

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 17, 2015

REGULAR _____ CONSENT X EFFECTIVE DATE November 18, 2015

DATE: November 10, 2015

TO: Public Utility Commission

FROM: George R. Compton *MT for GC*

THROUGH: *JE* Jason Eisdorfer, *MT* Marc Hellman, and *Not for Ad* Aster Adams

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 115 / Advice No. 15-22) Introduces New Schedule 5, Direct Load Control Pilot Rider.

STAFF RECOMMENDATION:

Staff recommends that the Commission allow the Portland General Electric Company (PGE or Company) to institute its new residential direct load control Schedule 5—a pilot rider – to be effective November 18, 2015.

RULES:

ORS 757.210 requires fair, just and reasonable rates. OAR 860-022-0025(2) and – 0030(1) require a utility proposing a rate change to provide certain information such as the amount of any rate change, number of customers affected, and reason for rate change.

Tariff filings to be effective on less than 30 days following notice of the change may be authorized with a waiver of less than statutory notice pursuant to ORS 757.220 and OAR 860-022-0020.

The Commission, in Order No. 15-203, (Docket No. UM 1708, entered June 23, 2015) authorized deferral of expenses associated with two pilot programs: a direct load control pilot and a separate pricing pilot.

DISCUSSION:

On October 12, 2015, PGE filed Advice No. 15-22, requesting an effective date of November 18, 2015 for its new residential direct load control pilot rider, Schedule 5.

This application applies to the direct load control pilot. The pricing pilot tariff for the other program authorized in Order No. 15-203 will be filed separately.

PGE made a supplemental filing consisting of a minor housekeeping edit on October 15th. A second supplemental filing, on less-than-statutory notice, was received on November 2nd. In the second supplemental filing, PGE amends the tariff to state that the incentive compensation for participating customers may come in the form of a generic gift card rather than solely as a separate check.

The purpose of Schedule 5 is to provide a cash incentive for customers participating in the pilot to allow their costly peak period loads to be reduced by virtue of the customers' granting PGE direct control over their "Nest Learning Thermostats." The main purposes of the pilot are to gauge customer interest and to obtain assurance that the avoided costs justify the dollar value of the incentives.

Key elements of the pilot are as follows: 1) There are to be two "event" seasons—winter (December through February) and summer (June through September); 2) An event consists of a three-hour interval where the utility has control over the customer's thermostat; 3) The costs of the controllable thermostat is to be borne by each participant; 4) Between six and ten events will be called per event season; 5) The minimum notification time is two hours prior to an event. Despite that utility control, the customers will have an over-ride capability; 6) Customers receive \$25 for signing on to the pilot and \$25 for each season in which they "participate in at least 50% of the event hours in that Event Season."; 7) To assure sufficient capacity to justify the incentive, ducted heating and cooling systems are required; 8) The pilot will be limited to 5000 participants; and, 9) The duration of the pilot is December 1, 2015 through September 30, 2017.

As part of Docket No. UM 1708, Staff (namely Jason Salmi Klotz) worked extensively with the Company in refining both the tariff itself and the pilot to assure that useful information would be produced. A key consideration was the establishment of credible baseline demands to which the "controlled" demands can be compared so as to assess the degree of peak load shedding. The Order also memorialized a number of Staff-recommended program content and evaluation elements and "end-of-calendar-year requirements" (see page 14 of Appendix A of Order 15 203).

PROPOSED COMMISSION MOTION:

PGE's new residential direct load control Schedule 5 and pilot rider be approved, effective November 18, 2015; and approve the request for less than statutory notice.