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June 13, 2016

Email / US Mail

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

Attention: Filing Center

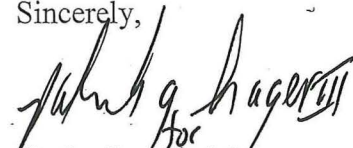
Re: UM 1777– Amended Application for Deferred Accounting Treatment of Certain Expenses Associated with an Independent Evaluator for a Renewable Request for Proposals

Enclosed is a signed Amended Application of Portland General Electric Company (PGE) for Deferred Accounting Treatment of Certain Expenses Associated with an Independent Evaluator for Request for Proposals. The initial application was filed on May 25, 2016. PGE inadvertently omitted the Summary of Filing Conditions (Section II) that it agreed to provide in its deferral filings. We have included the missing section in this amended filing. No other substantive changes were made to the filing.

A Notice of Amended Application for Deferred Accounting Treatment of Certain Expenses Associated with an Independent Evaluator for Request for Proposals has been forwarded to the UE 294 and LC 56 service lists.

Thank you for your assistance in this matter. If you have any questions or require further information, please contact me at (503) 464-8937. Please direct all formal correspondence, questions or requests to the following e-mail address: pge.opuc.filing@pgn.com.

Sincerely,


for
Stefan Brown, Manager

SB/sp
Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1777

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Certain Costs Associated with an Independent Evaluator for a Renewable Request For Proposals

Amended Application for Deferred Accounting Treatment of Certain Expenses Associated with an Independent Evaluator for a Renewable Request For Proposals

Pursuant to ORS 757.259 and OAR 860-027-0300, Portland General Electric Company ("PGE") hereby requests authorization to defer for later ratemaking treatment certain expenses associated with an Independent Evaluator ("IE") required by Commission Order No. 06-446, for a Renewable Request for Proposals ("RFP"). PGE will seek amortization of the deferred amount in a future proceeding. In support of this Application, PGE states:

1. PGE is a public utility in the state of Oregon and its rates, services, and accounting practices are subject to the regulation of the Oregon Public Utility Commission ("Commission").
2. This application is filed pursuant to ORS 757.259, which allows the Commission, upon application, to authorize deferral of certain items for later incorporation in rates.
3. Communications regarding this Application should be addressed to:

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

Alex Tooman
E-mail: alex.tooman@pgn.com

I. OAD 860-027-0300(3) Requirements

The following is provided pursuant to OAD 860-027-0300(3).

A. Background

PGE's 2013 IRP Action Plan in LC 56, acknowledged by the Commission in Order No. 14-415, identified no need for supply side actions during 2016. However, several events since that time have caused PGE to begin a Request for Proposal ("RFP") process including:

1. In December 2015, Congress extended the previously expiring Production Tax Credit (PTC) and Investment Tax Credit (ITC) as a part of the Consolidated Appropriations Act of 2016 (Act).
 - a. Additionally, Congress provided for a phase-out of the PTC available to qualifying renewable facilities that begin construction after December 31, 2016 but before January 1, 2020.
 - b. Qualifying renewable energy technologies eligible for the full PTC include wind, closed-loop biomass and geothermal resources. Open-loop biomass, landfill gas, municipal solid waste, qualified hydroelectric and marine and hydrokinetic energy resources are eligible for a reduced PTC.
 - c. The Act also extended the 30% ITC for solar projects commencing construction before the end of 2019. Additionally, Congress provided for a phase-out of the ITC available to qualifying facilities that begin construction after December 31, 2019 but before January 1, 2022. Solar facilities commencing construction after January 1, 2022 are eligible for a 10% ITC.
2. Oregon Senate Bill 1547, enacted February 29, 2016, increases Oregon's 2025 Renewable

Portfolio Standard (RPS) to 27% of retail load. In 2030 and 2035 the standard elevates again to 35% and 45% of retail load. At least 50% of retail sales in the calendar year 2040 must be from qualifying renewable resources.

PGE's need for renewable resources will increase significantly in comparison to the 2013 IRP Action Plan after the year 2020¹ as a result of Oregon Senate Bill 1547. PGE has presented its analysis of this increase in renewable resource need in several stakeholder workshops and meetings conducted as part of the development of its 2016 Integrated Resource Plan (IRP).² PGE's analysis indicates that early procurement of required renewable resources may be more beneficial to PGE customers in comparison to postponing compliance until the year in which PGE must comply.

In order to provide a resource qualifying for the 100% PTC for customers, PGE has requested a partial waiver of some competitive bidding conditions including waiver of the identification and recommendation of an Independent Evaluator (IE) by the Commission. PGE on May 13, 2016 issued a draft RFP and hired Accion, who previously fulfilled the IE role for PGE in its prior two RFPs providing a known entity for both Staff and PGE and providing the best opportunity to meet the compressed time schedule in a fair and reasonable manner for all bidders and PGE customers.

3. IE Responsibilities in Renewable Request for Proposal Docket

The IE oversees the RFP process to ensure that it is conducted fairly and properly. PGE has consulted with the IE in preparing the RFP and the IE will submit its assessment of the final draft RFP. PGE does not intend to propose a self-build option ("Benchmark Resource"), but will allow a range of ownership options in addition to power purchase agreements (PPAs). The IE will independently score all or a sample of the bids comparing results with PGE and attempt to resolve differences, if any.

¹ Please, refer to the UM 1773 Docket for more information.

² A list of IRP workshops and meetings can be found at <https://www.portlandgeneral.com/our-company/energy-strategy/resource-planning/integrated-resource-planning>.

Finally, the IE will prepare a closing report for the Commission after the final short-list of bids is selected. PGE is required to obtain the Commission's acknowledgment of the final short list, and the IE will participate in the RFP acknowledgement proceeding as described in Order No. 89-507 and a revised RFP guideline 13 from the Order No. 14-149.

B. Reason for Deferral

Commission Orders No. 06-446 and 14-149 state that an IE must be used in each RFP to help ensure that all offers are treated fairly, and PGE expects to incur incremental costs to pay for the IE that were not included in the costs used to set base rates in PGE's last general rate case, Docket UE 294. PGE seeks deferred accounting treatment of the potential expenses associated with an IE pursuant to ORS 757.259(2)(e). Deferring the costs will match appropriately the costs borne by and benefits received by customers. Approving the Application will not authorize a change in rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

C. Proposed Accounting

PGE proposes to record the deferred amount as a regulatory asset in FERC account 182.3, Other Regulatory Assets (subaccount for the current portion). In the absence of a deferred accounting order from the Commission, PGE would record the costs associated with the IE to FERC account 923, Outside Services Employed.

D. Estimate of Amounts

PGE currently estimates the amount subject to the deferral will be approximately \$212,000 for the Renewable RFP over an anticipated expedited 6-month period, based on Accion's Statement of Work (SOW).

E. Notice

A copy of the notice of application for deferred accounting treatment and a list of persons served

with the notice are attached to the Application as Attachment A.

II. Summary of Filing Conditions

A. Earnings Review

No earnings review is applicable based on Commission Order No. 06-446, which states: “We agree that if an IE is useful to the process, and we believe that to be so, then the cost of the IE should be included in rates.”

B. Prudence Review

A prudence review is appropriate, and should include a verification of the accounting methodology used to determine the final amortization balance.

C. Sharing

The prudent costs of the IE will be collected from customers with no sharing mechanism.

D. Rate Spread/Rate Design

The amortization balance 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.

E. Three Percent Test (ORS 757.259(6))

The three percent test measures the annual overall average impact on customer rates resulting from deferral amortizations. The three percent test limits (exceptions at ORS 757.259(7) and (8)) the aggregated deferral amortizations during a 12-month period to no more than three percent of the utility’s gross revenues for the preceding year. ORS 757.259(8) allows the Commission to consider up to a six percent limit. The limit of these deferrals if any will be determined at the time of amortization.

III. CONCLUSION

For the reasons stated above, PGE requests permission to defer certain expenses associated with an IE as described herein from the date of this Amended Application.

DATED this 13th day of June, 2016.



Stefan Brown
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um 1777_pge amended ie deferral app_06-13-16.doc

UM 1777

Attachment A

Notice of Amended Application for Deferred Accounting Of
Certain Expenses Associated With an Independent Evaluator
for a Renewable Request for Proposals

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1777**

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Certain Costs Associated with an Independent Evaluator for a Renewable Request for Proposals

Notice of Amended Application for Deferred Accounting Treatment of Certain Expenses Associated with an Independent Evaluator for a Renewable Request for Proposals

On May 25, 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 an Independent Evaluator for a Renewable Request for Proposals. PGE filed an amended application, adding the Summary of Filing Conditions (Section II) that it agreed to provide in its deferrals. No other changes were made to the filing and therefore, the original time period for comment remains as June 22, 2016.

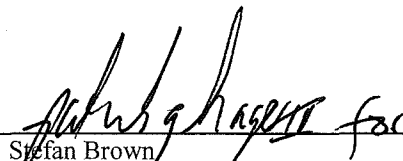
Approval of PGE’s application will not authorize a change in PGE’s rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

Persons who wish to obtain a copy of PGE’s application should contact the following:

Portland General Electric Company
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(Fax) 503.464.7651
pge.opuc.filings@pgn.com

Any person who wishes to submit written comments to the Commission on PGE’s application must do so no later than June 22, 2016.

Dated: June 13, 2016.



Stefan Brown
Manager, Regulatory Affairs
Portland General Electric Company
E-Mail: stefan.brown@pgn.com

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing **Notice of Amended Application for Deferred Accounting Treatment of Certain Expenses Associated with an Independent Evaluator for a Renewable Request for Proposals** to be served by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Dockets UE 294 and LC 56.

Dated at Portland, Oregon, this 13th day of June, 2016.



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um 1777_pge amended ie deferral app_06-13-16.doc

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