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November 3, 2020

Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
201 High St. SE, Suite 100
Salem OR 97301

Re: In the Matter of PORTLAND GENERAL ELECTRIC CO.
Investigation into Proposed Green Tariff
Docket No. UM 1953

Dear Filing Center:

Please find enclosed the Opening Brief of the Alliance of Western Energy Consumers in the above-referenced docket.

Thank you for your assistance. If you have any questions, please do not hesitate to call.

Sincerely,

/s/ Jesse O. Gorsuch
Jesse O. Gorsuch

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1953**

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC)	OPENING BRIEF OF THE ALLIANCE
COMPANY,)	OF WESTERN ENERGY CONSUMERS
)	
Investigation into Proposed Green Tariff.)	
_____)	

I. INTRODUCTION

Pursuant to the administrative Law Judge’s (“ALJ”) Memorandum and Ruling dated October 16, 2020, the Alliance of Western Energy Consumers (“AWEC”) files this Opening Brief with the Oregon Public Utilities Commission (“Commission”). AWEC’s overarching interest in this proceeding to date has been to support the development of a green tariff program for Portland General Electric Company (“PGE” or “Company”) that is practical for participating customers and protects non-participating customers from cost-shifting. In the current phase of the proceeding, AWEC’s primary interest has been ensuring that any proposed modifications are prospective only in nature. Specifically, AWEC has focused its current participation to ensure any modifications to the risk adjustment fee, and the related calculation method previously approved by the Commission, are restricted to future applications and participants, and do not prejudice or otherwise alter program terms for customers who have committed to participation in existing PGE green tariff programs. As such, AWEC provides the present discussion with a limited scope. AWEC’s silence on any remaining issue should not be construed as support for any position on any such issue.

II. ARGUMENT

In the initial phase of this proceeding, PGE requested the Commission authorize “a risk-adjustment charge to participants...intended to protect shareholders against the possibility of under-subscription, or from bearing costs if the terms of customer subscriptions fail to match that of the PPA.”^{1/} Specifically, PGE asserted that

[r]isk is introduced to PGE shareholders when the length of the contract from the renewable resource (PPA) is longer than an offered green tariff subscriber term. To send appropriate economic signals, subscribers that sign a contract less than the term of the PPA will incur a risk adjustment. This risk adjustment is expressed as a percentage of the PPA price and would be added to the subscriber cost only for those customers with a shorter-term contract than the PPA contract length.^{2/}

Furthermore, PGE declared “[t]he adjustment will vary by contract length and will be formulaic. It will not be part of the customer contract negotiation.”^{3/}

In issuing its initial approval of PGE’s green tariff framework, the Commission held that “...PGE’s risk adjustment charge is reasonable.”^{4/} Specifically, the Commission held

PGE’s program design protects cost of service customers by insulating them from the risks associated with under-subscription of a specific VRET offering. If sufficient numbers of customers do not subscribe to the option, then PGE shareholders, not ratepayers, will be responsible for managing that shortfall and any losses associated with the cost of VRET resources and PGE’s failure to procure adequate subscriptions. As part of its terms and conditions, PGE’s risk adjustment charge is a justified element that takes into account the possibility for under-subscription.^{5/}

^{1/} Order No. 19-075 at 7 (Mar. 5, 2019).

^{2/} Exhibit PGE/300, Sims-Tinker/2:3-8.

^{3/} Id. at 2:15-16.

^{4/} Order No. 19-075 at 7.

^{5/} Id. at 7-8.

In the current phase of this proceeding, PGE now requests the Commission “[a]cknowledge that the breadth of risk, *beyond that discussed in our Phase I testimony*, brought to PGE by entering a PPA and by a green tariff program generally should be borne by GEAR subscribers via the risk adjustment fee.”^{6/} The Company now asserts that the GEAR program poses risk from four separate categories: “under-subscription, subscriber load uncertainty, resource variability, and PPA-related” risks.^{7/} Further, the Company contends that the risk adjustment fee approved by the Commission in the initial phase of this proceeding did not “encompass all the risks borne by shareholders for a PPA based green tariff program[.]”^{8/ 9/}

AWEC takes no position at this time regarding PGE’s request for an increase in the scope of a forward-looking risk adjustment fee. In the present discussion, AWEC seeks to impress upon the Commission the Company’s commitment and affirmation that “[a]ny adjustments [PGE] would make, or the Commission would allow for... would be prospective to Phase II capacity only, or anything in exceedance of the original 300 megawatts allowed.”^{10/}

AWEC members, and presumably other customers, have elected to participate in the Company’s green tariff offerings presented as part of Phase 1 of this program, and have done so under the then existing framework of obligations, costs and credits. Should the Commission determine a modification to the risk adjustment fee to be in the public interest, AWEC joins the Company’s position that the application of any such modification be limited to customers who elect to participate based upon the terms and conditions of the program as established pursuant to

^{6/} Exhibit PGE/500, Sims-Tinker/4:8-10 (emphasis added).

^{7/} Id. at 13:11-12.

^{8/} Id. at 13:4-5.

^{9/} See id. at 13:1-8.

^{10/} Hearing Transcript at 38:15-19.

the Commission's Order outlining any such modifications. Ratepayers who have previously elected to participate in the Company's offering should retain the commitments and benefits they have previously made, and any approved modifications to the risk adjustment fee should be limited to solely prospective application.

III. CONCLUSION

For the reasons discussed above, AWEC contends any modification to the risk adjustment fee in PGE's green tariff program approved as in the public interest by the Commission should be applied solely in a prospective manner. Ratepayers who have elected to participate and become subject to the existing scope of the Commission's approved risk adjustment fee should be protected from any change effectuated after their commitment to, and participation in, the program is finalized.

Dated this 3rd day of November, 2020.

Respectfully submitted,

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