

NOTICE OF PROPOSED RULEMAKING

CHAPTER 860 PUBLIC UTILITY COMMISSION

FILING CAPTION: Rulemaking regarding Energy Efficiency Avoided Costs for Use by Nongovernmental Entity

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 01/03/2019 5:00 PM

HEARING(S):

DATE: 12/27/2018

TIME: 10:00 AM

OFFICER: Sarah Rowe

ADDRESS: Public Utility Commission

Hearing Room

201 High St SE

Salem, OR 97301

NEED FOR THE RULE(S):

The following energy utilities currently use a nongovernmental entity approved by the Public Utility Commission of Oregon (Commission) to administer energy efficiency programs for Oregon customers: Avista Corp, Cascade Natural Gas Company, Northwest Natural Gas Company, PacifiCorp and Portland General Electric. Currently, each of these utilities provides certain avoided cost data to the nongovernmental entity for use in administering energy efficiency programs. To provide transparency and the opportunity to evaluate this data, with appropriate updates, the Commission finds it necessary for the affected energy utilities to report avoided cost data annually to the Commission, rather than directly to the nongovernmental entity, and to require approval by the Commission prior to use by the nongovernmental entity. The proposed rules establish this annual reporting process.

The Commission encourages participants to file written comments as early as practicable in the proceedings so that other participants have the opportunity to consider and respond to the comments before the deadline. Please reference Docket No. AR 621 on comments and attach them to an e-mail to the Commission's Filing Center at PUC.FilingCenter@state.or.us.

Interested persons may review all filings online at <https://apps.puc.state.or.us/edockets/docket.asp?DocketID=2145>. For guidelines on filing and participation, please see OAR 860-001-0140 through 860-001-0160 and 860-001-0200 through 860-001-0250 found online at <https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=4027>.

Participants wishing to monitor the hearing by telephone must contact Diane Davis at diane.davis@state.or.us or (503) 378-4372 by close of business December 26, 2018, to request a dial-in number. The Commission strongly encourages those planning to present oral comment at the hearing to attend in person.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

OPUC Order 17-394, Docket UM 1893, found online at:
<https://apps.puc.state.or.us/orders/2017ords/17-394.pdf>

OPUC Order 18-077, Docket UM 1893, found online at:
<https://apps.puc.state.or.us/orders/2018ords/18-077.pdf>

OPUC Order 18-418, Docket AR 621, found online at:
<https://apps.puc.state.or.us/orders/2018ords/18-418.pdf>

OPUC Staff materials for July 6, 2018 workshop in Docket UM 1893, available at:
<https://edocs.puc.state.or.us/efdocs/HAH/um1893hah165424.pdf>

FISCAL AND ECONOMIC IMPACT:

The proposed rules, to some extent, formalize an existing process for reporting energy efficiency avoided cost data. An investor-owned energy utility that is subject to the rules may incur administrative and labor costs associated with collecting energy efficiency avoided cost data, reporting the data, and participating in any proceeding before the Commission for approval of the avoided costs. Such expenses are not anticipated to be significant in most instances, particularly given that such utilities currently collect avoided cost data in some format and provide it to the non-governmental entity. A nongovernmental entity may incur some administrative and labor expenses adapting avoided costs approved by the Commission for its use and participating in any proceeding before the Commission for approval of avoided costs. The amount of such expenses in any particular circumstance cannot be quantified. Approval of updated avoided cost data by the Commission under the proposed rules supports identification of cost-effective measures, which may benefit customers of the affected utilities to the extent it reduces the need for utility rate increases.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

No state agencies or units of local government are likely to be economically affected by the proposed rules. As stated above, an energy utility subject to the rules, or its customers, may be economically affected. A nongovernmental entity approved by the Commission to administer energy efficiency programs for the subject utilities may incur some administrative and labor expenses under the proposed rules. The overall impact cannot be quantified and is likely not significant.

No small businesses are subject to the rules. None of the energy utilities subject to the proposed rules are a small business. The nongovernmental entity currently approved by the Commission to administer energy efficiency programs for the subject utilities is the Energy Trust of Oregon, which is not a small business.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The Commission's staff conducted workshops with interested parties and solicited oral and written comments from interested persons to develop the proposed rules. One of the participating stakeholders is a membership-based organization whose membership includes some small businesses.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT? The Commission's staff conducted workshops with interested parties and solicited oral and written comments from interested persons to develop the proposed rules.

CONTACT:

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RULES PROPOSED:

860-090-0010, 860-090-0020, 860-090-0100, 860-090-0200

ADOPT: 860-090-0010

RULE TITLE: Applicability of Division 090

RULE SUMMARY: This rule describes the applicability of the Division 090 rules.

RULE TEXT:

(1) The rules contained in this division apply only to an energy utility that provides customer funds to a third-party nongovernmental entity approved by the Commission to administer energy efficiency measures and programs, market transformation, or the above-market costs of new renewable energy resources in the utility's service area.

(2) Upon request or its own motion, the Commission may waive any of the Division 090 rules for good cause shown. A request for waiver must be made in writing, unless otherwise allowed by the Commission.

STATUTORY/OTHER AUTHORITY: ORS 756.060

STATUTES/OTHER IMPLEMENTED: ORS 756.040, 756.070

ADOPT: 860-090-0020

RULE TITLE: Definitions

RULE SUMMARY: This rule provides the definitions for Division 090 rules.

RULE TEXT:

For purposes of this division, unless the context requires otherwise:

(1) “Energy Efficiency avoided cost” or “EE avoided cost” means the value to an energy utility of avoiding the use of other resources to provide energy services to its customers through the use of an energy efficiency measure or program.

(2) “Energy efficiency measure” or “energy efficiency program” refers to an energy conservation measure or program that is designed to reduce energy consumption as a result of improved efficiency of energy use.

(3) “Energy utility” means a public utility as defined in ORS 757.005 to which these rules apply.

STATUTORY/OTHER AUTHORITY: ORS 756.060

STATUTES/OTHER IMPLEMENTED: ORS 756.040, 756.070

ADOPT: 860-090-0100

RULE TITLE: Avoided Cost Data Reporting For Energy Efficiency

RULE SUMMARY: This rule establishes reporting requirements for subject energy utilities.

RULE TEXT:

(1) An energy utility subject to these rules must submit data necessary to calculate its EE avoided costs for energy efficiency measures and programs in the manner and method specified in the Commission-approved reporting form. This form is available at:

https://www.puc.state.or.us/Pages/electric_gas/formrpts.aspx. The EE avoided cost report must be submitted on or before October 15 of each year for use in the next energy efficiency program budget cycle.

(2) An energy utility must include all data specified in the Commission-approved EE avoided cost report form with:

(a) Relevant data that was used in the energy utility's most recent integrated resource plan or integrated resource plan update that has been acknowledged by the Commission, or was used in the energy utility's most recent general rate case that has been resolved by a final order of the Commission; and

(b) The energy utility's energy values, updated from the energy utility's most recent available data at the time of filing the EE avoided cost report.

(c) Additionally, an energy utility may include more recent data with a supporting explanation as to why the Commission should approve its avoided costs based on such data. The Commission may approve the use of more recent data at its discretion.

(3) At any time, the Commission may update the required data, format and methodology used to report specific values on the Commission-approved EE avoided cost reporting form. Any changes to the form that are approved by the Commission will take effect no less than 60 days following approval.

(4) A gas utility subject to this rule is exempt from to the requirements of OAR 860-030-0007, which requires the filing of a proposed avoided cost methodology and draft avoided costs as part of an integrated resource plan.

STATUTORY/OTHER AUTHORITY: ORS 756.060

STATUTES/OTHER IMPLEMENTED: ORS 756.040, 756.070

ADOPT: 860-090-0200

RULE TITLE: Approval of EE Avoided Costs for Energy Efficiency Measures

RULE SUMMARY: This rule specifies a timeline for Commission approval and that data may not be used until approved.

RULE TEXT:

The third-party nongovernmental entity approved by the Commission to administer energy efficiency measures and programs, market transformation, or the above-market costs of new renewable energy resources in an energy utility's service area may not use utility-specific EE avoided cost data in the administration of such measures and programs until the data is approved by the Commission. The Commission will generally consider approval of EE avoided costs for this purpose within 60 days from the filing deadline for the EE avoided cost report.

STATUTORY/OTHER AUTHORITY: ORS 756.060

STATUTES/OTHER IMPLEMENTED: ORS 756.040, 756.070