



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

June 21, 2017

Public Utility Commission of Oregon
Attn: Filing Center
201 High Street, S.E.
P.O. Box 1088
Salem, OR 97308-1088

RE: Advice No. 17-12, Updating Schedule 5, Direct Load Control Pilot Rider

Portland General Electric Company (PGE) submits this filing pursuant to Oregon Revised Statute 757.205 and 757.210, and Oregon Administrative Rule (OAR) 860-022-0025, for filing proposed tariff sheets associated with Tariff P.U.C. No. 18 with a requested effective date of **August 9, 2017**:

- First Revision of Sheet No. 5-1
- First Revision of Sheet No. 5-2
- First Revision of Sheet No. 5-3
- First Revision of Sheet No. 5-4

PGE filed its application for reauthorization for deferral of expenses associated with two Residential Demand Response Pilots on June 2, 2017¹. PGE is making this filing to propose revisions to Schedule 5 that affect the pilot during and after the reauthorization period including: expanding the pilot and extending its term, changing to event notification, changing to the frequency and number of events, and changing to the minimum participation requirements.

This tariff filing proposes changes to expand the Direct Load Control Pilot to include non-Nest thermostats such as Honeywell and Ecobee. This expansion will maintain a consistent pilot design and give PGE a better understanding of load impacts and customer experience in a diverse market. PGE hopes to improve customer experience by expanding methods of notification of Direct Load Control Events to include the thermostat display screen and mobile app notification².

PGE also plans to call no more than 150 event hours per event season. Currently, PGE calls no fewer than six and no more than ten events per event season; events are called no more than two days in succession and occur for one to five hours. These revisions increase the frequency in which PGE can call Direct Load Control Events.

¹ Schedule 5, Direct Load Control Pilot is one of the two Residential Demand Response Pilots.

² Event notification on the thermostat display screen applies for thermostats that support this function.

To receive an incentive for participation, a customer will need to participate in at least 50% of the event hours for which they are eligible to participate in that event season.

There are other minor revisions included in the proposed Schedule 5 tariff that are housekeeping in nature. Attached is a redline version of Schedule 5 that includes PGE's proposed revisions.

To satisfy the requirements of OAR 860-022-0025, PGE responds as follows:

The proposed revisions to Schedule 5, Direct Load Control Pilot Rider, do not increase, decrease, otherwise change existing rates, or impact revenues. PGE has approximately 3,800 customers who participate in this pilot.

Should you have any questions or comments regarding this filing, please contact Rob Macfarlane at (503) 464-8954 or Peter Davis at (503) 464-8068.

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com

Sincerely,



Karla Wenzel
Manager, Pricing and Tariffs

Enclosures

**SCHEDULE 5
DIRECT LOAD CONTROL PILOT RIDER**

PURPOSE

This direct load control pilot is a demand response option for eligible residential Customers. The direct load control pilot offers incentives to allow the Company to control thermostats during Direct Load Control Events while providing a customer override. The Company provides advance notice to participating Customers for Direct Load Control Events. The pilot is expected to be conducted from December 1, 2015 through December 31, 2018.

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DEFINITIONS

Central Air Conditioning – air conditioner tied into a central ducted forced air system.

Direct Load Control – a remotely controllable switch that allows the utility to operate an appliance, often by cycling. In terms of this pilot, direct load control allows the Company to change the set point or cycle the Customer's heating or cooling through the Customer's Qualified Thermostat in order to reduce the Customer's energy demand.

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Direct Load Control Event – a period of time in which the Company will provide direct load control.

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Ducted Heat Pump – heat pump heating and cooling system hooked into a central ducted forced air system.

Electric Forced Air Heating – an electrical resistance heating system tied into a central ducted forced air system.

Event Notification – the Company will issue a notification of a Direct Load Control Event to participating Customers. Participating Customers must choose at least one method for receipt of notification. Notification methods may include email, text, auto-dialer phone call, on thermostat display screen, or via mobile app notification. Notification may also be available on the Company's website.

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Event Season – the pilot has two event seasons: the Summer Event Season and the Winter Event Season.

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.

SCHEDULE 5 (Continued)

DEFINITIONS (Continued)

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.

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

(N)
(N)

AVAILABLE

In all territory served by the Company.

APPLICABLE

Subject to selection by the Company, up to 12,000 eligible Residential (Schedule 7) Customers may elect to participate in the pilot. No more than 12,000 Customers may participate. This program is available to eligible Customers on Schedule 7 that elect to enroll. Customers will remain on Schedule 7 and will be eligible for the incentives described in this schedule.

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ELIGIBILITY

Eligible Customers must have a Network Meter. Customers must have a Qualified Thermostat connected to the internet and the heating or cooling system, all at the Customers' expense. 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.

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SCHEDULE 5 (Continued)

DIRECT LOAD CONTROL EVENT

Direct Load Control Events occur for one to five hours. The Company may call two events per day, but will not exceed five cumulative hours for the day. During Direct Load Control Events the Customer may allow the Company to control their thermostat for the duration of the event. The Customer has the option not to participate by overriding via the thermostat. The Company initiates Direct Load Control Events with Event Notification. The Company will call Direct Load Control Events only in the following months: December, January, February, June, July, August, and September. Direct Load Control Events will not be called on weekends or Holidays. Reasons for calling events may include, but are not limited to: energy load forecasted to be in the top 1% of annual load hours, forecasted temperature above 90 or below 32, expected high generation heat rates and market power prices, and/or forecasted low or transitioning wind generation. The Company will call no more than 150 event hours per Event Season.

ENROLLMENT

The Customer may enroll at any time, but must participate for the minimum number of hours described in the incentive section.

INCENTIVE

Participating Customers receive a one-time payment of \$25 for signing up for the direct load control pilot. In addition, Customers receive \$25 for each Event Season they participate. A Customer participating in all Event Seasons receives \$75 for the first pilot year and \$50 for additional years. Incentives are paid to the Customer with a check, bill credit, or generic gift card. 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.

SCHEDULE 5 (Continued)

SPECIAL CONDITIONS

1. The Customer may terminate service under this pilot at the next regularly scheduled meter reading if the Customer provides the Company two weeks' notice prior to the next regularly scheduled meter read date. (T)
2. Customers that reenroll in the program are not eligible for a second payment for signing up. A Customer continuing service at a new residence is not considered a new enrollment. (C)
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3. If the participating Customer moves to a different residence, the Customer may continue participation if the new residence meets the eligibility requirements.
4. The Company will defer and seek recovery of all pilot costs not otherwise included in rates.
5. Customers on Schedule 6 are not eligible to participate in the direct load control pilot.
6. The Company is not responsible for any direct, consequential, incidental, punitive, exemplary, or indirect damages to the participating Customer or third parties that result from AC Cycling or changing the thermostat set point.
7. The Company shall have the right to select the cycling schedule and the percentage of the Customer's heating or cooling systems to cycle at any one time, up to 100%, at its sole discretion.
8. The provisions of this schedule do not apply for any time period that the Company interrupts the Customer's load for a system emergency or any other time that a Customer's service is interrupted by events outside the control of the Company. The provisions of this schedule will not affect the calculation or rate of the regular service associated with the Customer's Schedule 7 charges and associated charges.
9. PGE has the right to remove a Customer from the pilot when good cause is shown including, but not limited to, for poor customer responsiveness, consistent customer non-participation in called events, or issues with customer equipment that impact customer's participation. (N)
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(N)

TERM

This pilot began December 1, 2015 and ends December 31, 2018. (C)

PGE Advice No. 17-12
Redline Version of Schedule 5

SCHEDULE 5 DIRECT LOAD CONTROL PILOT RIDER

PURPOSE

This direct load control pilot is a demand response option for eligible residential Customers. The direct load control pilot offers incentives to ~~test smart thermostats that allow~~ the Company ~~can to~~ control thermostats during Direct Load Control Events while providing a customer override. The Company ~~will provide~~s advance notice to participating Customers for Direct Load Control Events. The pilot is expected to be conducted from December 1, 2015 through ~~September-December 31~~0, 20187.

DEFINITIONS

Central Air Conditioning – air conditioner tied into a central ducted forced air system.

Direct Load Control – a remotely controllable switch that allows the utility to operate an appliance, often by cycling. In terms of this pilot, direct load control allows the Company to change the set point or cycle the Customer's heating or cooling through the Customer's Nest Qualified Thermostat in order to reduce the Customer's energy demand.

Direct Load Control Event – a ~~three hour~~ period of time in which the Company will provide direct load control.

Ducted Heat Pump – heat pump heating and cooling system hooked into a central ducted forced air system.

Electric Forced Air Heating – an electrical resistance heating system tied into a central ducted forced air system.

Event Notification – the Company will issue a notification of a Direct Load Control Event to participating Customers, ~~at least two hours prior to the event.~~ Participating Customers must choose at least one method for receipt of notification. Notification methods may include email, text, ~~or~~ auto-dialer phone call, on thermostat display screen, or via mobile app notification. Notification may also be available on the Company's website. ~~Once the Company issues a notification, a Direct Load Control Event will not be cancelled.~~

Event Season – the pilot has two event seasons: the Summer Event Season and the Winter Event Season.

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.

SCHEDULE 5 (Continued)

DEFINITIONS (Continued)

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.

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

AVAILABLE

In all territory served by the Company.

APPLICABLE

Subject to selection by the Company, up to ~~5,000~~12,000 eligible Residential (Schedule 7) Customers may elect to participate in the pilot. No more than ~~5,000~~12,000 Customers may participate, ~~regardless of eligibility~~ This program is available to eligible Customers on Schedule 7 that elect to enroll. Customers will remain on Schedule 7 and will be eligible for the incentives described in this schedule.

ELIGIBILITY

Eligible Customers must have a Network Meter. Customers must have a Nest LearningQualified Thermostat connected to the internet and the heating or cooling system, all at the Customers' expense. 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.

SCHEDULE 5 (Continued)

DIRECT LOAD CONTROL EVENT

Direct Load Control Events occur for ~~three consecutive~~one to five hours. The Company may call two events per day, but will not exceed five cumulative hours for the day. During ~~these three hours~~Direct Load Control Events the Customer may allow the Company to control their thermostat for the duration of the event. The Customer has the option not to participate by overriding via the thermostat. The Company initiates Direct Load Control Events with Event Notification. The Company will call Direct Load Control Events only in the following months: December, January, February, June, July, August, and September. Direct Load Control Events will not be called on weekends or Holidays. ~~The Company will call no more than one Direct Load Control Event per day and no more than two days in succession.~~ Reasons for calling events may include, but are not limited to: energy load forecasted to be in the top 1% of annual load hours, forecasted temperature above 90 or below 32, expected high generation heat rates and market power prices, and/or forecasted low or transitioning wind generation. ~~However, for purposes of the pilot, the Company will call no fewer than six and no more than ten events~~150 event hours per Event Season.

ENROLLMENT

The Customer ~~enrollment period will begin prior to the term of the pilot. Service under this schedule will commence December 1, 2015. Unless this pilot is otherwise terminated, participating Customers will be enrolled for the entire pilot term.~~may enroll at any time, but must participate for the minimum number of hours described in the incentive section.

INCENTIVE

Participating Customers receive a one-time payment of \$25 for signing up for the direct load control pilot. In addition, Customers receive \$25 for each Event Season they participate. A Customer participating in all Event Seasons receives \$75 for the first pilot year and \$50 for ~~the second pilot~~additional years. Incentives are paid to the Customer with a check, bill credit, or generic gift card. 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.

SCHEDULE 5 (Continued)

SPECIAL CONDITIONS

1. The Customer may terminate service under this pilot at the next regularly scheduled meter reading if the Customer provides the Company two ~~weeks notice~~weeks' notice prior to the next regularly scheduled meter read date.
2. ~~If a Customer is removed from the pilot, the Customer is not eligible for reenrollment during the pilot period.~~Customers that reenroll in the program are not eligible for a second payment for signing up. A Customer continuing service at a new residence is not considered a new enrollment.
3. If the participating Customer moves to a different residence, the Customer may continue participation if the new residence meets the eligibility requirements.
4. The Company will defer and seek recovery of all pilot costs not otherwise included in rates.
5. Customers on Schedule 6 are not eligible to participate in the direct load control pilot.
6. The Company is not responsible for any direct, consequential, incidental, punitive, exemplary, or indirect damages to the participating Customer or third parties that result from AC Cycling or changing the thermostat set point.
7. The Company shall have the right to select the cycling schedule and the percentage of the Customer's heating or cooling systems to cycle at any one time, up to 100%, at its sole discretion.
8. The provisions of this schedule do not apply for any time period that the Company interrupts the Customer's load for a system emergency or any other time that a Customer's service is interrupted by events outside the control of the Company. The provisions of this schedule will not affect the calculation or rate of the regular service associated with the Customer's Schedule 7 charges and associated charges.
9. PGE has the right to remove a Customer from the pilot when good cause is shown including, but not limited to, for poor customer responsiveness, consistent customer non-participation in called events, or issues with customer equipment that impact customer's participation.

TERM

This pilot began ~~ans~~ December 1, 2015 and ends ~~September 30~~December 31, 2018. ~~7 or when the Company has conducted the pilot for two Winter Event Seasons and two Summer Event Seasons.~~