



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

May 25, 2016

*Via Electronic Filing*

Oregon Public Utility Commission  
Attention: Filing Center  
PO Box 1088  
Salem OR 97308-1088

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

Attention Filing Center:

Enclosed is the original signed Application of Portland General Electric Company (PGE) for Deferred Accounting Treatment of Certain Expenses Associated with an Independent Evaluator for Request for Proposal.

A Notice of Application for Deferred Accounting Treatment of Certain Expenses Associated with an Independent Evaluator for Request for Proposal 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](mailto:pge.opuc.filing@pgn.com).

Sincerely,

A handwritten signature in blue ink that reads "Stefan Brown for". The signature is written in a cursive, flowing style.

Stefan Brown, Manager

SB/sp  
Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

**UM \_XXXX**

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

**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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Rates & Regulatory Affairs  
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Portland, Oregon 97204  
Phone: 503.464.8937  
E-mail: pge.opuc.filings@pgn.com

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## **I. OAR 860-027-0300(3) Requirements**

The following is provided pursuant to OAR 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 2020<sup>1</sup> 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).<sup>2</sup> 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.

#### **B. 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.

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<sup>1</sup> Please, refer to the UM 1773 Docket for more information.

<sup>2</sup> 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.

### **C. 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**

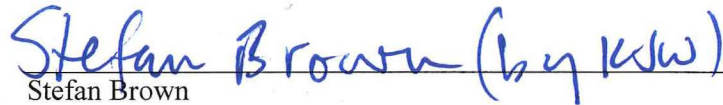
A copy of the notice of application for deferred accounting treatment and a list of persons served

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

## II. 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 Application.

DATED this 25<sup>th</sup> day of May, 2016.



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Manager, Regulatory Affairs  
Portland General Electric Company  
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**UM-XXXX**

**Attachment A**

Notice of 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 XXXX**

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 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.

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  
Rates & Regulatory Affairs  
121 SW Salmon Street, 1WTC-0306  
Portland, OR 97204  
(Telephone) 503.464.8929  
(Fax) 503.464.7651  
[pge.opuc.filings@pgn.com](mailto: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: May 25, 2016.



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## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **Notice of 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 25<sup>th</sup> day of May, 2016.



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**SERVICE LIST  
OPUC DOCKET # UE 294**

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