



# Oregon

Tina Kotek, Governor

## Public Utility Commission

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March 19, 2024



BY EMAIL

PacifiCorp

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RE: Advice No. 24-004

At the public meeting on March 19, 2024, the Commission adopted Staff's recommendation in this matter docketed as ADV 1599. The Staff Report, LSN, 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: March 19, 2024**

**REGULAR**  **CONSENT**  **EFFECTIVE DATE** April 1, 2024

**DATE:** March 11, 2024

**TO:** Public Utility Commission

**FROM:** Peter Kernan

**THROUGH:** JP Batmale and Sarah Hall **SIGNED**

**SUBJECT:** PACIFIC POWER:  
(Docket No. ADV 1599/Advice No. 24-004)  
Update to Schedule 291, System Benefits Charge.

**STAFF RECOMMENDATION:**

Approve PacifiCorp's dba Pacific Power's (PacifiCorp or Company) Advice No. 24-004, revising Schedule 291, System Benefits Charge, on less than statutory notice, for service rendered on and after April 1, 2024.

**DISCUSSION:**

Issue

Whether to approve PacifiCorp's Advice No. 24-004, revising Schedule 291, System Benefits Charge, for service rendered on and after April 1, 2024.

Applicable Rule or Law

A public utility is required to file schedules with the Commission showing all changes to rates, tolls, and charges. ORS 757.205. The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable. ORS 757.210. Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0025. OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting

change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

Filings that propose any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the change. ORS 757.220; OAR 860-022-0015. 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.

OAR 860-022-0030(1) further requires that for tariff or schedule filings proposing increased rates, the utility must for each separate schedule, identify the total number of customers affected, the total annual revenue derived under the existing schedule, and the amount of estimated revenue which will be derived from applying the proposed schedule, the average monthly use and resulting bills under both the existing rates and the proposed rates that will fairly represent the application of the proposed tariff or schedules, and the reasons or grounds relied upon in support of the proposed increase.

## Analysis

### *Background*

The purpose of Schedule 291, PacifiCorp's System Benefits Charge, has traditionally been to collect funds for energy efficiency, demand response, and transportation electrification programs. In Advice No. 23-004, the Commission authorized PacifiCorp to also include funding for the Community Benefits and Advisory Group (CBIAG) in Schedule 291.<sup>1</sup>

PacifiCorp made this filing February 28, 2024, to update Schedule 291. The Company seeks funding updates for self-perform energy efficiency programs, Energy Trust of Oregon (Energy Trust) programs, and demand response programs, all of which are housed in the System Benefits Charge. No funding adjustments are proposed for CBIAG or transportation electrification programs at this time. PacifiCorp collects around \$0.65 million and \$3.56 million annually for CBIAG and transportation electrification, respectively.

PacifiCorp requests to increase the annual level of budgeted funding by \$36.4 million, or 1.9 percent. The proposed change will impact around 627,000 customers. Residential customers using 950 kWh per month will see a monthly bill increase of \$3.35. The details of this increase will be discussed below.

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<sup>1</sup> See Docket No. ADV 1490, PacifiCorp Advice No. 23-004, (Mar. 21, 2023), <https://edocs.puc.state.or.us/efdocs/UBF/adv1490ubf111253.pdf>.

At the November 2, 2023, Special Public Meeting regarding the Energy Trust's 2024-25 Budget and Action Plan, the Commission adopted Staff's recommendation directing utilities to delay implementing the price change until April 1 instead of the usual effective date of January 1.<sup>2</sup> This request sought to minimize rate impacts from PacifiCorp rate increases taking effect on January 10, 2024.<sup>3</sup> Delaying the energy efficiency revenue adjustment to April 1 reduces the increased rates during the winter heating season, when costs are higher for many customers.

*Energy Efficiency Programs.*

PacifiCorp, via Schedule 291, collects in rates funds necessary to pursue all cost-effective, reliable, and feasible energy efficiency.<sup>4</sup> As directed by the Commission, Schedule 291 revenue funds energy efficiency programs administered by Energy Trust of Oregon (Energy Trust), with funds distributed to Energy Trust on a monthly basis. PacifiCorp also raises energy efficiency funds for self-perform programs, home energy reports, and program administration.

The Energy Trust budget for 2024 is \$86.7 million. In the 2024 budget process, Energy Trust forecast a \$95 million budget for 2025, which will be subject to utility and stakeholder review and an Energy Trust Board decision in December 2024. PacifiCorp's internal 2024 energy efficiency budget is \$2.4 million. PacifiCorp proposes to update Schedule 291 rates to collect an average annual budget of \$98.4 million for energy efficiency programs. As provided in a supplement to the filing on March 8, 2024, the average annual budget represents the need to collect increased Energy Trust funding over a nine-month period, plus \$2.4 million for PacifiCorp's internal energy efficiency budget. The proposed increase in annual energy efficiency funding is \$35 million and is primarily driven by the PacifiCorp allocation of Energy Trust's 2024 budget, approved by Energy Trust's Board of Directors on December 15, 2023.

In review of workpapers, Staff identified an under collection of funds in PacifiCorp's initial Advice No. 24-004 filing. After coordinating with the Company, PacifiCorp revised the energy efficiency collection rate in order to collect the full amount required for the Energy Trust of Oregon's budget for calendar year 2024. The Company submitted a Supplemental Filing with a Less than Statutory Notice Application.<sup>5</sup>

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<sup>2</sup> See November 2, 2023 Special Public Meeting, *Staff Report on Presentation of Energy Trust 2024 Draft Budget and 2024-2025 Action Plan*, (Oct. 25, 2023), p. 22,

[https://oregonpuc.granicus.com/MetaViewer.php?view\\_id=2&clip\\_id=1239&meta\\_id=37540](https://oregonpuc.granicus.com/MetaViewer.php?view_id=2&clip_id=1239&meta_id=37540).

<sup>3</sup> Media Release, (Jan. 9, 2024), <https://www.oregon.gov/puc/news-events/Documents/PR-202401.pdf>.

<sup>4</sup> ORS 757.054(3)(a)

<sup>5</sup> See Docket No. ADV 1599. *Advice No. 24-004—Schedule 291—System Benefits Charge—Supplemental Filing with Less than Statutory Notice Application*, (Mar.8, 2024), <https://edocs.puc.state.or.us/efdocs/UAC/adv1599uac327173023.pdf>.

House Bill 3141 (2021) stipulates, for the period beginning January 1, 2022, and ending December 31, 2025, retail consumers who use more than one average megawatt (aMW) of electricity annually at any site may not be charged for cost-effective energy efficiency measures more than 1.7 percent of the total revenue from electricity sales at the site. PacifiCorp notes that Schedule 291 already collects the maximum 1.7 percent of total revenue for customers using more than 1 aMW. Therefore, no additional amount will be collected from these customers. The energy efficiency related increase for customers using less than 1 aMW on Schedule 291 is approximately 1.6 percent.

#### *Demand Response Programs*

Schedule 291 collects funds for PacifiCorp to operate demand response programs which provide capacity, energy, and ancillary grid services. PacifiCorp operates three active demand response programs: Irrigation Load Control (ILC); Commercial and Industrial (C&I) Demand Response; and Optimal Time Rewards, a residential direct load control program. The Company received approvals for each of the three programs separately during 2022 and 2023.

The Company proposes to update rates in Schedule 291 to collect approximately \$4.2 million, an increase of \$1.4 million over the current funding level. This funding increase will allow PacifiCorp to expand the programs and achieve demand capacity expectations in line with targets set in program approvals and the Company's 2023 Integrated Resource Plan. The rate adjustment will result in an approximately 0.1 percent increase.

#### Conclusion

Staff's review of this filing and associated workpapers finds that the updated rates in Schedule 291 are correctly calculated, based on recent forecasted costs, and that PacifiCorp's proposed recovery of 2024 target costs is appropriate. Staff also finds that costs included for recovery are reasonable. As this filing meets the requirements of ORS 757.205, ORS 757.210, OAR 860-022-0025, and OAR 860-022-0030, Staff recommends the Commission approve PacifiCorp filing.

#### **PROPOSED COMMISSION MOTION:**

Approve PacifiCorp's Advice No. 24-004, revising Schedule 291, System Benefits Charge, on less than statutory notice, for service rendered on and after April 1, 2024.

## LESS THAN STATUTORY NOTICE APPLICATION

This document may be electronically filed by sending it as an attachment to an electronic mail message addressed to the Commission's Filing Center at [puc.filingcenter@state.or.us](mailto:puc.filingcenter@state.or.us).

### BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF  PacifiCorp d/b/a Pacific Power (UTILITY COMPANY)	) ) ) )	UTILITY L.S.N. APPLICATION  NO. <u>2311</u> (LEAVE BLANK)
TO WAIVE STATUTORY NOTICE.		

**NOTE:** ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)

The purpose of this filing is to revise the amount for recovery through Schedule 291 – System Benefits Charge based on discussions with Staff. PacifiCorp is proposing a rate increase of \$36.4 compared to a \$31.4 million increase requested in its February 28, 2024 filing.

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

First Revision of Sheet No. 291-1 System Benefits Charge  
 First Revision of Sheet No. 291-2 System Benefits Charge

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)

Second Revision of Sheet No. 291-1 System Benefits Charge  
 Second Revision of Sheet No. 291-2 System Benefits Charge

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:

The Company is increasing the amount it is seeking to recover through Schedule 291 following discussions with Staff in order to collect the full amount required for the Energy Trust of Oregon's budget for calendar year 2024 and wishes to maintain the April 1, 2024 effective date requested in its February 28, 2024 filing.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S):    April 1, 2024

. AUTHORIZED SIGNATURE  	TITLE Vice President, Regulatory Policy and Operations	DATE 3/8/2024
PUC USE ONLY		
<input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE April 1, 2024	
AUTHORIZED SIGNATURE  	DATE 3/19/2024	

**SYSTEM BENEFITS CHARGE**
**Purpose**

To fund programs which provide a system benefit including planning and pursuit of cost-effective energy efficiency resources pursuant to ORS 757.054 and Oregon Laws 2021, Ch. 547, §2, support and integration of transportation electrification pursuant to Oregon Laws 2021, Ch. 95, §2, participation in and support for the Community Benefits and Impacts Advisory Group (CBIAG) pursuant to ORS 469A.425, and other programs approved by the Commission.

**Applicable**

To all Consumers located within Company's service territory in Oregon, including Consumers receiving electricity from an Electricity Service Supplier (ESS).

**Monthly Billing**

The applicable adjustment rates are listed below by Delivery Service Schedule:

<b>Delivery Service Schedule</b>	<b>Adjustment Rate</b>
4	0.961 cents per kWh
5	0.961 cents per kWh
15	2.201 cents per kWh
23, 723	0.980 cents per kWh
28, 728	0.766 cents per kWh
30, 730	0.682 cents per kWh
41, 741	0.893 cents per kWh
47, 747	0.543 cents per kWh
48, 748, 848	0.543 cents per kWh
51, 751	2.334 cents per kWh
53, 753	0.641 cents per kWh
54, 754	0.791 cents per kWh

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Received

 Filing Center  
 March 8, 2024

P.U.C. OR No. 36

Issued March 8, 2024

Matthew McVee, Vice President, Regulation

 Second Revision of Sheet No. 291-1  
 Canceling First Revision of Sheet No. 291-1  
**Effective for service on and after April 1, 2024**  
 Advice No. 24-004

## SYSTEM BENEFITS CHARGE

**Monthly Billing (continued)**

Certain Consumers may qualify for a Restricted System Benefits Charge as defined below in this Schedule. Instead of the standard System Benefits Charge above, these qualified consumers shall be charged under this tariff the total percentage rate below applied to the same charges on the Consumer's monthly bill to which the Schedule 290, Public Purpose Charge applies:

Energy Efficiency- Restricted	1.70%	
Demand Response	0.26%	(I)
Transportation Electrification	0.25%	
CBIAG	0.04%	
<hr/>		
Total Restricted System Benefits Charge	2.25%	(I)

**Allocation of Funds**

Funds collected under this schedule will be allocated as follows:

1. Funds collected under the standard rates will be allocated 90.9% to Energy Trust of Oregon energy efficiency programs, 2.3% to Company energy efficiency programs and administration, 3.5% to demand response programs, 2.8% to transportation electrification programs, 0.5% to CBIAG. (I)  
(R)
2. Funds collected under the restricted rate for qualifying consumers will be allocated 73.8% to Energy Trust of Oregon energy efficiency programs, 1.8% to Company energy efficiency programs and administration, 11.5% to demand response programs, 11.1% to transportation electrification programs, 1.8% to CBIAG. (R)  
(R)  
(I)(R)  
(R)

**Qualification for the Restricted System Benefits Charge**

A retail electricity Consumer that uses more than one average megawatt of electricity at any Site, as defined below, in the prior year will be subject to the Restricted System Benefits Charge identified above in lieu of the standard System Benefits Charge. Pursuant to Oregon Laws 2021, Ch. 547, §3, a retail electricity Consumer that uses more than one average megawatt of electricity at any Site in the prior year may not be charged an amount for energy efficiency that exceeds 1.7 percent of the total revenue received from the sale of electricity services to the Site from any source.

Pursuant to Oregon Laws 2021, Ch. 547, §3:

(a) "Single contiguous area" includes an area of land crossed by a public or railroad right of way, but does not include infrastructure facilities located within the public or railroad right of way for purposes of determining whether the single contiguous area of land constitutes a Site.

(b) "Site" means:

(A) Buildings and related structures that are interconnected by facilities owned by a single retail electricity Consumer and that are served through a single electric meter;

(continued)

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P.U.C. OR No. 36

Filing Center  
 March 8, 2024

Issued March 8, 2024

Matthew McVee, Vice President, Regulation

Second Revision of Sheet No. 291-2  
 Canceling First Revision of Sheet No. 291-2  
**Effective for service on and after April 1, 2024**  
 Advice No. 24-004