



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

|   |   |                          |
|---|---|--------------------------|
| In the Matter of                          | ) |                          |
|   | ) |                          |
| PORTLAND GENERAL ELECTRIC                 | ) | REPLY TESTIMONY OF THE   |
| COMPANY,                                  | ) | OREGON CITIZENS' UTILITY |
|   | ) | BOARD                    |
| Investigation into Proposed Green Tariff. | ) |                          |
| _____                                     | ) |                          |

1     **Q. Please state your name, occupation, and business address.**

2     A. My name is William Gehrke. I am an Economist employed by Oregon Citizens'  
3         Utility Board (CUB). My business address is 610 SW Broadway, Ste. 400  
4         Portland, Oregon 97205.

5     **Q. Please describe your educational background and work experience.**

6     A. My witness qualification statement is found in exhibit CUB/101.

7     **Q. Has CUB sponsored testimony in this proceeding?**

8     A. No. However, CUB has participated in numerous settlement discussions. The  
9         Green Tariff program is only open to non-residential customers. As the residential  
10         customer representative, CUB intervened in this docket to ensure that PGE's  
11         proposed program does not result in cost-shifting towards unsubscribing cost of  
12         service customers.

1 **Q. Are there any specific requirements of HB 4126 that are important to**  
2 **CUB?**

3 **A.** Yes. House Bill 4126 requires the Commission consider, when determining  
4 whether and under what conditions a VRET may be and in the public interest,  
5 “[a]ny direct or indirect impact, including any potential cost-shifting, on other  
6 customers of any electric company offering a voluntary renewable energy tariff.” It  
7 goes further to state that “[a]ll costs and benefits associated with a [VRET] shall be  
8 borne by the nonresidential customer receiving service under the [VRET].”<sup>1</sup>

9 **Q. How does a non-residential customer subscriber enter into a VRET**  
10 **programs?**

11 **A.** A non-residential customer can voluntary subscribe to a VRET program. This  
12 program is meant to give non-residential customers the ability to purchase  
13 renewable energy power and use a different resource mix than what the utility  
14 offers, while keeping other cost of service customers free from cost-shifting.

15 **Q. What impact would having VRET rates lower than cost of service rates**  
16 **have?**

17 **A.** All customers would be incentivized to opt into VRET program because it is  
18 cheaper than the cost of service rate. If the cost of a VRET program ends up being  
19 lower than the cost of service, CUB would want residential customers to be able to  
20 take advantage of the cost savings. CUB is supportive of Staff’s proposal to  
21 include language in its tariff that prevents the total rate under the VRET from being  
22 below the total rate under cost of service rates.<sup>2</sup> A floor on the VRET rate will

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<sup>1</sup> HB 4126 Section 3(4)

<sup>2</sup> UM 1953- Staff/100/Kaufman/16.

1 ensure that subscribing customers are not being subsidized by cost of service  
2 customers. Absent the floor, the utility will look to non-participating cost of  
3 service customers to bear the stranded cost created by the lower VRET participant  
4 rates.

5 **Q. What concerns do you have about the use of the IRP methodology to**  
6 **calculate capacity and energy credits?**

7 **A.** The IRP's methodology is not the result of a contested, rate-centric proceeding.  
8 The IRP process values capacity and energy over long-term planning horizons.  
9 Staff and stakeholders should work to adequately calculate those values in this  
10 proceeding. CUB is satisfied with the use IRP values for capacity and energy on an  
11 interim basis. Additional process is needed before a permanent methodology is  
12 adopted.

13 **Q. Does this conclude your testimony?**

14 **A.** Yes.

**WITNESS QUALIFICATION STATEMENT**

**NAME:** William Gehrke

**EMPLOYER:** Oregon Citizens' Utility Board

**TITLE:** Economist

**ADDRESS:** 610 SW Broadway, Suite 400  
Portland, OR 97205

**EDUCATION:** MS, Applied Economics  
Florida State University, Tallahassee, FL

BS, Economics  
Florida State University, Tallahassee, FL

**EXPERIENCE:** Provided testimony or comments in several Oregon Commission dockets. Worked as an Economist for the Florida Department of Revenue. Worked as Utility Analyst at the Florida Public Service Commission, providing advice on rate cases and load forecasting. Attended the Institute of Public Utilities Annual Regulatory Studies program in 2018.