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November 13, 2020

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
P.O. Box 1088
Salem, OR 97308-1088

Re: UM 1953 – PORTLAND GENERAL ELECTRIC COMPANY, Investigation into Proposed Green Tariff

Dear Filing Center:

Enclosed is Portland General Electric Company's redacted Closing Brief for filing in the above-referenced docket.

A version of the password protected Closing Brief containing HIGHLY CONFIDENTIAL INFORMATION will be filed separately with the filing center subject to Modified Protective Order No. 20-302. The password will be forwarded under separate email.

A service copy will be emailed to all parties with Highly Confidential (HC) designation that are listed on the attached UM 1953 service list.

Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink that reads "Loretta Mabinton".

Loretta Mabinton
Associate General Counsel

LM: bp

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1953

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Investigation into Proposed Green Tariff.

**CLOSING BRIEF OF PORTLAND
GENERAL ELECTRIC COMPANY**

I. INTRODUCTION

Portland General Electric Company (“PGE or “Company”) submits this Closing Brief to the Public Utility Commission of Oregon (“Commission” or “OPUC”) responding to Opening Briefs filed by Alliance of Western Energy Consumers (“AWEC”), Calpine Energy Solutions, LLC (“Calpine”), the Northwest and Intermountain Power Producers Coalition (“NIPPC”), Oregon Citizens’ Utility Board (“CUB”), PacifiCorp d/b/a Pacific Power (“PacifiCorp”), Renewable Northwest (“RNW”), Staff of the Public Utility Commission of Oregon (“Staff”), and Walmart Inc. (“Walmart”). PGE reiterates its proposal that the Commission approve PGE’s request to increase the size of its Green Energy Affinity Rider (“GEAR”) Tariff from 300 megawatts (“MW”) to 500 MW, reaffirm the Commission’s flexible approach in applying the nine conditions to the GEAR, and revise the nine conditions for prospective utility offerings of voluntary renewable energy tariffs (“VRETs”) as provided below.

II. ARGUMENT

In Section II.A, PGE articulates why its requests regarding the GEAR are reasonable and in the public interest, and responds to the Opening Briefs of Calpine, NIPPC, and Staff regarding

the GEAR. In Section II.B, PGE responds to positions in the Opening Briefs of CUB, Calpine¹, NIPPC, PacifiCorp, and Staff regarding the Commission's desire to reexamine the nine conditions originally adopted in Order No. 15-405². In Section II.C, PGE responds to positions in the Opening Briefs of Calpine, CUB, NIPPC, RNW, and Staff regarding PGE's other requests contained in its Opening Brief.

(A) The GEAR Program

- Program size
- Program costs
- Credit calculation
- Risk adjustment Fee
- Utility Ownership

(B) Reassessment of the Commission's Original Nine Conditions

- Condition 6 - The Mirroring Condition
- Condition 7 - Utility Ownership
- Condition 8 – Cost Shifting
- Condition 9 – Commission Continued Oversight

(C) Other Requests

- Integrated Resource Plan
- Competitive Bidding Rules (CBRs)
- Post Phase 2 Process
- Transmission

¹ PGE notes that Calpine in its Opening Brief states general support of NIPPC's positions on any issues not directly addressed in Calpine's brief but addressed by NIPPC. Calpine Opening Brief at 2.

² UM 1690, Order No. 15-405 (Dec. 15, 2015) at 1-2. The Commission's order adopting the conditions originally referred to them as "guidelines." <https://apps.puc.state.or.us/orders/2015ords/15-405.pdf>,

A. The GEAR Program

1. Program Size

RNW³ and Walmart⁴ support PGE's request to increase the GEAR's size from 300 MW to 500 MW. Staff, in its Opening Brief, urged the Commission not to increase PGE's GEAR program because "...there has been little to no information or experience from the first tranche, and is concerned that a higher cap comes with unknown, additional risk to COS customers."⁵ Staff takes this position although the Commission authorized PGE's VRET program at 300 aMW⁶ (the equivalent of 900 MW, assuming a 30% capacity factor for a solar facility) and despite the current customer demand for the additional 200 MW that PGE is requesting.⁷ It is worth noting that Staff may be the only party in this docket who opposes the increase of the GEAR to 500 MW.⁸ While PGE appreciates that there was some confusion in this docket about the size of the GEAR program, PGE did clarify in testimony that the 300 MW tranche 1 cap is based on the nameplate capacity of the renewable resource generation facility and not on customer load.⁹ Similarly, the 200 MW increase PGE is requesting would be based on nameplate capacity of the renewable resource

³ Renewable Northwest Phase II Opening Brief at 9.

⁴ Walmart/400, Chriss/3.

⁵ Staff's Opening Brief at 20.

⁶ UM 1690, Order No. 15-405 at 1 (Dec. 15, 2015).

⁷ PGE/700, Wenzel-Halley/6 and 13. Also as NIPPC's witness, Mr. Spencer Gray, testified at the October 8, 2020 hearing in this proceeding, "NIPPC is comfortable with the Commission increasing the program cap for the VRET for the first phase of it in Oregon, because of the interest in customers in receiving that kind of service." See UM 1953 - Corrected Hearing Transcript at 13. In addition, RNW and Walmart support the increase in program size. Although CUB objected to the increase in size of the GEAR program, we believe that objection is to an increase over what the Commission has already authorized, i.e., over 300 aMW (900 MW).

⁸ NIPPC/300, Gray/30. RNW/400 Ramsey/4. CUB's Opening Brief notes on the one hand, support for 300 aMW as a reasonable program cap. CUB Opening Brief at 7. At the same time, CUB opposes an increase in the cap before operational experience can be gained and advocates for denying PGE's increase to 500 MW. CUB Opening Brief at 10. PGE is concerned that CUB may be misinterpreting the size of the program because 500 MW is still a lower program cap than 300 aMW.

⁹ PGE/800, Wenzel-Faist/32 and 35.

facility. While PGE has framed this as an increase to the GEAR cap, from 300 MW tranche 1 to 500 MW total (an additional 200 MW for tranche 2) for the GEAR, the total of 500 MW is less than the 300 aMW cap size limit provided for in Condition 4 for the PGE VRET.¹⁰ Therefore, PGE continues to urge the Commission to approve the GEAR as a total of 500 MW and approve that PGE can procure the least cost, least risk resource(s) to support tranche 2 under a Power Purchase Agreement(s) (“PPA(s)”), utility-owned resource(s) or a combination thereof.

2. *Program Costs*

In compliance with the legislative directive in House Bill (“HB”) 4126¹¹ that all costs and benefits associated with a VRET be borne by the nonresidential customer receiving service under that tariff, PGE designed the GEAR to account for all costs associated with delivering the program. The direct costs of the GEAR are borne by program participants and PGE has used a reasonable proxy for all indirect costs which ensures that there is no unwarranted cost-shifting.¹² NIPPC and Calpine attempt to cast doubt on the effectiveness of the methodology PGE employed to capture all costs of the GEAR but do not and cannot rebut the reasonableness of the proxy PGE utilized. PGE’s corporate governance allocation adequately serves as a reasonable and conservative proxy for all indirect costs associated with the program.¹³

NIPPC also expresses concerns about cost shifting, asserting that PGE may add capacity because of the VRET program and expresses concern that costs of capacity acquired will end up

¹⁰ PGE 800/Wenzel-Faist/16.

¹¹ Oregon House Bill (HB) 4126 (2014), <https://olis.leg.state.or.us/liz/2014R1/Downloads/MeasureDocument/HB4126>.

¹² As Staff stated in its Opening Brief (at 4) and in Testimony (Staff/300, Gibbens/4-5), its primary concern is to ensure that the GEAR program does not result in unwarranted cost-shifting and that a sound theoretical framework is required to achieve that goal. PGE’s GEAR framework does exactly that.

¹³ UM 1953 - Corrected Hearing Transcript at 98. Although the structure of the corporate governance allocation does not include the legal and regulatory departments, it includes many other PGE administrative activities which will not be supporting the GEAR.

in the transition costs paid by direct access (“DA”) customers during the transition period. NIPPC’s concerns indicate a misunderstanding of the GEAR. GEAR customers remain on cost-of-service (“COS”) and should PGE add capacity resources in the future, it would be based on COS load. Customer participation in the GEAR does not increase PGE’s capacity need. The design feature that GEAR subscribers are COS customers is key and thus there is no separate need for capacity for them, and no risk that costs will be shifted in the transition adjustment. For this reason, the Commission should reject NIPPC’s proposal.

3. Credit Calculation

The fixed credit methodology is an important product design feature providing certainty for GEAR subscribers in program attributes and costs. Having certainty in pricing over the subscription term is important to customers.¹⁴ PGE continues to support the methodology approved in Phase I which established a credit mechanism that cannot result in negative credits. RNW¹⁵, Staff¹⁶, and Walmart¹⁷ support PGE’s credit calculation methodology for both energy and capacity. In its brief, CUB suggests that if the program grows significantly, beyond the 300 aMW cap, then a floating credit approach may be more appropriate.¹⁸ Given PGE’s experience with other programs that require costs to be paid only by subscribers, e.g., voluntary renewable portfolio programs, PGE can balance the customer desire for certainty in pricing with the requirement to avoid cost-shifting to non-participating customers.

¹⁴ UM 1953 - Corrected Hearing Transcript at 118.

¹⁵ RNW Opening Brief at 16.

¹⁶ Staff Opening Brief at 19.

¹⁷ Walmart Opening Brief at 2.

¹⁸ CUB Opening Brief at 6.

PGE reiterates that should the Commission be inclined, rather than change the credit to a floating credit now, PGE supports a case-by-case floating credit requests from Customer Supply Option (“CSO”) customers to the Commission.

4. *Risk Adjustment Fee*

NIPPC conjectures that allowing PGE to recover the cost of the risks of the GEAR would lead to a double recovery of costs if PGE can put a GEAR resource in rate base since PGE would already be earning a return on equity.¹⁹ Again, NIPPC misunderstands PGE’s GEAR design and the role of the Risk Adjustment Fee. The Risk Adjustment Fee, paid by subscribers, is designed to ensure that shareholders are compensated for incremental risk that the program introduces, to avoid impacts to PGE’s cost of capital.²⁰

Customers who pay the cost of the risks associated with serving them are paying just and reasonable rates. Subsequent to executing on tranche 1, PGE has sought to identify the breadth of risks brought to PGE by the GEAR.²¹ Staff asks the Commission to consider changes in the methodology for calculating the Risk Adjustment Fee when a tariff filing is made, ostensibly to allow for a more detailed review.²² PGE posits that the two approaches PGE has offered allows for a detailed review at this time.²³ PGE’s proposed approach will provide PGE shareholders compensation for the additional risks that the program introduces and will insulate non-participating customers from possible changes to the utility’s cost of capital that could result if there is no compensation for the additional risks.

¹⁹ NIPPC Opening Brief at 24.

²⁰ UM 1953 - Corrected Hearing Transcript at 34-35.

²¹ UM 1953 - Corrected Hearing Transcript at 35.

²² Staff Opening Brief at 24.

²³ PGE/800, Wenzel-Faist/39-40 and PGE/802.

5. *Utility Ownership*

During Phase 1 of this proceeding, PGE made the customer-centric decision to procure the resources required to serve the 300 MW via PPAs only. As PGE's witnesses testified,²⁴ that decision was to avoid a long process that would have impacted PGE's ability to timely meet customers' demand. However, PGE has since made it clear that the utility ownership option for tranche 2 is important to it. As more fully discussed in Section B.2. below, PGE has requested modification to condition 7 to maximize the flexibility to procure the best resource for customers. PGE requests that the Commission approve that PGE can procure the least cost, least risk resource(s) to support tranche 2 under a PPA(s), utility-owned resource(s) or a combination thereof.

For all the reasons discussed in this Section II.A, in PGE's Opening Brief and testimony in this proceeding, PGE requests that the Commission: (1) reaffirm that PGE's GEAR program design is reasonable and in customers' interest; and (2) acknowledge, consistent with Condition 8, the costs of the GEAR program be borne by GEAR participants and approve a risk adjustment fee that incorporates identified program risks to fully insulate non-participating COS customers from the risk associated with the GEAR. Should the Commission desire to delve deeper into the mechanics of the GEAR design, the Commission retains its authority and discretion, highlighted in Condition 9, to conduct further review.

²⁴ UM 1953 – Corrected Hearing Transcript at 67.

B. Reassessment of the Commission’s Original Nine Conditions

In Order No. 19-075, the Commission outlined its desire to “review and reconsider the nine conditions” in this Phase 2 proceeding.²⁵ NIPPC and Calpine are the only Parties who oppose the Commission revising any of the conditions because, in NIPPC’s view, there has not been significant change in the retail and renewable development market space since the Commission adopted the original nine conditions in 2016. NIPPC makes this bold assertion in the face of evidence to the contrary. For example, since 2016, PGE’s DA program has been enlarged by almost 50%, but in NIPPC’s opinion that is not significant, even though NIPPC has described the New Load Direct Access (“NLDA”) program as “a boost for Oregon Economic Development”.²⁶ One then wonders why NIPPC spent the last three years vigorously advocating for NLDA if it was not significant. Also, since 2016, most major municipalities in Oregon have adopted carbon reduction goals and have asked their utilities to partner with them to meet those goals.²⁷ In fact, at the re-opening of this docket, several mayors of municipalities in PGE’s service territory submitted testimony asking the Commission to allow PGE to offer its GEAR.²⁸ That is a clear change in customers’ demand for products; however, NIPPC would have the Commission believe that nothing has changed. The evidence shows the existence of robust market opportunities and no significant impact of a VRET offering on the competitive market.²⁹

²⁵ UM 1953, Order No. 19-075 (Mar. 5, 2019) at 8.

²⁶ New Load Direct Access A Boost for Oregon Economic Development (2018, October 16). Juice NIPPC, Issue 58, p. 1-2. <http://nippc.org/wp-content/uploads/2018/10/Juice-58-10-16-18.pdf>

²⁷ PGE/700, Wenzel-Halley/5-6.

²⁸ UM 1953 Public Comments filed by municipalities: City of Beaverton, Mayor Denny Doyle, (Oct. 18, 2019); City of Milwaukie, Mayor Mark Gamba, (Oct. 18, 2019); City of Portland, Mayor Ted Wheeler (Oct. 16, 2019; City of Salem, Mayor Chuck Bennett (Oct. 18, 2019); and City of West Linn, Mayor Russell B. Axelrod, (Oct. 18, 2019). See OPUC eDockets, <https://www.oregon.gov/puc/edockets/Pages/default.aspx>

²⁹ PGE/800, Wenzel-Faist/9-10.

Another important consideration for the policy changes PGE seeks is the idea of whether PGE's GEAR competes with DA. The GEAR program and DA are not in direct competition³⁰ and the Commission should not unduly hamper or foreclose the ability of the utilities to offer products that customers desire. Eligible customers choose between COS and DA, but not between DA and the GEAR. Rather, the GEAR is a rider on COS. If the Commission were to maintain the original conditions for offering a VRET, it could have a significant impact on utility offerings and the accelerated transition to a decarbonized electric future. It is clear from NIPPC and Calpine's testimony and briefs, that in the name of removing barriers to competition, they seek to create advantages for themselves by saddling the VRET with overly prescriptive conditions and limiting customer options. As the record reflects, there are customers who seek to stay on COS with their utility, even when presented with lower priced DA products. As is so well articulated in the PAC's Opening Brief, these customers deserve options that support additional renewable energy development and help them meet their climate and sustainability goals.³¹

The nine conditions represent policy decisions and should not be static. They need to evolve in response to customer needs, recognize and incorporate changes in the energy space, and draw upon learnings from experience. As the Commission recognized in Order No. 19-075, a specific VRET program has provided clarity that will guide the Commission in the future.³² Stakeholders, other than NIPPC and Calpine, see the need to revise some of the nine conditions. Staff's Opening Brief recognizes that the original nine conditions should not be static and makes

³⁰ PacifiCorp Opening Brief at 1-2.

³¹ PacifiCorp Opening Brief at 3.

³² UM 1953, Order No. 19-075 (Mar. 5, 2019 at 8.

the case for modifying several conditions. NIPPC stands alone in its opposition to ANY modification to the original nine conditions.³³

PGE continues to urge the Commission to update the conditions, as discussed in PGE's Opening Brief, and PGE addresses the specific conditions raised in NIPPC's and Staff's Opening Briefs below:

1. ***Condition 6³⁴ - The Mirroring Condition***

CUB³⁵ and PAC³⁶ support removing Condition 6. RNW continues to advocate for an alternative proposal of reporting annually on customer interest in a utility's VRET and DA programs regardless of whether Condition 6 is retained, modified, or removed.³⁷ NIPPC and Calpine both oppose the modification. NIPPC opposes ostensibly on the grounds that this condition gives customers choice³⁸. However, NIPPC wants to take away the choice that Customers have made to stay on COS and sign up for a voluntary renewable program - the GEAR. NIPPC also asserts that this condition is "necessary to prevent market power abuse by incumbent utilities".³⁹ But in fact NIPPC's real interest is to use the Commission process to advantage its members. NIPPC's own witness, Spencer Gray, during the hearing⁴⁰ in this proceeding admitted as much. Specifically, the following question was posed to the NIPPC witness, Mr. Gray, at the October 8, 2020 hearing in this docket: "[I]n connection with the mirroring of the condition, the

³³ NIPPC Opening Brief at 7.

³⁴ UM 1953, Order No. 19-075 (Mar. 5, 2019) at 2-3. Condition 6 states: "Voluntary renewable energy product offering terms and conditions (including the timing and frequency of offerings), as well as transition costs, must mirror those for direct access. The regulated utility may propose terms and conditions that differ from current direct access provisions but must propose changes to their direct access programs to match those changes."

³⁵ CUB Opening Brief at 12.

³⁶ PAC Opening Brief at 7.

³⁷ RNW Opening Brief at 9-10.

³⁸ NIPPC Opening Brief at 2.

³⁹ *Id.*

⁴⁰ UM 1953 - Corrected Hearing Transcript at 15-16 and 21.

GEAR program right now is 300 megawatts, and PGE is asking for it to be increased to 500 megawatts, would you then agree that we will be required to mirror our Direct Access to cap it at 500 megawatts as well as opposed to the current of 1,000 megawatts of Direct Access that we have?” Mr. Gray responded, “I don’t agree with that....”⁴¹

NIPPC argues that a “an argument could easily be made by PGE that any PGE-offered VRET is cost-of-service based”.⁴² It appears this argument ignores the record in this proceeding that shows customers’ stated desire for additionality; deliberately fails to appreciate HB 4126 requirement that VRETs promote further renewable development;⁴³ or is simply a disingenuous attempt to obfuscate the issue. NIPPC’s Opening Brief also exposes the self-serving standard NIPPC is asking the Commission to apply here – mirror only the terms and conditions that benefit the electricity service suppliers (DA program), not others.⁴⁴ NIPPC will “cherry-pick” and call it mirroring.

PGE appreciates Staff’s concern that the conditions are intended to apply to all utility programs and given that a utility may propose a design other than a COS rider, the condition may still serve a purpose in certain circumstances. If the Commission should determine that some form of Condition 6 should be maintained, PGE continues to recommend modifying the condition to apply if a utility offers a VRET program design other than one that is a COS rider.⁴⁵

⁴¹ UM 1953 - Corrected Hearing Transcript at 15-16.

⁴² NIPPC Opening Brief at 11. NIPPC goes on to say “... the Mirror Condition is clearly intended to apply to the extent a VRET proposal offers terms and conditions that are more flexible or favorable than those available under the competing Direct Access program...”

⁴³ HB 4126 Section 3(3)(a).

⁴⁴ NIPPC Opening Brief at 12.

⁴⁵ PGE/600, Sims-Tinker/22.

2. *Condition 7⁴⁶ - Utility Ownership*

CUB, PAC and RNW support modification of Condition 7. NIPPC's objection to the revision of this condition is quite telling.⁴⁷ NIPPC views this as "limitations on utility ownership" not a "condition" of or guideline regarding utility ownership. Despite the Commission's clear expression and Parties' support for utility ownership, NIPPC's desire to suppress competition is its driver against the revision of this condition. NIPPC unabashedly has said that the Commission should "expressly prohibit utility ownership of a VRET resource."⁴⁸ NIPPC's opposition is the same even if the utility resource will be the least cost, least risk resource for customers. NIPPC would use the Commission process to limit competition by having the Commission exclude the regulated utility from participating, and thereby obtain an advantage for its members. As CUB noted in its opening brief, "the public interest is not served by protecting the profitability of for-profit independent power producers (IPPs)."⁴⁹

PGE continues to urge the Commission to revise Condition 7 as follows:

"The regulated utility may own a VRET resource, and when it does, it must continue to ensure there is no cost shifting to non-participants."

This revised Condition satisfies the requirement of HB 4126 that non-participating customers do not bear the cost of the VRET programs. This change to a broader prohibition against cost shifting

⁴⁶ UM 1953, Order No. 19-075 (Mar. 5, 2019) at 3. Condition 7 states: "The regulated utility may own a voluntary renewable energy resource but may not include any voluntary renewable energy resource in its general rate base. It may recover a return on and return of its investment in the voluntary renewable energy resource from the subscriber; however, the utility must share some of the return on with the other utility customers for ratepayer-funded assets used to assist the voluntary renewable offering."

⁴⁷ NIPPC Opening Brief at 15.

⁴⁸ NIPPC/300, Gray/25.

⁴⁹ CUB Opening Brief at 5.

was generally supported by Staff.⁵⁰ As CUB pointed out, the no-cost shifting requirement means that since there can be no ratepayer-funded assets used to support the VRET program, there is no need for the original requirement that requires a sharing of the return-on-investment with COS customers.⁵¹ In any event, as stated in our Opening Brief, the Commission retains oversight and review authority as expressed in Condition 9, which reserves to the Commission the ultimate judgment on whether PGE’s product offering meets the statutory requirements and is in the public interest.

3. *Condition 8⁵² - Cost Shifting*

PGE appreciates the clarification Staff provided in their Opening Brief regarding their position as it relates to Condition 8 and the attempt to link the long-term planning process to VRET programs. However, PGE disagrees with Staff’s recommended approach since requiring VRET customers to absorb “stranded costs of the existing and additional future cost of service rate-based system” is ambiguous and impossible to implement.⁵³ Staff does not answer the question about how one could make the decision as to when a VRET action would result in stranded costs for future actions unknown at the time of VRET implementation? How would those costs be passed to VRET participants? Because of the ambiguity, PGE continues to recommend against Staff’s recommended language.

⁵⁰ Staff/300, Gibbens/20. PGE notes that Staff in its Opening Brief says it does not oppose utility ownership but that a revised Condition 7 needs to ensure that utility ownership does not create a barrier to the competitiveness of the retail market. (At 14). PGE notes that utility ownership competes in the competitive procurement process and has no impact on anything but energy supply, hence it is not a test for meeting the Commission’s charge to remove barriers to the retail market.

⁵¹ CUB/200, Jenks/16.

⁵² UM 1953, Order No. 19-075 (Mar. 5, 2019) at 3. Condition 8 states: “All direct and indirect costs and risks are borne by the VRET customers, shareholders of the utility, or third-party developers and suppliers with provisions allowing independent review and verification by the Commission Staff of all utility costs. Costs include but are not limited to ancillary services and stranded costs of the existing cost of service rate based system.”

⁵³ Staff Opening Brief at 16.

4. *Condition 9⁵⁴ – Commission Continued Oversight*

No Party has requested a revision of condition 9 for obvious reasons. PGE points this out to highlight that all Parties appreciate the need for and the impact of the Commission’s oversight. When all is said and done, Condition 9 reserves to the Commission the ultimate judgment on whether PGE’s product offering meets the statutory requirements and is in the public interest.

C. Other Requests

1. *Integrated Resource Plan*

In its opening testimony, Staff raised questions about the GEAR’s additional capacity interaction with PGE’s IRP.⁵⁵ PGE agrees with Staff that capacity associated with GEAR will impact the Company’s needs. In the 2019 IRP, PGE addressed the capacity, energy and physical Renewable Portfolio Standard impacts of additional VRET program participation beyond executed GEAR capacity in sensitivity scenarios that described how the potential additional programs might affect PGE’s resource needs. PGE proposed to continue to both perform this sensitivity analysis for additional megawatts for the GEAR within the IRP and to provide updated sensitivity analysis with a tariff filing. In addition to the sensitivities, PGE looks forward to working with Staff within the long-term planning process to explore additional analysis aimed at evaluating the long-term impacts of additional VRET resources.

2. *Competitive Bidding Rules (“CBRs”)*

PGE acknowledges that the CBRs apply to GEAR procurements. To allow PGE to offer the GEAR to its customers timely and without considerable procurement costs (which would be

⁵⁴ UM 1953, Order No. 19-075 (Mar. 5, 2019) at 3. Condition 9 states: “All voluntary renewable offerings must be made publicly available and subject to review by the Commission to ensure they are fair, just, and reasonable.”

⁵⁵ Staff Opening Brief at 28-29.

borne solely by GEAR subscribers), PGE requested a waiver of the CBRs for GEAR procurement. Because of stakeholder concern with a waiver of the CBRs when utility ownership is included in the procurement, a feature important to us, PGE is supportive of Staff’s proposal for an “RFP light”⁵⁶ but would require the option to be available for all procurements, regardless of whether we include a utility-owned option.

3. *Post Phase 2 Process*

PGE requests that the Commission approve a streamlined process for future tranche increases beyond the 500 MW to facilitate meeting the time requirements of interested customers. PGE continues to support the 90-day timeframe advocated by Staff and the opportunity for PGE to request a simple ‘approve or deny’ Commission decision.⁵⁷ We also recognize that the 90-day timeframe may come with a need to be flexible, respecting the bandwidth of regulatory stakeholders and staff and the Commission’s needs. We discuss that requests for tranche increases would be accompanied by Integrated Resource Plan (“IRP”) analysis below.

4. *Transmission*

[START HIGHLY CONFIDENTIAL MATERIAL] [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

⁵⁶ Staff/400, Gibbens/44.

⁵⁷ Staff/400, Gibbens/49-50.

⁵⁸ [REDACTED]

[REDACTED]

CONFIDENTIAL MATERIAL]

[END HIGHLY

III. CONCLUSION

For the reasons stated herein and supported in the record, PGE requests the Commission’s approval of: 1) the GEAR as a 500 MW program, with 200 MW subscription in tranche 2 to be served by a PPA(s), utility-owned resource(s), or a combination thereof; 2) the risk adjustment fee that captures the breadth of risks that the GEAR brings; 3) a streamlined process to meet additional customer demand post-tranche 2; and 4) modifications to the nine conditions for subsequent VRET programs to meet customers’ needs.

Approval of PGE’s requests would serve the dual benefit of allowing customers with stated demand to begin to meet their climate goals with products they desire, while providing revised conditions that meet the requirements of HB 4126. Additionally, Oregon would join the many states that offer VRET programs designed to add more renewables to the system; help our business

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and governmental customers reach their sustainability goals; and help contribute to the ambitious greenhouse gas reductions outlined in the Governor’s Executive Order 20-04 on climate change.⁶⁰

Dated this 13th day of November, 2020.

Respectfully submitted,

/s/ Loretta Mabinton

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⁶⁰ Or. Exec. Order No. 20-04 (Mar. 10, 2020),
https://www.oregon.gov/gov/Documents/executive_orders/eo_20-04.pdf