



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

August 25, 2017

Oregon Public Utility Commission
Attention: Filing Center
201 High Street, S.E.
PO Box 1088
Salem OR 97308-1088

**Re: UM 1728 – PORTLAND GENERAL ELECTRIC COMPANY's Application to
Update Schedule 201 Qualifying Facility Information – Compliance Filing**

Attention Filing Center:

On August 18, 2017, Portland General Electric Company (PGE) submitted pursuant to Oregon Administrative Rules 860-029-0040(4)(a) and 860-001-0420 and Order Nos. 10-488, 11-505, and 14-058, revisions to Schedule 201, Qualifying Facility Power Purchase Information for Qualifying Facilities 10 MW or Less, Sheet Nos. 201-1 through Sheet Nos. 201-23. The filing also included a Motion for Temporary Relief from Schedule 201 Prices (Motion) with an accompanying Declaration of Robert Macfarlane.

PGE discovered that Attachment A had a couple typographical errors. PGE is resubmitting a revised Attachment A, Page 2 only. The text changes are as follows: Page 2, Gas Price Projections section, 2nd paragraph, 2nd sentence the words removed are 1) both, 2) and Sumas, and 3) removed "s" from hub.

Should you have any questions or comments regarding this filing, please contact Mary Widman at (505) 464-8223 or Rob Macfarlane at (503) 464-8954. Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com.

Sincerely,

A handwritten signature in black ink that reads "Jay Tinker". The signature is written in a cursive, flowing style.

Jay Tinker
Director, Regulatory Policy & Affairs

Enclosure
cc: Service List UM 1610

**UM 1728 – PORTLAND GENERAL ELECTRIC COMPANY
Application to Update Schedule 201 Qualifying Facility Information
Compliance Filing**

**Attachment A, Page 2
Revised August 25, 2017**

Resource Sufficiency Period Pricing

Resource sufficiency period prices are based on forward Mid-Columbia electricity trading curves delivered to PGE's system. The forward trading curves are dated July 13, 2017.

Gas Price Projections

The basis for the gas prices used in this study is described on Page 79 of PGE's 2016 IRP. The forecast is from June 2017.

In order to simplify market-based pricing, the estimate of gas transportation costs is fixed. The heat rate of a CCCT is then applied to the estimated transportation costs for the AECO trading hub. This gas transportation estimate is added to the fixed costs and variable O&M costs to calculate Table 12.

Renewable Capacity Contribution

To translate the renewable capacity contribution into prices for standard avoided costs consistent with Order No. 16-174, several inputs are necessary. First, the capacity contribution percentages of both wind and solar resources are necessary. The capacity contribution percentages are provided in PGE's 2016 IRP. The capacity contribution for wind is 18.59% and the capacity contribution for solar is 15.33%. Two additional inputs are necessary:

- (1) The on-peak capacity factor of the wind resource of 35.24% is calculated from the wind resource used to derive the capacity contribution for wind.
- (2) The on-peak capacity factor of the solar resource of 35.61% is calculated from the solar resource used to derive the capacity contribution for solar.

The translation of renewable capacity contribution into avoided cost prices is performed in two simple steps.

Step one: remove capacity value from all hours for the proxy gas resource.

Step two: add capacity in the on-peak hours for wind and solar QFs separately.

CO2 (Carbon) Regulation

The Company, as directed in Order No. 08-339 is continues to evaluate expected regulatory compliance for CO2 in the context of resource planning. However, because no carbon regulation has yet been legislated, this filing includes no assumptions relative to