

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 16, 2024

REGULAR CONSENT EFFECTIVE DATE Upon Commission Decision

DATE: April 8, 2024

TO: Public Utility Commission

FROM: Ryan Bain and Scott Gibbens

THROUGH: Caroline Moore **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 1728)
Update to Standard Avoided Cost Schedule for Qualifying Facilities Post
2023 IRP Acknowledgment.

STAFF RECOMMENDATION:

Approve PGE's request for a waiver of a May 1 avoided cost update and suspend PGE's post-IRP avoided cost filing until May 15, 2024.

DISCUSSION:

Issue

Whether the Commission should approve PGE's request for a waiver of the May 1 avoided cost filing requirement or OSSIA's request for a waiver of the 30-day effective date for post-IRP avoided costs.

Applicable Orders and Rules

ORS 758.525(1) provides that "at least once every two years each electric utility shall prepare, publish and file with the Public Utility Commission a schedule of avoided costs equaling the utility's forecasted incremental cost of electric resources over at least the next 20 years. Prices contained in the schedules filed by public utilities shall be reviewed and approved by the commission."

OAR 860-029-0085(1) specifies that each public utility must file with the Commission standard avoided cost rates within 30 days of a Commission decision regarding acknowledgement of the public utility's IRP to be effective 30 days after filing unless otherwise determined by the Commission.

OAR 860-029-0085(3) provides the standard avoided cost rates filed by a public utility under sections (1) of this rule are subject to review and approval as well as modification by the Commission. The Commission may suspend the standard avoided cost rates during review. In any such review, the public utility has the burden of supporting and justifying its standard avoided cost rates. The standard avoided cost rates will be effective 30 days after filing unless otherwise determined by the Commission.

OAR 860-029-0085(4)(a) states additionally that on May 1 of each year, a public utility must file with the Commission updates to its standard avoided cost rates.

OAR 860-029-0085(4)(b) In the event a utility's integrated resource plan is acknowledged within 60 days of May 1 in a particular year, the utility may seek a waiver of either the May 1 update or the post IRP-acknowledgement filing.

OAR 860-029-0005(4) provides that the Commission may waive any of the Division 29 rules for good cause shown upon request or its own motion.

Analysis

Background

On January 25, 2024, the Oregon Public Utility Commission (OPUC or Commission) acknowledged PGE's 2023 IRP at its special public meeting. On March 18, 2024,¹ PGE filed its Schedule 201, Qualifying Facility Avoided Cost Power Purchase Information for Qualifying Facilities (QFs) 10 MW or Less.

In addition to filing its standard avoided cost rate updates, the Company requested a waiver of the Commission's May 1 annual avoided cost update requirement due to the proximity to the avoided cost updates currently under review.

¹ On March 11, 2024, the Chief ALJ granted Staff's request to extend the Company's prior waiver of OAR 860-029-0040(4) such that the updated rates would be filed no later than March 18, 2024, allowing the filing to be brought before the full Commission at the April 16, 2024, regular public meeting. The Company's waiver of OAR 860-029-0040(4) was requested on February 14, 2024, to allow the Company additional time to comply with Staff's recommendation 9 in docket LC 80, and granted on February 20, 2024. This recommendation, adopted by the Commission, directed the Company to recalculate its IRP inputs using an assumption of 75 percent for the Schedule 202 QF project success rate and QF renewals, which affects QF standard rates.

On March 29, 2024, OSSIA filed a request to waive the 30-day effective date for post-IRP avoided cost updates to provide more time for review. OSSIA requested that PGE's post-IRP avoided cost update come before the Commission at the May 28, 2024, public meeting.

Filing Overview

Staff has reviewed the Company's application and workpapers, but to this point has been unable to complete a full review of the changes made proposed to PURPA avoided costs. Staff is currently waiting for additional data from the Company which will allow a full review of the capacity contribution impacted by IRP updates, namely the QF success and renewal assumptions. Further, Staff notes that the Company is expected to file a supplemental filing soon related to a contract that was entered into during the late stages of the IRP. Staff expects this filing to have a material impact on the QF rates that were originally filed. As such, Staff finds merits to the request made by OSSIA to allow for additional time for review. Given that OAR 860-029-0085 specifies the Commission may suspend an avoided cost filing to allow additional time to review, Staff does not believe it is necessary to waive the rule specifying that a post-IRP avoided cost update is effective 30 days after filing. Instead, the Commission can issue an order suspending the post-IRP avoided cost filing for further investigation.

As already stated, Staff believes additional time for investigation is appropriate but asks the Commission to suspend the filing for only a short period. Staff seeks to balance the need for additional time to review with the need for Staff and parties focus on UM 2000, which will continue to ramp up throughout May. Staff believes that parties would have the opportunity to perform a full review of the Company's filing by the May 14, 2024, public meeting and asks that the Commission suspend the avoided cost filing through May 15, 2024.

With respect to PGE's request to waive the requirement to file an avoided cost update on May 1, Staff believes good cause supports this waiver. Staff recognizes that the Commission's acknowledgment was not issued within 60 days of May 1, which is when waiver of either the May 1 or post-IRP filing is contemplated under ORS 860-029-0085(4)(b). However, given the Staff and stakeholder requested delay of the review of PGE's post-IRP filing, an update filed on May 1 would be duplicative and unnecessary.

For these reasons, Staff recommends that the Commission approve PGE's request for a waiver of the May 1 filing and approve OSSIA's request to delay the effective date for the post-IRP avoided cost filing.

Conclusion

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Staff believes additional time for review of the Company's PURPA avoided cost filing would be prudent and that an additional avoided cost filing on May 1 would be duplicative. Staff recommends that the Commission approve PGE's request for a waiver of the May 1 avoided cost filing and suspend the current filing until May 15, 2024.

PROPOSED COMMISSION MOTION:

Approve PGE's request for a waiver of a May 1 avoided cost update and suspend PGE's post-IRP avoided cost filing until May 15, 2024.

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