



Portland General Electric Company
121 SW Salmon Street • 1WTC0306 • Portland, OR 97204
portlandgeneral.com

April 19, 2024

Via Electronic Filing

Public Utility Commission of Oregon
P.O. Box 1088
Salem, OR 97308-1088

**Re: UM 2078 - PGE's Application to Reauthorize Deferred Accounting of Costs
Associated with the Residential Battery Energy Storage Pilot**

Dear Filing Center:

Attached for filing is Portland General Electric Company's Application to Reauthorize Deferred Accounting of Costs associated with the Residential Battery Energy Storage Pilot.

A Notice regarding the filing of this application has been provided to the parties on the UM 2078 and UE 416 service lists.

Thank you for your assistance in this matter. If you have any questions or require further information, please call me at (503) 464-7488, or email Stephen Leeb at stephen.leeb@pgn.com.

Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pgn.com.

Sincerely,

/s/ Jaki Ferchland

Jaki Ferchland
Senior Manager, Revenue Requirement

JF/dm
Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2078

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

Application for Reauthorization of Deferred
Accounting of Costs Associated with the PGE
Residential Battery Storage Pilot

**PORTLAND GENERAL ELECTRIC
COMPANY'S REQUEST FOR
DEFERRAL REAUTHORIZATION**

Pursuant to ORS 757.259, OAR 860-027-0300, and Commission Order Nos. 18-290 (Docket No. UM 1856), and 20-279 (Docket No. UE 370) Portland General Electric Company (PGE) hereby respectfully requests reauthorization to defer for later rate-making treatment incremental operations and maintenance (O&M) costs associated with the Residential Battery Storage Pilot, more commonly referred to as Smart Battery Pilot (Pilot), proposed by PGE and approved by the Public Utility of Commission of Oregon (Commission or OPUC) in Order No. 22-201. PGE's most recent reauthorization for the 2023-2024 period is still pending approval. We request the deferral of O&M costs to be effective April 21, 2024, through April 20, 2025.

PGE requests that this deferral be amortized through PGE Schedule 138, which is an automatic adjustment clause (AAC) rate schedule approved by Commission Order No. 22-129 in PGE's 2022 general rate case, Docket No. UE 394 (UE 394). Additionally, pursuant to the partial stipulation adopted by the Commission through Order No. 20-279 in Docket No. UE 370, parties agree to not oppose PGE's proposed cost recovery mechanism of investments made in compliance with House Bill 2193, and approved by the Commission in Docket No. UM 1856.

In support of this application (Application) PGE states:

1. PGE is a public utility in the state of Oregon and its rates, service and accounting practices are subject to the regulation of the Commission.
2. This Application is filed pursuant to ORS 757.259, which allows the Commission, upon application, to authorize deferral of certain items for later incorporation into rates.
3. Written communications regarding this Application should be addressed to:

Kim Burton
Assistant General Counsel
Portland General Electric Company
121 SW Salmon Street
Portland, OR 97204
Phone: (573) 356-9688
Email: kim.burton@pgn.com

PGE OPUC Filings
Rates & Regulatory Affairs
Portland General Electric Company
121 SW Salmon Street
Portland, OR 97204
Phone: (503) 464-8172
Email: pge.opuc.filings@pgn.com

In addition to the names and addresses above, the following are to receive notices and communications via the e-mail service list:

Jaki Ferchland
Email: jacquelyn.ferchland@pgn.com

I. OAR 860-027-0300(3) Requirements

The following is provided pursuant to OAR 860-027-0300(3):

A. Background

In alignment with the State of Oregon’s policy direction of decarbonization, PGE is pursuing efforts as a company to decarbonize its energy supply, increase electricity as a share of total energy use, and enhance operational performance and efficiency. PGE’s filed Energy Storage Proposal complies with Oregon legislation and supports PGE’s decarbonization, electrification, and performance imperatives.

In accordance with House Bill (HB) 2193 (2015 Regular Legislative Session)¹ and Docket No. UM 1751, PGE filed its Energy Storage Proposal and Final Potential Evaluation² on November 1, 2017. PGE's energy storage proposal was evaluated in Docket No. UM 1856 and approved through Commission Order No. 18-290, subject to conditions.³

Pursuant to Commission Order No. 18-290, PGE filed an addendum to the energy storage proposal on January 25, 2019. After subsequent discussions with OPUC Staff, PGE submitted its final Residential Energy Storage proposal on March 12, 2020.⁴ PGE submitted operational tariff Schedule 14 and received Commission approval on June 30, 2020, with an effective date of August 1, 2020.

The objective of this five-year Pilot is to install and connect customer-owned residential energy storage batteries, behind the meter, that would contribute up to 4 MWs of energy to PGE either individually or in aggregate. The fleet will provide grid services and thereby add flexibility in support of PGE's transition to a cleaner energy future. In an outage event, the batteries could island from the grid and provide energy for the customer, furthering the customers' resiliency.

PGE continues to learn from the Pilot and in 2023 received approval to iterate upon the Pilot structure based on what has been learned thus far.⁵ The new changes were designed to not increase the original funding request, and to abide by the stipulated requirements of UM 1856. Effective May 15, 2023, the Smart Battery Pilot transitioned from a flat monthly on-bill credit to a reward based on the performance of the batteries when they are dispatched for grid services.

¹ 2015 Oregon Laws Chapter 312.

² PGE proposed to develop five energy storage pilots: Mid-feeder (Baldock); Coffee Creek Substation; Generation Kick Start (Port Westward 2); Customer and Community Microgrid Resiliency Project; and Residential Battery Energy Storage.

³ See Commission Order No. 18-290, Appendix A, at <https://apps.puc.state.or.us/orders/2018ords/18-290.pdf> for a listing of the stipulated conditions PGE must meet.

⁴ See PGE's proposed Residential Battery Storage Pilot at: <https://edocs.puc.state.or.us/efdocs/HAD/um1856had151844.pdf>

⁵ See ADV 1470 for this approval at: <https://apps.puc.state.or.us/edockets/docket.asp?DocketID=23555>

Additional learnings indicated that the original rebate structure was not able to encourage customers to install new energy storage systems to pursue the goal of locational density. All of the 25 income-qualified rebates of \$5,000 apiece have been claimed, while only 7 of the \$3,000 rebates intended for customers in the Smart Grid Testbed were claimed. With a goal of completing the locational benefits learning objective, the up-front rebates were re-cast (while staying within the original budget) to increase the amount available per participant. Effective on May 15, 2023, participants within designated campaign areas can receive \$405 per kWh of nominated capacity. The rebates available are capped based on the maximum participation to stay within the allotted budget. In total, the new purchase rebate is limited to 960 kWh of nominated energy storage.

Since the transition to this reward-based structure, the Pilot participation increased by 52 new enrollments, a 27% increase, and average event performance per customer up from 3.6 kWh to 7.76 kWh. With this growth, the Pilot has seen increased payments to customers.

In accordance with Commission Order No. 18-290, no administrative or evaluation costs associated with the entire portfolio of battery storage projects are requested for deferral.

As noted above, PGE will amortize this deferral through Schedule 138, which is an AAC rate schedule as approved in PGE's 2022 general rate case (UE 394) through Commission Order No. 22-129. More specifically, the AAC will provide cost recovery for the referenced Pilot with amounts from the balancing account being updated in Schedule 138 rates annually.

B. Reasons for Deferral

Pursuant to ORS 757.259(2)(e), and for the reasons discussed above, PGE seeks deferred accounting treatment for the Pilot. The granting of this Application will minimize the frequency of rate changes and/or match appropriately the costs borne by and benefits received by customers.

The approval of the Application will support the use of an AAC rate schedule, which will provide for changes in rates reflecting incremental costs associated with the Pilots.

C. Proposed Accounting for Recording Amounts Deferred.

PGE proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets) and credit the appropriate FERC expense accounts. When specific identification of the particular source of the regulatory asset cannot be reasonably made, then FERC account 407.4 (Regulatory Credits) will be credited. In the absence of a deferred accounting order, the costs would be debited to the appropriate cost accounts.

D. Estimate of Amounts to be Recorded for the Next 12 Months.

As shown in Table 1 below, PGE estimates total recoverable costs to be approximately \$2.2 million over the Pilot’s five-year period. The estimated cost for 2024 is \$815,295. This residential battery storage pilot cost will be recovered through the AAC and associated deferral.

**Table 1
Residential Battery Storage Pilot Cost Summary (\$)**

Category	2020 (Actuals)	2021 (Actuals)	2022 (Actuals)	2023 (Forecast)	2024 (Forecast)	2025 (Forecast)	Total
O&M Costs							
Incentives Paid	1,112	19,102	80,097	111,757	465,300	59,500	736,868
Program Costs	17,700	147,103	104,458	167,662	328,841	254,431	1,020,194
Aggregation & Dispatch	44,726	143,050	15,148	15,908	21,154	25,385	265,372
Total Costs	63,538	309,256	199,703	295,327	815,295	339,316	2,022,435

E. Notice

A copy of the notice of application for deferred accounting treatment and a list of persons served with Notice are attached to the application as Attachment A. In compliance with the provisions of 860-027-0300(6), PGE is serving Notice of Application on the service lists of Docket

Nos. UM 2078 (Residential Battery Storage Pilot) and UE 416 (2024 General Rate Case).

II. Summary of Filing Conditions

A. Earnings Review

Since this is an AAC, recovery of costs associated with the Pilot will not be subject to an earnings review under ORS 757.259(5).

B. Prudence Review

A prudence review should be performed by the Commission Staff as part of PGE's amortization filing.

C. Sharing

All prudently incurred cost will be collected from customers with no sharing mechanism.

D. Rate Spread/Rate Design

Applicable costs will be allocated to each schedule using the applicable schedule's forecasted energy on the basis of an equal percent of revenue applied on a cents-per-kWh basis.

E. Three percent test (ORS 757.259(6))

Since this is an AAC, the amortization of the Pilot's deferred costs will not be subject to the three percent test in accordance with ORS 757.259(6) and (8), which limits aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year.

III. Conclusion

For the reasons stated above, PGE requests continued permission to defer the O&M costs associated with the Residential Battery Storage Pilot.

DATED this day April 19, 2024.

Respectfully Submitted,

/s/ Jaki Ferchland

Jaki Ferchland,
Senior Manager, Revenue Requirement
Portland General Electric Company
121 SW Salmon St., 1WTC 0306
Portland, OR 97204
Telephone: 503.464.7488
E-Mail: jacquelyn.ferchland@pge.com

Attachment A

**Notice of Application to Reauthorize Deferred Accounting of Costs
Associated with the Residential Battery Storage Pilot**

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2078

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

Application for Reauthorization of Deferred
Accounting of Costs Associated with the PGE
Residential Battery Storage Pilot

**NOTICE OF PORTLAND GENERAL
ELECTRIC COMPANY’S REQUEST
FOR DEFERRAL
REAUTHORIZATION**

On April 19, 2024, Portland General Electric Company (PGE) filed an application with the Public Utility Commission of Oregon (the Commission or OPUC) for an Order reauthorizing deferral of operation and maintenance costs associated with the Residential Battery Storage Pilot.

Persons who wish to obtain a copy of PGE’s application will be able to access it on the OPUC website. Granting of PGE’s application will not authorize a change in rates but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

Any person who wishes to submit written comments to the Commission on PGE’s application must do so no later than May 14, 2024.

Dated this April 19, 2024.

/s/Jaki Ferchland

Jaki Ferchland
Senior Manager, Revenue Requirement
Portland General Electric Company
121 SW Salmon St, 1WTC0306
Portland, OR 97204
Telephone: 503.464.7488
E-Mail: jacquelyn.ferchland@pgn.com

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the **Notice of Application to Reauthorize Deferred Accounting of Costs Associated with the Residential Battery Storage Pilot** to be served by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Dockets UE 416 and UM 2078.

Dated at Portland, Oregon, this 19th day of April 2024.

/s/Jaki Ferchland

Jaki Ferchland
Senior Manager, Revenue Requirement
Portland General Electric Company
121 SW Salmon St, 1WTC0306
Portland OR 97204
Telephone: 503.464.7488
E-Mail: jacquelyn.ferchland@pgn.com

SERVICE LIST
OPUC DOCKET No. UM 2078

<p>STEPHANIE S ANDRUS Oregon Department of Justice</p>	<p>BUSINESS ACTIVITIES SECTION 1162 COURT ST NE SALEM OR 97301-4096 stephanie.andrus@doj.state.or.us</p>
<p>JAKI FERCHLAND PORTLAND GENERAL ELECTRIC</p>	<p>121 SW SALMON ST. 1WTC0306 PORTLAND OR 97204 jacquelyn.ferchland@pgn.com</p>
<p>MICHAEL GOETZ OREGON CITIZENS' UTILITY BOARD</p>	<p>610 SW BROADWAY STE 400 PORTLAND OR 97205 mike@oregoncub.org</p>
<p>Share OREGON CITIZENS' UTILITY BOARD OREGON CITIZENS' UTILITY BOARD</p>	<p>610 SW BROADWAY, STE 400 PORTLAND OR 97205 dockets@oregoncub.org</p>
<p>Share PGE RATES & REGULATORY AFFAIRS PORTLAND GENERAL ELECTRIC</p>	<p>PORTLAND GENERAL ELECTRIC COMPANY 121 SW SALMON STREET, 1WTC0306 PORTLAND OR 97204 pge.opuc.filings@pgn.com</p>
<p>KATHY ZARATE PUBLIC UTILITY COMMISSION OF OREGON</p>	<p>201 HIGH ST SE STE 100 SALEM OR 97301 kathy.zarate@puc.oregon.gov</p>

**SERVICE LIST
OPUC DOCKET No. UE 416**

<p>GUILERMO CASTILLO (C) (HC) SMALL BUSINESS UTILITY ADVOCATES</p>	<p>18guillermo.castillo@gmail.com</p>
<p>STEVE CHRISS WALMART</p>	<p>stephen.chriss@wal-mart.com</p>
<p>TERESA GRIFFELS PORTLAND GENERAL ELECTRIC</p>	<p>teresa.griffels@pgn.com</p>
<p>BRITT MARRA SMALL BUSINESS UTILITY ADVOCATES</p>	<p>1915 NE STUCKI AVE STE 308 HILLSBORO OR 97006 britt@utilityadvocates.org</p>
<p>TONIA L MORO (C) ATTORNEY AT LAW PC</p>	<p>106 TALENT AVE STE 6 TALENT OR 97540 tonia@toniamoro.com</p>
<p>AWEC</p>	
<p>BRENT COLEMAN (C) (HC) DAVISON VAN CLEVE</p>	<p>1750 SW HARBOR WAY, SUITE 450 PORTLAND OR 97201 blc@dvclaw.com</p>
<p>JESSE O GORSUCH (C) (HC) DAVISON VAN CLEVE</p>	<p>1750 SW HARBOR WAY STE 450 PORTLAND OR 97201 jog@dvclaw.com</p>
<p>TYLER C PEPPLER (C) (HC) DAVISON VAN CLEVE</p>	<p>107 SE WASHINGTON ST STE 430 PORTLAND OR 97214 tcp@dvclaw.com</p>
<p>CALPINE SOLUTIONS</p>	
<p>GREGORY M. ADAMS (C) RICHARDSON ADAMS PLLC</p>	<p>515 N 27TH ST BOISE ID 83702 greg@richardsonadams.com</p>
<p>GREG BASS CALPINE ENERGY SOLUTIONS, LLC</p>	<p>401 WEST A ST, STE 500 SAN DIEGO CA 92101 greg.bass@calpinesolutions.com</p>
<p>KEVIN HIGGINS (C) ENERGY STRATEGIES LLC</p>	<p>215 STATE ST - STE 200 SALT LAKE CITY UT 84111-2322 khiggins@energystrat.com</p>

**COMMUNITY ENERGY
PROJECT**

KATE AYRES
COMMUNITY ENERGY
PROJECT

106 TALENT AVE STE 6
TALENT OR 97540
kate@communityenergyproject.org

CHARITY FAIN (C)
COMMUNITY ENERGY
PROJECT

2900 SE STARK ST STE A
PORTLAND OR 97214
charity@communityenergyproject.org

CUB

MICHAEL GOETZ (C) (HC)
OREGON CITIZENS' UTILITY
BOARD

610 SW BROADWAY STE 400
PORTLAND OR 97205
mike@oregoncub.org

Share OREGON CITIZENS'
UTILITY BOARD
OREGON CITIZENS' UTILITY
BOARD

610 SW BROADWAY, STE 400
PORTLAND OR 97205
dockets@oregoncub.org

FRED MEYER

JUSTIN BIEBER (C)
FRED MEYER/ENERGY
STRATEGIES LLC

215 SOUTH STATE STREET, STE
200
SALT LAKE CITY UT 84111
jbieber@energystrat.com

KURT J BOEHM (C)
BOEHM KURTZ & LOWRY

36 E SEVENTH ST - STE 1510
CINCINNATI OH 45202
kboehm@bkllawfirm.com

JODY KYLER COHN
BOEHM KURTZ & LOWRY

36 E SEVENTH ST STE 1510
CINCINNATI OH 45202
jkylercohn@bkllawfirm.com

NEWSUN ENERGY

MARIE P BARLOW (C)
NEWSUN ENERGY LLC

550 NW FRANKLIN AVE STE 408
BEND OR 97703
mbarlow@newsunenergy.net

LESLIE SCHAUER (C)
NEWSUN ENERGY LLC

550 NW FRANKLIN AVE STE 408
BEND OR 97703
leslie@newsunenergy.net

JACOB (JAKE)
STEPHENS (C)
NEWSUN ENERGY LLC

550 NW FRANKLIN AVE STE 408
BEND OR 97703
jstephens@newsunenergy.net

NRDC

CAROLINE CILEK (C) (HC)
GREEN ENERGY INSTITUTE

carolinecilek@lclark.edu

NW ENERGY COALITION

F. DIEGO RIVAS (C) (HC)
NW ENERGY COALITION

1101 8TH AVE
HELENA MT 59601
diego@nwenergy.org

PARSONS BEHLE & LATIMER

JUSTINA A CAVIGLIA
PARSONS BEHLE &
LATIMER

50 WEST LIBERTY ST STE 750
RENO NV 89501
jcaviglia@parsonsbehle.com

PGE

PORTLAND GENERAL
ELECTRIC

pge.opuc.filings@pgn.com

KIM BURTON (C) (HC)
PORTLAND GENERAL
ELECTRIC

121 SW SALMON STREET
PORTLAND OR 97204
kim.burton@pgn.com

JAKI FERCHLAND (C) (HC)
PORTLAND GENERAL
ELECTRIC

121 SW SALMON ST. 1WTC0306
PORTLAND OR 97204
jacquelyn.ferchland@pgn.com

**SMALL BUSINESS UTILITY
ADVOCATES**

DIANE HENKELS (C) (HC)
SMALL BUSINESS UTILITY
ADVOCATES

1915 NE STUCKI AVE STE 308
HILLSBORO OR 97006
diane@henkelslaw.com

SBUA SBUA
SMALL BUSINESS UTILITY
ADVOCATES

9450 SW GEMINI DR. #11200
BEAVERTON OR 97008
britt@utilityadvocates.org

STAFF

STEPHANIE S
ANDRUS (C) (HC)
Oregon Department of Justice

BUSINESS ACTIVITIES SECTION
1162 COURT ST NE
SALEM OR 97301-4096
stephanie.andrus@doj.state.or.us

MATTHEW
MULDOON (C) (HC)
PUBLIC UTILITY
COMMISSION OF OREGON

PO BOX 1088
SALEM OR 97308-1088
matt.muldoon@puc.oregon.gov

NATASCHA SMITH (C) (HC)
Oregon Department of Justice

BUSINESS ACTIVITIES SECTION
1162 COURT ST NE
SALEM OR 97301
natascha.b.smith@doj.state.or.us

WALMART

ALEX KRONAUER (C)
WALMART

alex.kronauer@walmart.com