

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 20, 2016

REGULAR _____ CONSENT X EFFECTIVE DATE January 1, 2017

DATE: December 12, 2016

TO: Public Utility Commission

FROM: Lance Kaufman 

THROUGH: Jason Eisdorfer and Marc Hellman 

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 432/Advice No. 16-22) Schedule 109 Energy Efficiency Funding Adjustment.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Portland General Electric's (PGE or Company) proposed Schedule 109 tariff, as described in the filing of Advice No. 16-22, effective for service rendered on and after January 1, 2017.

DISCUSSION:

Issue

Whether the Commission should approve PGE's proposed energy efficiency funding rates set forth in Schedule 109 of this filing.

Applicable Rule or Laws

- ORS 757.205 requires that public utilities file all rates, rules, and charges with the Public Utility Commission of Oregon (OPUC or Commission).
- ORS 757.210 establishes a hearing process to address utility filings and requires rates be fair, just and reasonable.
- ORS 757.689 sets forth requirements for including the costs of energy conservation measures in rates of electric companies, other than those acquired through ORS 757.612.
- OAR 860-022-0025 requires that new tariff filings include statements showing the new rates, the number of customers affected, the impact on annual revenue, and the reasons supporting the proposed tariff.

- OAR 860-022-0030 sets forth Commission requirements for filing tariffs or schedules naming increased rates.

Analysis

Background

Through Senate Bill 838 (SB 838) the State of Oregon provided the Commission authority to authorize electric companies to include the cost of funding or implementing cost-effective conservation measures in rates. PGE currently collects funds for cost-effective conservation through Schedule 109. These funds are provided to the Energy Trust of Oregon (Energy Trust or ETO), and the Energy Trust implements conservation measures for PGE customers using these funds.

On December 16, 2014, the Commission approved the currently effective tariff sheets for Schedule 109. In that filing, rates were reduced in order to draw down the amount of annual carryover of unspent funds.

The purpose of this filing is to request an increase in the amount of energy efficiency funding for the ETO through PGE's Schedule 109. PGE worked with Energy Trust to develop revised annual funding levels based on what is needed to meet Integrated Resource Plan targets. The successful reduction of the ETO carryover, and an increase in the ETO's budget, results in a substantial increase to the ETO's 2017 funding needs.

PGE proposes to increase the annual level of funding by approximately \$23.3 million, from \$42.2 million to \$65.5 million. Energy Trust forecasts it can still achieve savings goals of 35.0 and 39.7 average megawatts for 2017 and 2018, respectively.

The draft ETO 2017 budget is consistent with this filing. Staff has previously provided comments on the draft ETO 2017 budget. The Commission adopted Staff comments as Commission comments on November 22, 2016. These comments raise no objections to the 2017 funding level. However, the Comments to provide suggestions for minimizing funding rate volatility in the future.

Bill Impacts

Schedule 109 funding is allocated to rate schedules on the basis of an equal percentage of base revenues of Schedule 109 eligible customers. PGE submitted workpapers to Staff calculating the bill impact of the proposed changes for each type of customer affected by Schedule 109. These workpapers satisfy PGE's filing requirements under OAR 860-022-0030.

The proposed change in Schedule 109 results in an approximate \$23.3 million annual increase or 1.5 percent for the approximately 869,000 (2017 average) applicable customers. A Schedule 7 Residential customer consuming 840 kWh monthly will see a \$1.47 or 1.5 percent increase in their monthly bill. The monthly bill impact is 2 percent to 2.2 percent for larger Schedule 32 and Schedule 47 customers. The monthly bill impact is 2 percent for most Schedule 49 customers.

Staff has reviewed the workpapers and calculations underlying the proposed changes to Schedule 109. The calculations are correct and source documents support underlying assumptions.

Conclusion

Staff recommends the Commission authorize PGE's proposed tariff adjustments to Schedule 109.

PROPOSED COMMISSION MOTION:

Approve Portland General Electric's proposed Schedule 109 tariff, as described in the filing of Advice 16-22, effective for service rendered on and after January 1, 2017.