



# Oregon

Kate Brown, Governor

## Public Utility Commission

201 High St SE Suite 100

Salem, OR 97301-3398

**Mailing Address:** PO Box 1088

Salem, OR 97308-1088

503-373-7394

July 13, 2021



BY EMAIL

Portland General Electric Company

pge.opuc.filings@pgn.com

RE: Advice No. 21-16

At the public meeting on July 13, 2021, the Commission adopted Staff's recommendation in this matter docketed as ADV 1278. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: July 13, 2021**

REGULAR  CONSENT  EFFECTIVE DATE July 14, 2021

**DATE:** July 6, 2021

**TO:** Public Utility Commission

**FROM:** Kacia Brockman

**THROUGH:** Bryan Conway, JP Batmale, and Sarah Hall **SIGNED**

**SUBJECT:** PORTLAND GENERAL ELECTRIC:  
(Docket No. ADV 1278/Advice No. 21-16)  
Allows for adjustments to Residential Direct Load Control Pilot enrollment incentive in certain cases, Schedule 5.

**STAFF RECOMMENDATION:**

Approve Portland General Electric Company's (PGE or Company) Advice No. 21-16 effective July 14, 2021, revising the Residential Direct Load Control Pilot, Schedule 5, to allow the Company to adjust the enrollment incentive for thermostats purchased via PGE's Marketplace such that the incentive does not exceed the final thermostat price.

**DISCUSSION:**

Issue

Whether the Commission should approve Advice No. 21-16, PGE's request to clarify language in Schedule 5 to allow the Company to adjust the enrollment incentive applied as a credit to the customer's purchase of a smart thermostat through PGE's online Marketplace such that the incentive does not exceed the final thermostat price.

Applicable Law

Oregon Revised Statutes (ORS) 757.205 requires public utilities file to all rates, rules, and charges with the Commission.

ORS 757.210 establishes a hearing process to address utility filings and requires rates be fair, just, and reasonable.

ORS 757.220 provides that no change shall be made in any schedule, except upon 30 days' notice to the Commission prior to the time the changes are to take effect.

Oregon Administrative Rule (OAR) 860-022-0025 requires that filings revising tariffs include statements showing the change in rates, the number of customers affected and resulting change in annual revenue, and the reasons for the tariff revision.

### Analysis

#### *Background*

Schedule 5 defines PGE's Residential Direct Load Control Pilot, which is scheduled to end June 30, 2022. The pilot is testing the demand response potential and customer acceptance of direct load control of residential thermostats.

The pilot has two participation options for customers with qualified heating and/or cooling systems. The first option, Bring Your Own Thermostat (BYOT), allows customers to use their own qualified thermostat and receive an incentive for participating in direct load control events. The second option, Direct Installation, allows customers to have a new smart thermostat installed by PGE at no cost in exchange for participating in a minimum number of direct load control events.

The incentives for which customers participating in the BYOT option are eligible, described in Schedule 5, include: 1) a one-time enrollment incentive of \$25; and 2) an ongoing participation incentive of \$25 for each event season in which the customer participates. Schedule 5 allows the customer to receive their incentives from PGE in the form of a check, a credit on their PGE bill, or a generic gift card.

On June 14, 2021, PGE filed Advice No. 21-16, requesting the following changes to the BYOT incentives described in Schedule 5:

- 1) Add an option for PGE to pay the BYOT enrollment incentive in the form of "a credit at time of purchase"; and
- 2) Change the BYOT enrollment incentive from "\$25" to "**up to \$25**".

#### *Reason for Proposed Changes*

In November 2020, PGE launched Marketplace, an online point of sale for smart thermostats and other energy-efficient devices. PGE's Marketplace automatically applies any Energy Trust incentive available for a device as a credit during the online transaction, reducing the customer's purchase price. PGE's Marketplace also provides customers who purchase a smart thermostat the option to enroll in PGE's Residential

Direct Load Control Pilot at the time of purchase and receive the enrollment incentive as a further credit to the purchase price.

The first change to Schedule 5 adds the option for PGE to pay the BYOT enrollment incentive in the form of a credit applied to the customer's online purchase of a smart thermostat. This option will be used for thermostats purchased via PGE's Marketplace.

The second change to Schedule 5 allows PGE to reduce the BYOT enrollment incentive below \$25 for smart thermostats purchased online through PGE's Marketplace such that the incentive offsets no more than the cost of the thermostat. This change is needed because PGE reports that in some cases, the cost of a smart thermostat, after applying the Energy Trust incentive, may be less than \$25.

PGE has reported to Staff that customer enrollment in the BYOT pilot through the Marketplace has outperformed other customer acquisition channels. Therefore, enrolling customers at the time of purchase has the potential to reduce the pilot's customer acquisition costs, benefitting all ratepayers. Applying the enrollment incentive as a credit against the purchase price of the thermostat reduces the customer's initial out-of-pocket cost, benefitting participating customers.

### Conclusion

Staff finds that PGE's proposed changes to Schedule 5 are necessary to facilitate customer enrollment in the BYOT pilot via PGE's Marketplace, an effective customer acquisition channel, and therefore should be approved. Staff confirms that no other revisions to Schedule 5 are included in PGE's advice filing.

### **PROPOSED COMMISSION MOTION:**

Approve PGE's Advice No. 21-16 effective July 14, 2021, revising the Residential Direct Load Control Pilot, Schedule 5.

**SCHEDULE 5 (Continued)**

DEFINITIONS (Continued)

Holidays – The following are holidays for purposes of the pilot: New Year’s Day (January 1), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25). If a holiday falls on a Saturday, the preceding Friday will be designated the holiday. If a holiday falls on a Sunday, the following Monday will be designated the holiday.

Qualified Thermostat – Thermostats that are Company-approved and listed on PortlandGeneral.com.

Summer Event Season – The summer event season includes the successive calendar months June through September.

Winter Event Season – The winter event season includes the successive calendar months December through February.

**ELIGIBILITY**

Eligible Customers must have a Network Meter and connectivity to the internet. To participate in the Winter Event Season, the Customer must have a Ducted Heat Pump or Electric Forced Air Heating. To participate in the Summer Event Season, the Customer must have Central Air Conditioning or a Ducted Heat Pump.

**DELIVERY CHANNEL**

BRING YOUR OWN THERMOSTAT

This delivery channel allows the Customer to use their Qualified Thermostat, which must be connected to the internet and the heating or cooling system, all at the Customers’ expense, to participate in Direct Load Control Events and receive incentives. Participating Customers receive a one-time payment of up to \$25 for signing up for this delivery channel. In addition, Customers receive \$25 for each Event Season they participate. A Customer participating in all Event Seasons receive up to \$75 for the first participating year and \$50 for additional years. Incentives are paid to the Customer with a check, bill credit, generic gift card, or credit at time of purchase. To receive payment for an Event Season, the Customer must participate in at least 50% of the event hours for which the Customer is eligible to participate in that Event Season.

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