



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

June 06, 2016

Email

puc.filingcenter@state.or.us

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

Attn: Commission Filing Center

**Re: UM 1482 Application for Reauthorization to Defer Expenses
Associated with a Photovoltaic Volumetric Incentive Rate Pilot**

Pursuant to ORS 757.259 and OAR 860-027-0300, enclosed for filing is the Application of Portland General Electric Company for Reauthorization to Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot. Per OAR 860-027-0300(2), the authorized deferred account expires 12 months from the date the deferral was reauthorized or May 6, 2015.

Although this reauthorization request is being filed out of the normal effective period, there is an automatic adjustment clause for the same costs. Hence costs associated with UM-1482 during the lapse period have been deferred. Moreover, ORS 757.365 allows recovery of all pilot program related prudently incurred costs. This request for deferral reauthorization is filed in an abundance of caution.

A Notice of Application regarding the filing of this application is attached. We have provided notification to the UM 1482 and UE 294 service lists. Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pgn.com.

If you have any questions or require further information, please call me at (503) 464-8937 or Karla Wenzel at (503) 464-8718. Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pgn.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Stefan Brown", is written over a light blue horizontal line.

Stefan Brown
Manager, Regulatory Affairs

SB/
encls.

cc: Judy Johnson
UM 1482 and UE 294 Service Lists

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1482

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot

Application for Reauthorization to Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot, aka the PGE Solar Payment Option Pilot

Pursuant to ORS 757.259, OAR 860-027-0300, OAR 860-084-0380 and 860-084-0390, and the most recent OPUC Orders No. 14-271 and 15-185, Portland General Electric Company (“PGE”) hereby requests authorization to continue to defer for later rate-making treatment expenses associated with the Photovoltaic Volumetric Incentive Rate Pilot (“PV VIR”). This PV VIR Pilot is also referred to as the PGE Solar Payment Option (“Pilot”), Schedules 215, 216 and 217.

PGE requests this reauthorization continue with the effective period from June 6, 2016 through June 5, 2017. Costs associated with the lapse period have been deferred and this reauthorization request is filed as an abundance of caution. PGE believes the timing of this filing should not affect estimates or account balances because Oregon Revised Statute 757.365(10) allows for the recovery of all prudently incurred costs in rates.

I. Deferral History:

Under Docket AR 538, the Commission promulgated its Division 84 rules for the PV VIR Pilot. Docket UM 1452 set forth additional implementation requirements through OPUC Orders detailed below, the most recent being Nos. 14-271 and 15-185. The Pilot, required by state law, provides payments to retail electric customers for electricity generated by permanently installed solar photovoltaic energy systems through Schedules 215, 216 and 217. This deferral allows PGE to recover costs associated with the Pilot, through Schedule 137, Customer Owned Solar Payment Option Cost Recovery Mechanism.

This accounting facilitates cost recovery authorized by the Commission in Order 10-198. PGE intends to recover Pilot costs from all applicable customer classes in the manner authorized by the Commission. Approval of the reauthorization application for the deferral is necessary since these incremental costs are not included in any other cost recovery mechanism.

PGE has filed and received reauthorization for this deferral, as shown in Table 1 below:

Table 1

| Filing Date | Renewal Period | Order No. | Approval Date |
|--------------------|-----------------------|------------------|----------------------|
| 5/06/2010 | 5/6/2010 – 5/5/2011 | 11-059 | 2/16/2011 |
| 4/28/2011 | 5/7/2011 – 5/6/2012 | 11-281 | 8/01/2011 |
| 5/04/2012 | 5/7/2012 – 5/6/2013 | 12-202 | 5/07/2012 |
| 5/02/2013 | 5/7/2013 – 5/6/2014 | 13-250 | 7/02/2013 |
| 4/28/14 | Supplemented | N/A | |
| 7/08/14 | 5/7/2014 – 5/6/2015 | 14-271 | 7/22/14 |
| 5/05/15 | 5/7/2015 – 5/6/2016 | 15-185 | 6/09/2015 |

II. OAR 860-027-0300 Requirement (3):

a. Description of Utility Expense for which deferred account is requested.

The utility expenses include incremental costs consisting of volumetric incentive payments and/or retail bill offsets to participants, administrative costs associated with the PV VIR program operations, data collection, development costs for billing and website, customer surveys, and regulatory reporting requirements. Credits to the balancing account include: deposit forfeitures, interconnection application fees, customer charges, assignment fees, and the avoided energy value.

Amounts in the balancing account accrue interest at the Commission-authorized rate of return for deferred accounts.

b. Reasons for Deferral

PGE seeks reauthorization to defer incremental costs associated with this deferral pursuant to ORS 757.259(2)(e), OAR 860-027-0300, OAR 860-084-0060, OAR 860-084-0380 and 860-084-0390, and OPUC Orders No. 14-271 and 15-185. PGE requests approval of the reauthorization from June 06, 2016

through June 5, 2017. The reauthorization of this deferral is necessary because ORS 757.365, and UM-1452 require PGE to offer the Pilot, and continuation of this deferral will minimize the frequency of rate changes and appropriately match the costs borne by and benefits received by customers.

c. Proposed accounting for recording amounts deferred

PGE proposes to continue to record the deferred amount as a regulatory asset in FERC account 182.3, Other Regulatory Assets, with a credit to FERC account 407.4, Regulatory Credits. In the absence of a deferred accounting order from the Commission, PGE would record costs associated with the Pilot to FERC Accounts 903 Customer Records and Collection Expenses and 908 Customer Assistance Expenses.

d. Estimate of Amounts to be recorded for the next 12 months.

See II (a) above. The amounts to be deferred consist of incremental costs of the Pilot for (1) VIR payments to participants including any retail electricity service bill offset amounts, and (2) program costs incurred to implement and administer the requirements for the Pilot. For both cost categories, the amounts deferred depend upon actual participation levels and PV system sizes of participants in the Pilot.

PGE estimates incremental costs may range from \$6 to \$8 million for the deferral period, June 6, 2016 through June 5, 2017, consisting largely of VIR payments to participants as more systems are energized. In its 2013 regular session, the legislature enacted House Bill 2893, codified as ORS 757.365(12), and adding an additional 2.5 MW capacity to the statewide program. In Docket UM 1673, 1.5 MW of that capacity was added to PGE's Pilot. PGE held an enrollment window starting on May 1, 2015 to account for capacity dropouts from previous windows and allocate remaining capacity. No more enrollment windows are anticipated as the program closed to new participants on March 31, 2016. Enrolled customers, however, are still in the process of completing system installations. As more systems are installed from existing enrollments, the payment amounts in 2016 and 2017 to customers are expected to increase.

e. Notice

A copy of the notice of application for reauthorization of deferred accounting treatment and a list of persons served with the notice are attached to the Application as Attachment A (OAR 860-027-0300[6]).

III. OAR 860-027-0300 Requirement (4), Reauthorization:

a. Description of deferred account entries

See II a. and II c. above. The deferral balance through December 2015 is approximately \$1.3 million. The solar systems generate less energy in the winter months, which means fewer VIR payments from the deferral account are made. As more systems come online and begin generating, more energy will be produced in the summer months increasing the VIR payments from the deferral account and subsequently offsetting the over collection.

b. The reason for continuing the deferred account

PGE seeks approval to continue to defer incremental costs associated with the Pilot not currently in rates. The granting of this reauthorization request will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers. This deferral should be continued and is necessary because ORS 757.365 requires PGE to offer the Pilot and thus incur the costs to implement and operate the Pilot. PGE requests an effective date of June 6, 2016 through June 5, 2017, as the deferral reauthorization period.

IV. PGE contacts:

The authorized addresses to receive notices and communications in respect to this application are:

Jay Tinker
Rates & Regulatory Affairs
Portland General Electric,
1 WTC0306
121 SW Salmon Street
Portland, Oregon 97204
Phone: 503.464.7857
E-mail: pge.opuc.filings@pgn.com

Douglas C. Tingey
Associate General Counsel
Portland General Electric,
1 WTC1301
121 SW Salmon Street
Portland, Oregon 97204
Phone: 503.464.8926
E-mail: doug.tingey@pgn.com

In addition to the names and addresses above the following are to receive notices and communications via the e-mail service list:

Karla Wenzel
Rates and Regulatory Affairs
Email: karla.wenzel@pgn.com

V. Summary of Filing Conditions¹:

Information related to future amortization is listed below:

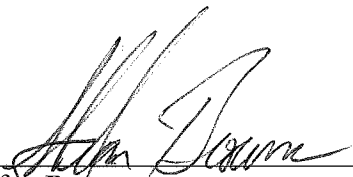
- a. Earnings Review: Schedule 137 recovers costs associated with the Solar Payment Option Pilot not otherwise included in rates. The adjustment schedule is implemented as an “automatic adjustment clause” as provided for under ORS 469A, and defined in the Renewable Portfolio Standards, ORS 757.210, and an earnings review is not applicable to this deferral. See PGE Schedules 215, 216 and 217.
- b. Prudence: Not specifically required, but Staff may review deferred costs as appropriate.
- c. Sharing (Percent): Not applicable with an automatic adjustment clause.
- d. Spread/Rate Design: In Docket UE 237, Commission Staff and parties agreed that Schedule 137 costs be allocated to each schedule (all customer classes) based on an equal percent of generation revenue applied on a cents per kilowatt-hour basis.

¹ Per agreement with OPUC staff on January 24, 2012

VI. Conclusion.

For the reasons stated above, PGE requests permission to continue to defer expenses associated with the Solar Payment Option Pilot effective June 06, 2016, through June 5, 2017.

DATED June 06, 2016.



Stefan Brown
Manager, Regulatory Affairs
Portland General Electric Company
121 SW Salmon Street, 1WTC0306
Portland, OR 97204
Telephone: 503.464.7857
Fax: 503.464.7651
E-Mail: pge.opuc.filings@pgn.com

um 1482_pge reauth application_(6-06-16).docx

UM 1482

Attachment A

**Notice of Application for Reauthorization to Defer Expenses
Associated with a Photovoltaic Volumetric Incentive Rate Pilot,
Aka, the Solar Payment Option Pilot**

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1482**

In the Matter of the Application of Portland
General Electric Company for an Order
Approving the Deferral of Expenses Associated
with a Photovoltaic Volumetric Incentive Rate
Pilot

**Notice Of Application for Reauthorization
To Defer Expenses Associated with a
Photovoltaic Volumetric Incentive Rate
Pilot aka the Solar Payment Option Pilot**

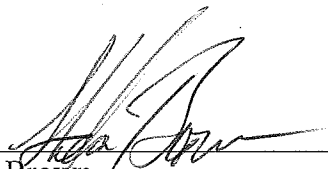
On June 06, 2016, Portland General Electric Company (“PGE”) filed an application with the Oregon Public Utility Commission (the “Commission”) for an Order authorizing deferral of certain expenses associated with a Photovoltaic Volumetric Incentive Rate Pilot, also known as PGE Solar Payment Option Pilot.

Approval of PGE’s Application will not authorize a change in PGE’s rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

Persons who wish to obtain a copy of PGE’s application will be able to access it on the OPUC website.

Any person who wishes to submit written comments to the Commission on PGE’s application must do so no later than July 06, 2016.

DATED this 6th day of June, 2016.



Stefan Brown
Manager, Regulatory Affairs
Portland General Electric Company
121 SW Salmon Street, 1WTC0306
Portland, OR 97204
Telephone: 503.464.7857
Fax: 503.464.7651
E-Mail: pge.opuc.filings@pgn.com

**UM 1482
Attachment B**

**Solar Payment Option
Deferral Amounts and Program Cost**

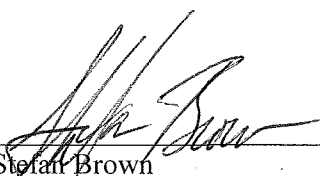
Electronic File

| SPO Deferral | SPO 2010 Program Year | SPO 2011 Program Year | SPO 2012 PROGRAM YEAR | SPO 2013 Program Year | SPO 2014 Program Year | SPO 2015 Program Year | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|----------------------------|
| Cost Categories | 2010 Total | 2011 Total | 2012 Total | 2013 Total | 2014 Total | 2015 Total | Balance To Date |
| Program Development | 60,476.88 | - | - | - | - | - | 60,476.88 |
| Program Administration | 153,347.61 | 242,719.23 | 294,112.10 | 660,749.71 | 537,259.36 | 541,434.88 | 2,429,622.89 |
| Incentives / Bill Credits | 20,257.35 | 1,270,737.77 | 3,169,821.71 | 4,909,698.83 | 6,357,460.64 | 6,573,745.18 | 22,301,721.48 |
| Interest | 4,635.58 | 64,092.08 | 11,515.21 | (3,450.22) | 5,274.03 | 21,935.93 | 104,002.61 |
| Metering | - | - | - | - | - | - | - |
| Cost Total | 238,717.42 | 1,577,549.08 | 3,475,449.02 | 5,566,998.32 | 6,899,994.03 | 7,137,115.99 | 24,895,823.86 |
| Credit Categories | | | | | | | |
| Deposit Forfeitures | 1,383.20 | 3,968.40 | 6,973.55 | 88,220.80 | - | - | 100,545.95 |
| Collection of Interconnection Application Fee | 2,288.63 | 5,124.40 | 5,435.14 | 5,654.63 | 2,666.20 | 1,407.83 | 22,576.83 |
| Customer Charges | 966.67 | 26,947.76 | 56,642.29 | 107,601.14 | 141,014.69 | 153,826.72 | 486,999.27 |
| One Time Assignment Fee | 50.00 | 3,825.00 | 9,635.40 | 6,750.00 | 2,050.00 | 499.44 | 22,809.84 |
| Avoided Energy Value | 1,249.71 | 76,053.69 | 220,762.87 | 400,832.46 | 581,456.47 | 573,392.16 | 1,853,747.36 |
| Amortization | - | - | 4,808,006.23 | 4,997,431.92 | 5,051,152.06 | 6,247,784.42 | 21,104,374.63 |
| Credit Total | 5,938.21 | 115,919.25 | 5,107,455.48 | 5,606,490.95 | 5,778,339.42 | 6,976,910.57 | 23,591,053.88 |
| Deferral Amount in GL | 232,779.21 | 1,461,629.83 | (1,632,006.46) | (39,492.63) | 1,121,654.61 | 160,205.42 | 1,304,769.98 |

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the **UM 1482 Notice Of Application for Reauthorization To Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot, aka PGE Solar Payment Option Pilot** to be served by electronic mail to those parties whose e-mail addresses appear on the attached service lists in UM 1482 and UE 294.

DATED at Portland, Oregon, this 6th day of June 2016.



Stefan Brown
Manager, Regulatory Affairs
Portland General Electric Company
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Portland, OR 97204
Telephone: 503-464-7857
Fax: 503-464-7651
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**UM 1482
SERVICE LIST**

| | |
|---|--|
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| Carl Fink cmfink@blueplanetlaw.com | Robert Kahn NW & Intermountain Power Producers Coalition rkahn@nippc.org |

**UE 294
SERVICE LIST**

| | |
|---|--|
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| Douglas C. Tingey (C) PORTLAND GENERAL ELECTRIC COMPANY doug.tingey@pgn.com | Jay Tinker (C) PORTLAND GENERAL ELECTRIC COMPANY pge.opuc.filings@pgn.com |
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