



Portland General Electric Company
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May 28, 2021

Via Electronic Filing

Public Utility Commission of Oregon
P.O. Box 1088
Salem, OR 97308-1088

**Re: UM 1514 PGE's Application for Reauthorization of Deferral of Incremental Costs
Associated with Automated Demand Response**

Dear Filing Center,

Enclosed for filing is Portland General Electric Company's ("PGE's") application to reauthorize deferred accounting of costs associated with Non-Residential Demand Response Pilot (PGE Rate Schedule 26) and Non-Residential Direct Load Control Pilot (PGE Rate Schedule 25), collectively known as Energy Partner, with an effective date of June 1, 2021. PGE received the most recent reauthorization pursuant to Public Utility Commission of Oregon ("Commission" or "OPUC") Order No. 20-479.

PGE originally received authorization for deferral of incremental costs associated with Energy Partner through Commission Order No. 11-182. A Notice of Application regarding the filing of this application has been served by electronic mail to OPUC Docket Nos. UE 335 and UM 1514 service lists.

Thank you for your assistance in this matter. If you have any questions or require further information, please call Alina Nestjorkina at (503) 464-2144.

Please direct all formal correspondence, questions, or requests to the following e-mail address:
pge.opuc.filings@pgn.com.

Sincerely,

/s/ Jaki Ferchland

Jaki Ferchland
Manager, Revenue Requirement

JF/np

Enclosure
cc: Service Lists: UE 335 and UM 1514

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1514

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Application for Deferral of Incremental Costs
Associated with Automated Demand Response.

**APPLICATION FOR
DEFERRAL
REAUTHORIZATION**

Pursuant to Oregon Revised Statute (“ORS”) 757.259, Oregon Administrative Rule (“OAR”) 860-027-0300, and the Public Utility Commission of Oregon (“Commission” or “OPUC”) Order Nos. 20-259 and 20-479, Portland General Electric Company (“PGE”) hereby requests approval for the continuance of the deferral that is associated with the Non-Residential Demand Response (“Non-Res DR”) Pilot and Non-Residential Direct Load Control (“Non-Res DLC”) Pilot, collectively known as Energy Partner. Energy Partner is subject to the automatic adjustment clause tariff Schedule 135 and operational tariffs Schedule 25 and Schedule 26. PGE requests this reauthorization be effective June 1, 2021, through May 31, 2022.

I. Deferral History

In alignment with the State of Oregon and Commission policies and requirements, PGE has developed Energy Partner to help address decarbonization goals, assist customers in managing their energy consumption and total energy costs, and enhance operational performance and efficiency. Energy Partner continues to comply with Oregon’s policy direction, as recently outlined in Executive Order 20-04, and supports PGE’s decarbonization strategy to reduce our greenhouse gas (“GHG”) emissions by more than 80% by 2050 and performance imperatives to provide clean, safe and reliable power to our customers.

PGE filed the initial application for deferral of incremental costs associated with Energy Partner, which at the time was named Automated Demand Response (“ADR”), on December 29, 2010, and cost recovery via Schedule 135 was approved by Commission Order No. 11-182 on June 1, 2011¹.

Modifications:

- PGE’s previously approved deferral period was from January 1, 2021 to December 31, 2021.
- PGE is requesting a change to the approved deferral period to only five months from January 1, 2021 to May 31, 2021 to better align PGE’s deferral and tariff filings associated with Energy Partner.
- This application is a deferral reauthorization and that will be for the twelve-month period of June 1, 2021, through May 31, 2022.

PGE has filed and received reauthorization for this deferral, as shown in Table 1, below. PGE seeks reauthorization for deferral of incremental costs associated with the revised Energy Partner Pilots for the period beginning June 1, 2021, through May 31, 2022, and asks that the Pilots continue as currently included in Schedules 25, 26, and 135.

¹ PGE Advice No. 10-29

Table 1
UM 1514 Authorizations

Filing Date	Deferral Period	Order No.	Approval Date
12/29/2010	1/01/2011 – 12/31/2011	11-182	06-01-2011
12/23/2011	1/01/2012 – 12/31/2012	12-062	02-28-2012
12-27-2012	1/01/2013 – 12/31/2013	13-059	02-26-2013
12-11-2013	1/01/2014 – 12/31/2014	14-019	01-22-2014
12-24-2014	1/01/2015 – 12/31/2015	15-022	01-28-2015
12-18-2015	1/01/2016 – 12/31/2016	16-037	01-26-2016
12-15-2016	1/01/2017 – 12/31/2017	17-105	03-21-2017
09-21-2017	1/01/2018 – 12/31/2018	17-429	10-24-2017
12-20-2018	1/01/2019 – 12/31/2019	19-151	04-23-2019
12-26-2019	1/01/2020 – 12/31/2020	20-259	8-11-2020
11-13-2020	1/01/2021 – 12/31/2021	20-479	12-22-2020
05-28-2021	6/01/2021 – 05/31/2022		

II. Approved Current Program

PGE proposes to continue the Non-Res DLC and Non-Res DR Pilots and associated operational tariffs: Schedule 25 and Schedule 26, respectively. These pilots will continue to be administered directly by PGE with its customers, with support from third-party vendors. PGE took this approach primarily to manage the customer’s experience, allowing PGE the flexibility to offer a variety of products and potentially adjust those products in the future.

Schedule 25 (Non-Res DLC Pilot)

The Non-Res DLC Pilot provides nonresidential customers with a turnkey, direct load control program, similar to Schedule 5 (Residential DLC pilot) for our residential customers. This provides an easy opportunity for our commercial customers to participate, while getting the value-added services associated with one or more smart thermostats. More specifically, the Non-Res DLC Pilot offers incentives to allow PGE to control up to 3,800 qualified thermostats during direct load control events while providing for customer override. Eligible customers must be on a qualified rate schedule and have a PGE network meter, a qualified thermostat connected to the

customer's internet, and a qualifying heating or cooling system. To be eligible for the winter event season, a customer must have a ducted heat pump or electric forced air heating. To be eligible for the summer event season, the customer must have central air conditioning or a ducted heat pump. During the last deferral period (specifically from January 1 to April 30, 2021), PGE connected 28 new thermostats, bringing the cumulative program total to 1,710 thermostats. Through April 30, 2021, program participants have accomplished energy curtailment nominations of 1.06MW in the summer season and 0.81MW in the winter season.

Schedule 26 (Non-Res DR Pilot)

The Non-Res DR Pilot provides diversity of participation levels, allowing customers to select differing availability periods, notification times, and maximum event hours. This pilot also allows customers with multiple Service Points the ability to self-aggregate them. Customers participate in summer, winter, or both seasons. This pilot makes several firm load reduction options available to customers including maximum event hours per season, notification periods, and event windows. For each season, the customer chooses one option for maximum event hours per season and one notification period. The customer also chooses whether to participate in each event window (i.e., time period for an event) per season. In the last deferral period beginning January 1, 2021, the program has grown its demand response customer nominations to 20.77 MW in the summer season, and 14.60 MW in the winter season as of April 30, 2021.

Evaluations

In accordance with Commission Order No. 20-259, PGE filed evaluations for winter 2018-2019 and summer 2019 on November 5, 2020². The findings were summarized in the previous

² <https://edocs.puc.state.or.us/efdocs/HAH/um1514hah155829.pdf>

deferral filing as approved by Commission Order No. 20-479. PGE will submit the summer 2020 evaluation in June 2021 for both Energy Partner Pilots.

OAR 860-027-0300 Requirements

The following is provided pursuant to OAR 860-027-0300(3):

a. Description of Amounts

Pursuant to ORS 757.259(2)(e), PGE seeks renewal of deferred accounting treatment for the incremental costs associated with Energy Partner. Approval of the Application will support the continued use of an automatic adjustment clause rate schedule, which will provide for recovery of the incremental costs associated with Energy Partner through Schedule 135.

Prior Commission decisions in UM 1514 approved PGE's applications for deferral of incremental costs associated with Energy Partner. Consequently, PGE requests the Commission approve the renewal of the deferral beginning June 1, 2021 through May 31, 2022 and continue to be amortized under Schedule 135.

b. Reasons for Deferral

Pursuant to ORS 757.259(2)(e), for the reasons discussed above, PGE seeks to continue deferred accounting treatment for the incremental costs associated with Energy Partner. The granting of this reauthorization application will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers.

Without reauthorization, the current authorization to defer costs will expire on December 31, 2021, however, as discussed above, PGE is filing this reauthorization application for the period June 1, 2021 through May 31, 2022.

c. Proposed Accounting

PGE proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets) and credit the appropriate FERC expense accounts. When specific identification of the particular source of the regulatory asset cannot be reasonably made, then FERC account 407.4 (Regulatory Credits) will be credited. In the absence of a deferred accounting order, the costs would be debited to the appropriate cost accounts.

d. Estimate of Amounts

PGE estimates the amounts to be deferred for Energy Partner from June 1, 2021 through May 31, 2022 to be approximately \$4.2 million.

e. Notice

A copy of the notice of application for reauthorization of the deferred accounting treatment is attached to the application as Attachment A. In compliance with the provisions of OAR 860-027-0300(6), PGE is serving the Notice of Application on the UM 1514 Service List and the UE 335 Service List, PGE's last general rate case.

III. The following is provided pursuant to OAR 860-027-0300(4)

a. Description of deferred account entries

Please see Section II (a) and (c) above.

b. The reason for continuing deferred accounting

Please see Section II (b) above. PGE is seeking reauthorization to continue deferred accounting treatment for incremental Energy Partner costs between June 1, 2021 and May 31, 2021.

V. PGE Contacts

Communications regarding this reauthorization application should be addressed to:

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VI. Summary of Filing Conditions

a. Earnings Review

Cost recovery for Energy Partner will be subject to an automatic adjustment clause rate schedule and would not be subject to an earnings review under ORS 757.259.

b. Prudence Review

The methodology used to evaluate the Pilots remains sound. PGE will continue to evaluate demand response resources against the supply-side capacity resource alternatives, such as a simple-cycle combustion turbine. This is consistent with the discussion in Commission Order No. 05-584 and is consistent with other PGE analyses for demand-side, capacity resources in recent years.

c. Sharing

Under deferred accounting, all prudently incurred costs are to be recoverable by PGE with no sharing mechanism.

d. Rate Spread/Rate Design

Per Commission Order No. 11-517, Schedule 135 will allocate the costs of the Pilots on the basis of an equal percent of generation revenues.

e. Three percent test (ORS 757.259(6))

The amortization of the pilots' deferred costs will be subject to the three percent test in accordance with ORS 757.259(6) and (8), which limits aggregated deferral amortizations during a twelve-month period to no more than three percent of the utility's gross revenues for the preceding year.

VII. Conclusion

For the reasons stated above, PGE requests permission to continue to defer the incremental costs associated with Energy Partner effective June 1, 2021 through May 31, 2022.

Dated this May 28, 2021.

Respectfully Submitted,

/s/ Jaki Ferchland

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UM 1514
Attachment A

Notice of Application to Reauthorize Deferred Accounting of Costs Associated
with Non-Residential Demand Response Pilot and Non-Residential Direct Load
Control Pilot

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1514**

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Application for Deferral of Incremental Costs
Associated with Automated Demand Response.

**NOTICE OF APPLICATION FOR
DEFERRAL
REAUTHORIZATION**

On May 28, 2021, Portland General Electric Company (“PGE”) filed an application with the Public Utility Commission of Oregon (“Commission” or “OPUC”) for an Order reauthorizing the deferral of incremental costs associated with the Non-Residential Demand Response Pilots.

Approval of PGE’s reauthorization application will continue to support the use of an automatic adjustment clause rate schedule, which will provide for changes in rates reflecting incremental costs associated with the pilot.

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 June 28, 2021.

Dated May 28, 2021.

/s/ Jaki Ferchland
Jaki Ferchland
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CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing **Notice of Application to Reauthorize Deferred Accounting of Costs Associated with Non-Residential Demand Response Pilot and Non-Residential Direct Load Control Pilot** to be served to those parties whose e-mail addresses appear on the attached service lists for OPUC Docket Nos. UE 335 and UM 1514.

Dated at Portland, Oregon, on May 28, 2021.

/s/ Jaki Ferchland

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