



Portland General Electric
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October 30, 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. 23-20, Schedule 122, Renewable Resource Automatic Adjustment Clause and Docket No. UE 427.

Portland General Electric Company (PGE) submits this filing pursuant to Oregon Revised Statutes (ORSs) 757.205, 757.210 and 469A.120, and Oregon Administrative Rules (OARs) 860-022-0025 and 860-022-0030, for filing proposed tariff sheets associated with Tariff P.U.C. No. 18, with a requested effective date of **June 1, 2024**:

Twenty First Revision of Sheet No. 122-1
Twentieth Revision of Sheet No. 122-2

Enclosed for filing is the following Testimony and Exhibits assigned as Docket No. UE 427:

- Greg Batzler and Mike Abel (UE 427 PGE / 100-102C)¹

This filing is made pursuant to the requirements of Schedule 122 to update the Renewable Resources Automatic Adjustment Clause (RAAC). The purpose of updating the rate schedule is to recover costs of qualifying Company-owned and / or contracted new renewable energy resource projects not otherwise included in rates. The proposed Schedule 122 prices are designed to recover the revenue requirements for the owned and contracted wind-related portions of the Clearwater Wind Project (Clearwater).

The current forecast and contracted online date of Clearwater is December 31, 2023. PGE is requesting a tariff effective date of June 1, 2024 to allow for the regulatory process associated with a RAAC filing. Due to the difference in the online date for Clearwater and the tariff effective date, PGE will be filing a deferral to track expenses between the online date and the tariff effective date which will later be collected through Schedule 122.

¹Included in this filing is redacted testimony PGE/100 and Exhibit 102C, unredacted versions will be provided to parties who have signed the appropriate protective orders.

To satisfy the requirements of OAR 860-022-0025(2) and OAR 860-022-0030(1), PGE responds as follows:

PGE estimates that approximately 940,000 Cost of Service (COS) customers will be impacted by this overall \$10 million or 0.3% decrease in COS revenues from the proposed Schedule 122 prices. A typical Schedule 7 customer consuming 795 kWh monthly will see a bill decrease of \$0.45 or 0.3%.

A work paper detailing the updated revenue requirements, price development and percentage impacts on customers is attached.

Please note that PGE will be updating the 2024 revenue requirement during this proceeding to include a final forecast of 2024 net variable power cost benefits.

Please direct any questions regarding this filing to Greg Batzler at greg.batzler@pgn.com or Casey Manley at casey.manley@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

Enclosures

PGE Advice No. 23-20
Work Paper

Provided in electronic format and password protected

SCHEDULE 122 (Continued)

ADJUSTMENT RATE (Continued)

	<u>Schedule</u>	<u>Adjustment Rate</u>	
89	Secondary	(0.045) ¢ per kWh	(R)
	Primary	(0.045) ¢ per kWh	
	Subtransmission	(0.046) ¢ per kWh	
90	Primary 30-250 MWa	(0.044) ¢ per kWh	(C)
	Primary > 250 MWa	(0.043) ¢ per kWh	(C)
	Subtransmission	(0.044) ¢ per kWh	
91		(0.042) ¢ per kWh	
92		(0.045) ¢ per kWh	
95		(0.042) ¢ per kWh	(R)

ANNUAL REVENUE REQUIREMENTS

The Annual Revenue Requirements of a qualifying project will include the fixed costs of the renewable resource or energy storage project associated with renewable energy resources and associated transmission (including return on and return of the capital costs), operation and maintenance costs, income taxes, property taxes, and other fees and costs that are applicable to the renewable resource or energy storage project associated with renewable energy resources or associated transmission. Until the dispatch benefits are included in the Annual Power Cost Update Schedule 125, the net revenue requirements of each project (fixed costs less market value of the energy produced by the renewable resource or energy storage project associated with renewable energy resources plus any power costs such as fuel, integration and wheeling costs) will be deferred and included in the Schedule 122 rates. By no later than April 1 of each year following the resource’s on-line date, the Company will file an update to the revenue requirements of resources included in this schedule to recognize projected changes for the following calendar year. Should the final determination of a Schedule 122 filing for a new resource not allow for inclusion of its net variable power costs (NVPC) in the AUT, these will be included in the Schedule 122 revenue requirement used to set initial prices. In this circumstance, the resource’s NVPC impacts will subsequently be removed from Schedule 122 prices and included in the AUT at the next available opportunity.

DEFERRAL MECHANISM

For each calendar year that the Company anticipates that a new renewable resource or energy storage project associated with renewable energy resources will commence operation, the Company may file a deferral request the earlier of the resource online date or April 1. The deferral amount will be for the fixed revenue requirements of the resource less net dispatch benefits. For purposes of determining dispatch benefits, the forward curves used to set rates for the year under the Annual Power Cost Update will be used. The deferral will be amortized over the next calendar year in Schedule 122 unless otherwise approved by the Oregon Public Utility Commission (OPUC). The balancing account will accrue interest at the Commission-authorized rate for deferred accounts, and the amortization of the deferred amount will not be subject to the provisions of ORS 757.259(5).