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Public Utility Commission of Oregon
Attn: Filing Center
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RE: UM 1690 - PGE's Reply Comments on Answers to Questions in Issues List and VRET Models Tables

Portland General Electric Company (PGE) thanks Staff for the opportunity to comment again in this "study" phase of the Voluntary Renewable Energy Tariff (VRET) docket. Our comments are short and will not attempt to address, point-by-point, the comments made by the various other parties to the docket. In this study phase of the docket, the Commission is not being asked to consider a specific model and whether that model meets the statutory criteria set forth in enrolled HB 4126 (2014 Regular Session); rather, this phase is to study the impact of allowing electric companies' to offer VRETs to nonresidential customers. There is ample support in the record for allowing utilities to make such offerings. There have also been concerns that the utility would use its captive customers to subsidize an offering and be able to undercut the service offerings made in the competitive marketplace. The appropriate time to address such concerns is when the utility makes a VRET filing, not during the study phase.

Following the study phase, the Commission is directed by HB 4126 to consider the study's results and determine, whether and under what conditions, it is reasonable and in the public interest to allow utilities to offer VRETs. In this phase 2, the Commission will consider factors set forth in the legislation: whether offering a VRET will promote the further development of significant renewable resources; the effect of utilities offering VRETs on the competitive marketplace; direct and indirect impacts, including potential cost shifting; and whether electric company VRETs should rely on competitive procurement processes. Following the results, the Commission will then determine whether to allow electric companies to offer VRETs. Should this be permitted and utilities file VRETs, it is then appropriate that the Commission reviews the specific proposals and considers these factors. PGE views these factors as principles that would guide the development of any company offered VRETs. In an offering, PGE

would likely file a tariff and include the costs to provide the service and demonstrate that the VRET costs are borne by VRET customers.

From a review of the filed comments, it is clear that the concept of the utility offering a VRET is worth exploring, whether as a pilot or otherwise. We agree with World Resources Institute (WRI) and PacifiCorp that flexibility is vital; customer objectives should drive the offerings and customers do not come in a one-size-fits-all package. Thus, PGE is not advocating for definitive terms: participation caps, required sizes for customers, identifying whether partial or full loads would be eligible, the applicable term (be it short or long), nor the particulars of what constitutes a renewable resource (Renewable Portfolio Standard (RPS) compliant, resource online dates). We can address those issues when the VRET filing is made.

With regard to comments opposing VRETs on the basis of direct access or competitive marketplace considerations, we refer to the non-official transcript of the committee hearing Feb. 6, 2014 (attached to the NIPPC comments) during which Representative Smith commented that HB 4126 is explicit that the direct access rules do not prohibit the adoption of a renewable energy tariff.

In closing, we believe that there is ample support in the record for the Commission to decide to permit the utilities to propose VRET tariffs for the Commission's consideration in the next phase of this docket.

PGE appreciates the opportunity to comment on this docketed rulemaking and looks forward to participating further in this rulemaking process.

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

Sincerely



Barbara Halle
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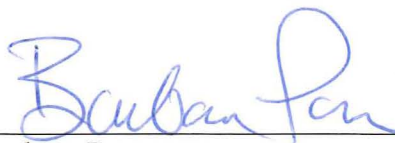
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cc: Service List UM 1690

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **PORTLAND GENERAL ELECTRIC COMPANY'S REPLY COMMENTS** to be served by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Docket No. UM 1690.

Dated at Portland, Oregon, this 9th day of January, 2015.



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