



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

October 31, 2023

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

RE: Advice No. 23-21, Schedule 138, Energy Storage Cost Recovery Mechanism Update

Portland General Electric Company (PGE) submits this filing pursuant to Oregon Revised Statutes (ORS) 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 **January 1, 2024**:

Second Revision of Sheet No. 138-1
Third Revision of Sheet No. 138-2

The purpose of this filing is to update the Schedule 138 prices to recover costs associated with HB 2193 energy storage pilots that are not otherwise included in customer prices. The pilot deferrals and dockets included for this filing are:

- UM 2078 Residential Battery Storage
- UM 2113 Non-Residential Energy Storage Pilots

The following costs are included in the Schedule 138 prices for 2024:

- The Residential Battery Storage Pilot 2024 budgeted O&M costs of approximately \$0.7 million. However, the projected balance at the end of 2023 is estimated to be a credit of about \$0.3 million due to lower than expected participation in the pilot during the pandemic era. PGE proposes to set the Schedule 138 collection rate to 0% in 2024 in order to reduce the balance. PGE will reassess the recovery rate in its filing next year and reintroduce the charge.

In 2023 the deferred revenue requirement of approximately \$1.3 million, accrued prior to May 9, 2022,¹ associated with capital costs incurred for the Beaverton Public Safety Center (BPSC) energy storage microgrid and the Port Westward 2 (PW2) energy storage project were collected via Schedule 138. Based on current collections, PGE estimates a balance of \$18K in the balancing account at the end of December 2023. PGE will move any final balance in January to the residual account for collection or refund via Schedule 105 Regulatory Adjustments.

¹PGE's 2022 general rate case (Docket No. UE 394) effective date.

To satisfy the requirements of OAR 860-022-025(2), PGE provides the following responses.

The amortization and recovery of the Energy Storage Pilot expenses through Schedule 138 prices result in an approximate \$2.1 million or 0.1% overall average rate decrease for the 940,000 (2024 forecasted average) applicable Cost-of Service Customers. A typical Schedule 7 Residential Customer consuming 795 kWh monthly will see a \$0.12 or 0.1% decrease in their monthly bill as a result of this filing, inclusive of the Public Purpose Charge.

The enclosed work papers include support for the proposed Schedule 138 prices, the projected applicable billing determinants, and the projected balancing account activity.

Please direct any questions regarding this filing to Chris Pleasant at christopher.pleasant@pgn.com. Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com

Sincerely,

\s\ *Robert Macfarlane*

Robert Macfarlane
Manager, Pricing and Tariffs

Enclosure(s)

PGE Advice No. 23-21
Work Papers

Provided in electronic format and password protected

**SCHEDULE 138
ENERGY STORAGE COST RECOVERY MECHANISM**

PURPOSE

This Schedule recovers the expenses associated with HB 2193 energy storage pilots not otherwise included in rates. This adjustment schedule is implemented as an automatic adjustment clause as provided for under ORS 757.210.

AVAILABLE

In all territory served by the Company.

APPLICABLE

To all bills for Electricity Service except Schedules 76R, 485, 489, 490, 491, 492, 495 and 576R and 689.

ADJUSTMENT RATE

The Adjustment Rate, applicable for service on and after the effective date of this schedule are:

<u>Schedule</u>	<u>Adjustment Rate</u>	
7	0.000 ¢ per kWh	(R)
15/515	0.000 ¢ per kWh	
32/532	0.000 ¢ per kWh	
38/538	0.000 ¢ per kWh	
47	0.000 ¢ per kWh	
49/549	0.000 ¢ per kWh	
75/575		
Secondary	0.000 ¢ per kWh	
Primary	0.000 ¢ per kWh	
Subtransmission	0.000 ¢ per kWh	
83/583	0.000 ¢ per kWh	
85/585		
Secondary	0.000 ¢ per kWh	
Primary	0.000 ¢ per kWh	

SCHEDULE 138 (Concluded)

ADJUSTMENT RATE (Continued)

<u>Schedule</u>	<u>Adjustment Rate</u>	
89/589		
Secondary	0.000 ¢ per kWh	(R)
Primary	0.000 ¢ per kWh	
Subtransmission	0.000 ¢ per kWh	
90/590		
Primary 30-250 Mwa	0.000 ¢ per kWh	(C)
Primary >250 Mwa	0.000 ¢ per kWh	(C)
Subtransmission	0.000 ¢ per kWh	
91/591	0.000 ¢ per kWh	
92/592	0.000 ¢ per kWh	
95/595	0.000 ¢ per kWh	(R)

BALANCING ACCOUNT

The Company will maintain a balancing account to accrue differences between the incremental costs associated with energy storage pilots and the revenues collected under this schedule. This balancing account will accrue interest at the Commission-authorized rate for deferred accounts.

DEFERRAL MECHANISM

Each year the Company may file a deferral request to defer the incremental costs associated with the implementation and administration of the energy storage pilots. The rate on this schedule recovers only the incremental costs for implementation and administration of energy storage pilots. The deferral will be amortized over one year in this schedule unless otherwise approved by the Oregon Public Utility Commission.

SPECIAL CONDITION

1. Costs recovered through this schedule will be allocated to each schedule using the applicable schedule’s forecasted energy on the basis of an equal percent of generation revenue applied on a cents per kWh basis to each applicable rate schedule.