

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 580 / SB 844

In the Matter of

Implements SB 844 (2013) Greenhouse Gas
Emissions

Comments of Portland General Electric

Portland General Electric Company (“PGE”) appreciates the opportunity to submit comments on SB 844 (2013) Greenhouse Gas Emissions.

During the third workshop conducted as part of AR 580, PGE raised an issue about voluntary emissions reduction projects pursued under Senate Bill 844 (2013, codified at ORS 757.539) affecting the carbon emissions of electric utilities. For example, a compressed natural gas project for fleet conversion could reduce overall statewide carbon emissions but at the same time result in increased electric load from the compressor activity. This additional load would result in increased emissions for the electric utility. While these emissions would meet the definition of “leakage” as provided in *proposed* OAR 860-08X-0500 (8), PGE’s concern regarding the increased emissions is not that the leakage would not be quantified and accounted for, but that the leakage itself will likely be regulated at some point in the future through a national, regional or state system for reducing carbon emissions from the electricity sector. While we assume that a carbon regulated future is a near certainty, the exact parameters of this future are, at this point, uncertain. This makes proposing language within the AR 580 rulemaking process to properly address the concern difficult.

When PGE raised this issue privately in the last few weeks with representatives of Northwest Natural, it was suggested that perhaps the best way to handle the issue was within the stakeholder process laid out in statute and administrative rule. ORS 757.539 (4)(h) requires that the voluntary emissions reduction project application include, among other things, "proof of stakeholder involvement." Further, *proposed* OAR 860-08X-0600 requires the project proponent to submit a plan that includes compliance with ORS 757.539 (4)(a) to (k). It would be there that the utilities could most adequately assess the current or future state of carbon regulation and, in concert, determine the best course of action should any adjustments need to be made to the project or its regulatory treatment to account for the leakage and any regulation of the emissions. Therefore, while the statute is silent as to who the potential stakeholders are, PGE believes that the electric utility must be included as a stakeholder whenever the voluntary emissions reduction project would affect the emissions of the electric utility. For this reason, PGE further requests that the Oregon Public Utility Commission make clear the expectation that any public utility proposing a voluntary emissions reduction project must include electric utilities in their stakeholder process.

Thank you for the opportunity to comment in these proceedings.

Sincerely,




Karla Wenzel,
Manager, Pricing and Tariffs

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing document **PGE's Comments** to be served by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Docket No. AR 580.

DATED at Portland, Oregon, this 9th day of July, 2014



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