

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 21, 2017**

REGULAR _____ CONSENT X EFFECTIVE DATE February 22, 2017

DATE: February 14, 2017

TO: Public Utility Commission

FROM: Michael Breish *MB*

THROUGH: Jason Eisdorfer *JE* and John Crider *JC*

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 498/Advice No. 17-01) Requests Housekeeping modifications to Schedule 54 – Large Nonresidential Renewable Energy Certificates Rider.

STAFF RECOMMENDATION:

Staff recommends the Commission allow Portland General Electric Company's (Company or PGE) Advice No. 17-01 to go into effect February 22, 2017.

Issue

Whether the language that expands qualifying Renewable Energy Certificates (RECs) for purchase proposed by PGE satisfies the Commission's criteria for filing tariff changes.

Applicable Law

Under ORS 757.205, energy utilities must file tariffs for services provided to retail customers. The Commission's rules concerning tariff filings are found in OAR Chapter 860, Division 022. The offering at issue is a "competitive operation's" product subject to the Commission's Code of Conduct rules. See ORS 756.640, OARs 860-038-0005(8), 038-0500 through 0640.

Analysis

Background

On January 12, 2017, PGE filed Advice No. 17-01 to modify the Company's Schedule 54, Large Nonresidential Renewable Energy Certificates Rider, which provides large nonresidential customers the supplemental opportunity to purchase unbundled RECs,

thereby enabling an equivalent amount of qualifying electricity generated from renewable energy resources to be transmitted within the Western Electricity Coordinating Council.¹ This service is completely voluntary and is facilitated by the Commission's direct access rules. The RECs offered to interested large nonresidential customers are a competitive product, and all associated program expenses are encapsulated in the price charged to participating customers.² Ratepayers are held harmless and all expenses, gains, and risks incurred by the utility in offering this service are kept separate from all other customers' rates.

PGE proposes the following two housekeeping modifications:

1. Add language that allows the Company to procure RECs that are "provided via third party audited Green-e attestation"; and
2. Eliminate language that requires RECs be certified by the Western Renewable Energy Generation Information System (WREGIS)

Staff held a conference call with PGE on February 9, 2017, to discuss the intention behind the Company's proposed changes. PGE described how the unbundled REC market has recently contracted in available supply due to regional policy dynamics, namely Washington State's Clean Air Rule. Because PGE's potential Schedule 54 participants are more concerned with price than with the location of a REC's associated generating facility, PGE seeks to expand qualifying RECs. The proposed tariff revisions will provide a larger pool of RECs for PGE to offer to customers by eliminating restrictions on RECs that are deemed eligible.

Staff notes that the original tariff language described RECs as being "certified by WREGIS". However, this is incorrect because WREGIS does not certify RECs. Projects register in WREGIS in order to be eligible to generate RECs; WREGIS is a tracking system, not a certification process. The revised language change reflects the current procedures of WREGIS.

¹ Qualifying renewable energy resources are defined in ORS 757.600.

² PGE stated that, based upon previous advice from Staff, Schedule 54 has always been considered to be a "competitive operation" product that is treated as a non-regulated (e.g. "below the line") service. PGE's proposed Schedule 54, Docket No. ADV 498, January 12, 2017. Staff agrees that the Schedule 54 offering is a competitive operations offering but it still is subject to the Commission's "Code of Conduct" rules. See ORS 756.646, OARs 860-038-0005(8), 860-038-0500 through 038-0640.

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Conclusion

Staff is satisfied with PGE's proposed modifications to Schedule 54. Staff concludes that the filing satisfies the Commission's criteria for tariff changes. Thus, Staff recommends the Commission approve the Company's proposed changes to Schedule 54.

PROPOSED COMMISSION MOTION:

Allow PGE's Advice No. 17-01 to go into effect on February 22, 2017.

Ca2 - PGE Adv. 17-01