 13, 2014

REGULAR _____ CONSENT X EFFECTIVE DATE _____ Upon Commission Approval

DATE: January 6, 2015

TO: Public Utility Commission

FROM: Brittany Andrus *BA*

THROUGH: Jason Eisdorfer *JE* and Aster Adams *AA*

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1631) Application for Waiver of OAR 860-029-0040(4)(a) Requiring Utilities to File Updated Standard Avoided Costs for Purchases from Qualifying Facilities within 30 Days of Commission Acknowledgment of Integrated Resource Plan.

STAFF RECOMMENDATION:

Staff recommends that the Commission grant Portland General Electric's (PGE or Company) application for waiver of OAR 860-029-0040(4)(a).

DISCUSSION:

Issues, and Applicable Rule and Statute

On December 17, 2014, PGE filed an application for waiver of OAR 860-029-0040(4)(a). This rule requires electric utilities to file updated avoided cost prices, for power purchased from Qualifying Facilities (QF), within 30 days of Integrated Resource Plan (IRP) acknowledgment. PGE filed its 2013 IRP, also known as a least-cost plan, on March 27, 2014 in Docket No. LC 56. The Commission acknowledged the IRP, as revised and with requirements, at the November 12, 2014 public meeting, followed by Order No. 14-415 entered on December 2, 2014.

OAR 860-029-0040(4)(a) states:

“(4) Standard rates for purchases shall be implemented as follows:

(a) In the same manner as rates are published for electricity sales each public utility shall file with the Commission, within 30 days of Commission acknowledgement of its least-cost plan pursuant to Order No. 89-507, standard rates for purchases from qualifying facilities..."

Application of this rule to PGE's acknowledged 2013 IRP would have resulted in a standard rate filing on December 12, 2014, 30 days after the public meeting. PGE's application for waiver states, "Pursuant to OAR 860-029-0040(4)(a), PGE would need to submit its avoided costs rates no later than January 2, 2015."¹ The date of submittal noted in the waiver application indicates that PGE interprets acknowledgment as occurring on the date of the order issued in the IRP docket. Staff interprets acknowledgment to occur as of the date of the public meeting, rather than the date of the order that memorializes the action taken by the Commission during the public meeting. No harm results from the differing interpretations because the relevant avoided costs had already been filed pursuant to the requirements in Order No. 14-058.

A separate avoided cost filing is required under Order No. 14-058 (Docket No. UM 1610). The order, effective February 24, 2014, states, "Within 60 days of the date of this order, each electric utility will file by application, and serve upon all parties to these proceedings, revised standard contract forms that set forth standard rates, terms and conditions that are consistent with the resolutions made in this order." The Order No. 14-058 compliance filings were due by April 25, 2014. On April 9, 2014, PGE filed a motion requesting an extension of time to May 30, 2014. The motion was granted on April 17, 2014.

PGE filed updated avoided costs and standard power purchase agreements on May 30, 2014, incorporating the relevant inputs from its 2013 IRP. The Commission allowed PGE's amended avoided costs and standard power purchase agreements, as filed November 25, 2014, to go into effect on December 17, 2014.²

Staff contacted the QFs and QF representatives that have been actively involved in PGE's compliance filings to determine whether this request causes any concerns, and those parties indicated that they have no objections to the granting of this waiver.

Because PGE's avoided costs currently in place reflect information from the Company's 2013 IRP, the filing required under OAR 860-029-0040(4)(a) would be duplicative. For this reason, Staff concludes that the waiver application should be granted.

¹ PGE's original filing mistakenly stated that "PGE would need to submit its updated avoided costs rates no later than January 2, 2016." An errata filing was made on January 6, 2015 correcting the sentence to "PGE would need to submit its updated avoided costs rates no later than January 2, 2015."

² Order No. 14-435.

PGE Docket No. 1631
January 6, 2015
Page 3

PROPOSED COMMISSION MOTION:

PGE's application for a waiver of OAR 860-029-0040(4)(a) be granted.

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