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June 9, 2016

via Email and FedEx

PUC.filingcenter@state.or.us

Commission Filing Center
Public Utility Commission of Oregon
201 High Street, SE. St. 100
Salem, OR 97301

RE: UE 308 – Wind Day-Ahead Forecast Error Cost Update

Filing Center:

Consistent with the schedule followed by PGE in prior Annual Update Tariff (AUT) filings (e.g., OPUC Docket No. 286 and 294), PGE is providing this letter as notification of changes to the wind day-ahead forecast error cost estimate included in PGE's 2017 net variable power cost (NVPC) forecast. PGE will update the 2017 NVPC forecast to include the updated wind day-ahead forecast error cost estimate in the July NVPC update filing.

In its initial filing submitted on April 1, 2016, PGE used a wind day-ahead forecast error cost estimate of approximately \$0.20 per MWh, which was consistent with the estimate generated for OPUC Docket No. UE 294, but adjusted for one year of escalation. PGE updated the Resource Optimization Model (ROM) parameters to align with the MONET parameters used in the April 1, 2016, NVPC update filing. The updated wind day-ahead forecast error cost estimate for the 2017 test year is approximately \$0.38 per MWh. This increase is attributable to enhancements in the model that now provide sub-hourly (i.e., 15-minute) dispatch capability and more explicit ramp rate constraints. These enhancements more accurately reflect the reserves PGE must hold in order to integrate wind within the 15-minute wind schedule changes. Attachment A provides the ROM summary sheet.

Attachment A is protected information subject to Protective Order No. 16-137. PGE will provide Attachment A to UE 308 service list members who have signed the Protective Order.

If you have any questions or require further information, please contact Aaron Rodehorst at 503-464-8804. Please direct all formal correspondence and requests to the following email address: pge.opuc.filings@pgn.com.

Sincerely,



Patrick G. Hager

Manager, Regulatory Affairs

encl.

UE 308

Attachment A

Protected Information Subject to Protective Order No. 16-137

Wind Day-Ahead Forecast Error Cost Update