



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

September 11, 2017

via Electronic-Mail
pucfilingcenter@state.or.us

Public Utility Commission of Oregon
201 High Street, Suite 100
PO Box 1088
Salem, OR 97308-1088

Attn: Commission Filing Center

Re: **UP 324- PGE – PPS Solar Project Sale-Leaseback**

In accordance with Condition No. 5 of Commission Order No. 15-237, dated August 11, 2015, enclosed is PGE's record of RECs purchased for the above property transaction.¹ The RECs were purchased in early August 2015 and were delivered to PGE in April 2016.

Attachments A, B and C are Confidential and subject to Protective Order No. 15-095, printed on yellow paper and provided under separate cover.

If you have any questions, please feel free to contact me at (503) 464-7580.

Sincerely,

A handwritten signature in purple ink, appearing to read "Patrick G. Hager".

Patrick G. Hager
Manager, Regulatory Affairs

encl.

cc: Marc Hellman

up-324 pge condition 5 cvr ltr_09.07.17

¹ PGE inadvertently missed the 60-day deadline due date of this compliance report.

UP 324

Attachment A

Confidential and Subject to Protective Order No. 15-095

Compliance Filing Condition No. 5
Bundled REC Transaction Confirmation
Schedule R of the WSPP Agreement

SCHEDULE R

BUNDLED REC TRANSACTION CONFIRMATION

Identification of Parties:

Seller:

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Purchaser:

Portland General Electric
Purchaser Contact: Scott Russell
Tel. (Office): 503-464-7579
Email: scott.russell@pgn.com

Contact information is subject to change by notice.

REC Transaction Terms:

This transaction is governed by Schedule R of the WSPP Agreement, except as modified by this Confirmation.

REC Product (e.g., Firm REC, Firm Bundled REC, etc.) (see Section R-2.3):
Firm Bundled RECs

Period of generation for REC to be created:
August 1, 2015 to December 31, 2015

Contract Quantity (stated either on a megawatt hour basis or percentage of output of a designated Renewable Energy Facility):
[REDACTED] Oregon RPS eligible RECs

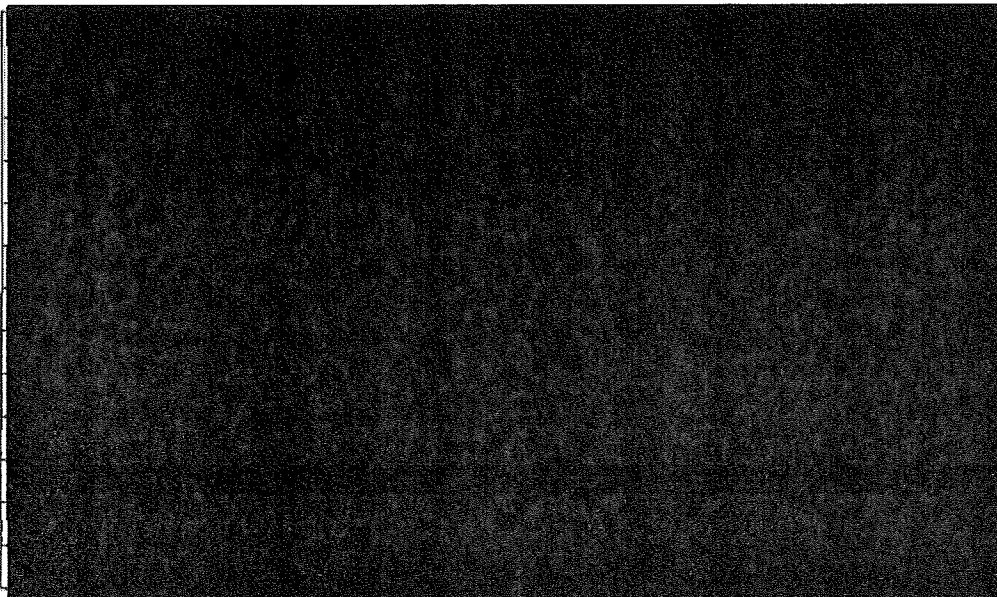
REC Transfer Date:
One time delivery on or before April 15, 2016

Contract Price:
[REDACTED] per REC

Environmental Attributes:
All Attributes

Applicable Program:
Oregon Renewable Portfolio Standard ("Oregon RPS")

Designation of Renewable Energy Source or Renewable Energy Facility:

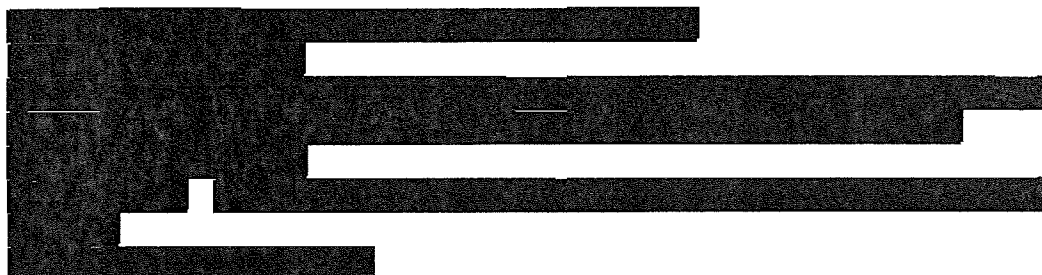


Change in Law Provisions:
Not Regulatorily Continuing (Section R-5.2.2(c))

Tracking System(s) if any:
WREGIS

Damages:
R-9.1.2 applicable

Energy Transaction Terms:



Effective Date and Other Provisions:

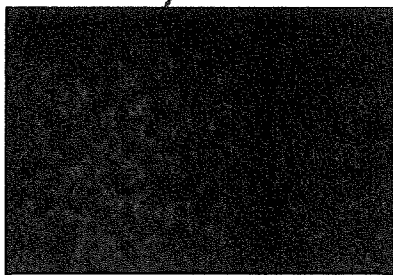
The Parties agree to the Bundled REC Transaction set forth herein as of the Effective Date (the date both Parties have executed this Confirmation).

Seller

Signed:

Name:

Date:



8/3/15

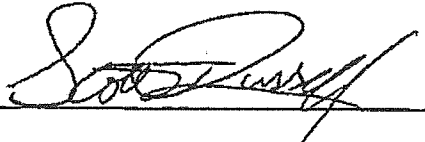


Purchaser

Signed:

Name:

Date:



Scott Russell

7-29-2015

UP 324

Attachment B

Confidential and Subject to Protective Order No. 15-095

Compliance Filing Condition No. 5
Internal Memo Regarding the Bundled REC Purchase



Memo

To: Maria Pope - Senior Vice President, Power Supply & Operations & Resource Strategy
From: Scott Russell – Structuring & Origination
CC: Carol Dillin, Joey Ross, Elizabeth Paul, Patrick Hager, Doug Tingey, Darrington Outama, Brett Sims, Bill Casey, Cathy Kim, Terri Peschka; Jim Barnes
Date: 08/21/2015
Re: PGE to purchase Oregon Bundled Renewable Energy Credits

Transaction

Structuring & Origination has negotiated a Bundled Renewable Energy Credit (REC) purchase from [REDACTED] for [REDACTED] MWh + RECs under WSPP Schedule(s) C and R. This purchase qualifies as a "Bundled REC" under the Oregon Renewable Portfolio Standard (RPS).

The energy will be firmed and shaped by [REDACTED] for ease of operations. Energy will be delivered to PGE during light load hours (LLH) in November 2015. Oregon Bundled RECs will be generated from [REDACTED] between August 1, 2015 and December 31, 2015. RECs will be created in WREGIS and transferred to PGE on or before Apr 15, 2016.

Counterparty	Facility Name(s)	Green Energy Quantity	Price	Energy Delivery Period	REC Creation Period	Generator Type	Oregon Eligible
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	Nov 2015	Aug 1, 2015 to Dec 31, 2015	[REDACTED]	Yes

The energy component of the transaction is covered under Power Costs and is not an incremental expense to PGE. The Bundled REC component of [REDACTED] is an incremental expense to PGE. Upon delivery of the RECs, PGE will pay [REDACTED], and record the RECs to the balance sheet. RECs will be expensed to Power Cost upon retirement.

Why is Structuring & Origination purchasing these Bundled RECs?

PGE has developed the Portland Public School (PPS) Solar Project in partnership with PPS and Energy Trust Oregon (ETO). OPUC Staff has indicated that they do not agree with the way the RECs are being allocated between customer groups. OPUC Staff has said that they will not support the

project in the Renewable Adjustment Clause (RAC) filing unless PGE either (1) Allocates more of the PPS Solar Project RECs to PGE Customers; or (2) Provides additional Bundled RECs to PGE Customers at the expense of PGE Shareholders.

PGE does not agree with OPUC Staff's position on this issue, but in the spirit of collaboration has agreed to option (2) with the understanding that this purchase does not set precedent for any future RAC proceeding.

Are there risks associated with this transaction? And, what steps have been taken to alleviate them?

PGE has purchased a 'firmed and shaped' Bundled REC product from [REDACTED]. There is some risk that energy and/or associated RECs are not delivered to PGE. The WSPP Agreement provides for liquidated damages in this scenario. In the unlikely event this occurs, PGE will use the proceeds from the liquidated damages to provide replacement Bundled RECs for the PPS Solar Project.

There is some operational risk in the Day Ahead, Real Time, and Settlement processes to ensure compliance with the Oregon RPS. Structuring and Origination has communicated the details of this purchase to each group and will follow-up in the month prior to flow (October) to make sure there are not outstanding questions.

Next Steps and timeline:

- PGE will communicate to OPUC Staff that the RPS power purchase agreement has been made;
- PGE Risk Management will flag the purchase for exclusion from the Automatic Update Tariff and Power Cost Adjustment Mechanism to reflect the 'below the line' nature of the RPS Bundled attributes;
- [REDACTED] will deliver [REDACTED] energy to PGE during November 2015;
- PGE will pay ICE Day Ahead Index for the energy in Dec 2015 as part of the normal settlement process under the WSPP;
- [REDACTED] will deliver [REDACTED] RECs to PGE on or before Apr 31, 2016;
- PGE will review the RECs after the transfer to ensure they match the contract terms;
- [REDACTED] will invoice and PGE will pay as per the normal settlement process under the WSPP;
- RECs from this purchase will go into PGE's bank and will be retired on behalf of PGE Customers under the Oregon Department of Energy guidelines for RPS compliance;
- As per the agreement with OPUC Staff, Bundled RECs from this purchase will be retired on behalf of PGE Customers.

UP 324

Attachment C

Confidential and Subject to Protective Order No. 15-095

Compliance Filing Condition No. 5
WREGIS Inventory



WECC

Inter-Account Transfer

Σ ① 2696

Printed Date: 9/6/2017 2:40:16 PM

Year	Month	WREGIS GU ID	Generator Plant-Unit Name	Fuel Type	Login Name	Quantity	Certificate Serial Numbers	Date of Transfer	Transferor	Transferee	Action	SubAccountName	Transaction ID
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