



Portland General Electric
121 SW Salmon Street · Portland, Ore. 97204

October 25, 2019

Via Electronic Filing
puc.filingcenter@state.or.us

Public Utility Commission of Oregon
Attn: **Filing Center**
201 High Street, Ste. 100
P.O. Box 1088
Salem, OR 97308-1088

Re: UM 1977 PGE's Application for Reauthorization of Deferred Accounting Treatment of Start-Up Costs Associated with the Community Solar Program Implementation

Enclosed for filing is Portland General Electric Company's ("PGE") Application for Reauthorization of Deferred Accounting Treatment of Start-Up Costs Associated with the Community Solar Program Implementation. PGE received authorization pursuant to OPUC Order No. 18-477.

A Notice regarding the filing of this application has been provided to the parties on the UE 335 and UM 1977 service lists.

Thank you for your assistance in this matter. If you have any questions or require further information, please call me at (503) 464-7002.

Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pgn.com.

Sincerely,

A handwritten signature in blue ink that reads "Jay Tinker". The signature is written in a cursive, flowing style.

Jay Tinker,
Director, Regulatory Policy & Affairs

JT/lh
Encls.

cc: Service Lists: UE 335 and UM 1977

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1977

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Start-Up Costs Associated with the Community Solar Program Implementation.

Application for Reauthorization of Deferred Accounting Treatment of Start-Up Costs Associated with the Community Solar Program Implementation

Pursuant to ORS 757.259 and OAR 860-027-0300, and Commission Order No. 15-019 and Order No. 18-477, Portland General Electric Company (PGE) hereby requests authorization to continue to defer for later rate-making treatment operation and maintenance (O&M) start-up costs associated with the development of the Community Solar Program (CSP), implemented in compliance with Senate Bill (SB) 1547. PGE requests this reauthorization commence effective November 8, 2019 through November 7, 2020.

I. Deferral History.

Pursuant to Section 22 of SB 1547, the Commission initiated Docket No. AR 603 (AR 603), which facilitated multiple workshops, discussions, and rounds of comments from stakeholders on draft rules, to establish a program for procuring electricity from community solar projects. Commission Order No. 17-232 adopted rules to establish a framework for the CSP that the Commission acknowledged would be supplemented and further developed in future proceedings, including the development of a program implementation manual. Additionally, OPUC Staff requested the Commission open a separate docket (i.e., Docket No. UM 1930) to address non-rulemaking matters related to the implementation of the CSP.

The CSP framework established by the Commission provides for a program start-up phase for

program development and an on-going phase that will start once the CSP is fully operational.¹ In accordance with SB 1547 Section 22(7)(c) and OAR 860-088-0160 regarding CSP funding, electric utilities will recover start-up costs incurred during the development or modification of the CSP (i.e., the start-up phase) through electric utility prices while CSP on-going costs are to be collected from CSP participants. As such, CSP on-going costs are not included in this application for deferred accounting.

OAR 860-088-0160(1) defines start-up costs as:

- 1) Costs associated with the Program Administrator² and Low-Income Facilitator,³ and
- 2) Each electric utility's prudently incurred start-up costs associated with implementing the CSP. These costs include, but are not limited to, costs associated with customer account information transfer and on-bill crediting and payment, but exclude any costs associated with the electric utility developing a CSP solar project.

II. OAR 860-027-0300 Requirements

The following is required pursuant to OAR 860-027-0300(3):

a. Description of Utility Expense for Which Deferred Accounting is Requested.

See Deferral History above. This deferral application includes expected start-up costs associated with the Program Administrator selected by the DAS and OPUC, O&M costs related to the Low-Income Facilitator, modifications to PGE's IT/billing systems, legal and other professional fees, costs related to regulatory compliance, and any other O&M start-up costs associated with the implementation of the CSP that PGE may incur. PGE will recover O&M start-up costs through the

¹ The delineation between start-up and on-going CSP costs is yet to be established through Commission decision.

² According to OAR 860-088-0010, Program Administrator means a third-party directed by the Commission to administer the Community Solar Program.

³ Low-Income Facilitator's responsibilities are provided in OAR 860-088-0030.

automatic adjustment clause Rate Schedule 136 as soon as the cost data is approved by the Commission. The associated balancing account will provide the ability to track and true-up the amounts associated with the CSP start-up.

b. Reasons for Deferral.

Pursuant to ORS 757.259(2)(e) PGE seeks reauthorization of the deferred accounting treatment of the O&M start-up costs associated with the Program Administrator, Low-Income Facilitator, and the implementation of the CSP. The granting of this Application will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers. PGE received approval through Commission Order No. 18-477, for the deferral period beginning November 8, 2018.

c. Proposed Accounting for Recording Amounts Deferred.

PGE proposes to continue to record O&M start-up costs associated with the CSP as a regulatory asset in FERC account 182.3 (Other Regulatory Assets), with a credit to FERC account 456 (Other Revenue). In the absence of a deferred accounting order from the Commission, PGE would record costs to various FERC expense accounts.

d. Estimate of Amounts.

PGE cannot accurately estimate at this time the total costs it will incur to support the CSP because processes and procedures for the implementation of the program continue to be under review and development. The program implementation manual has yet to be completed⁴ and PGE anticipates that there will be utility start-up program responsibilities (and costs) identified in the manual.

e. Notice.

⁴ The final draft of the Program Implementation Manual is expected to be posted in Docket No. UM 1930 on November 18, 2019

A copy of the notice of application for reauthorization of deferred accounting treatment and a list of persons served with this Notice are attached to the Application as Attachment A. In compliance with the provisions of 860-027-033(6), PGE is serving the Notice of Application on the UE 335 Service List, PGE's last General Rate Case and the UM 1977 Service List.

III. The following is provided pursuant to OAR 860-027-0300(4):

a. Description of Deferred Account Entries.

Please see sections II(c) and II(d) above.

b. The Reason for Continuing Deferred Accounting.

PGE seeks approval to continue to defer start-up costs associated with the Program Administrator selected by DAS and OPUC, O&M costs related to the Low-Income Facilitator, modifications to PGE's Information Technology (IT)/billing systems, legal and other professional fees, costs related to regulatory compliance, and any other O&M start-up costs associated with the implementation of the CSP that PGE may incur.

Without reauthorization this deferral will expire on November 7, 2019.

IV. Summary of Filing Conditions.

a. Earnings Review

PGE proposes that cost recovery associated with the CSP start-up not be subject to an earnings review since it would be subject to an automatic adjustment clause.

b. Prudence Review

PGE will submit a report supporting CSP incurred start-up costs to Staff for review of prudence prior to the filing to adjust tariff prices. In addition, PGE will look to Staff for direction on start-up costs of the Program Administrator and Low-Income Facilitator, as these are third-party providers and the Program Administrator in particular, is a contractor to the Commission.

c. Sharing Percentages

All prudently incurred costs are to be recoverable by PGE with no sharing mechanism.

d. Rate Spread / Rate Design

Applicable costs will be allocated to each schedule using the applicable schedule's forecasted energy on the basis of an equal percent generation revenue applied on a cents per kWh basis.

e. Three Percent Test

The amortization of the CSP start-up costs will be subject to the three percent test in accordance with the ORS 757.259(7) and (8), which limits aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year.

V. PGE Contacts

The authorized addresses to receive notices and communications in respect to this Application are:

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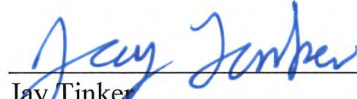
In addition to the names and addresses above, the following are to receive notices and communications via the e-mail service list:

Jay Tinker, Director, Regulatory Policy & Affairs
E-mail: jay.tinker@pgn.com

VI. Conclusion

For the reasons stated above, PGE requests permission to continue to defer the estimated O&M start-up costs associated with the CSP effective November 8, 2019 through November 7, 2020.

Dated this October 25, 2019.



Jay Tinker,
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Attachment A

Notice of Application for Reauthorization of
Deferred Accounting Treatment of Start-Up Costs
Associated with the Community Solar Program Implementation

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1977**

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Start-Up Costs Associated with the Community Solar Program Implementation.

Notice of Application for Reauthorization of Deferred Accounting Treatment of Start-Up Costs Associated with the Community Solar Program Implementation


On October 25, 2019, Portland General Electric Company (“PGE”) filed an application with the Public Utility Commission of Oregon (Commission or OPUC) for an Order reauthorizing the deferral of operations and maintenance (O&M) start-up costs associated with the Community Solar Program implementation, mandated through Senate Bill (SB) 1547.

Approval of PGE’s reauthorization application will support the use of an automatic adjustment clause rate schedule, which will provide for changes in prices reflecting incremental O&M start-up costs associated with the Community Solar Program implementation.

Persons who wish to obtain a copy of PGE’s application will be able to access it on the OPUC website.

Any person who wishes to submit written comments to the Commission on PGE’s application must do so no later than November 26, 2019.

Dated this October 25, 2019.

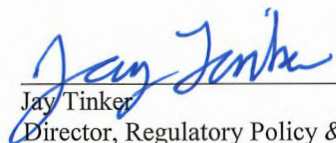


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CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the Application for Reauthorization of Deferred Accounting Treatment of Start-Up Costs Associated with the Community Solar Program Implementation to be served by electronic mail to those parties whose email addresses appear in the attached service list OPUC Docket No. UE 335 and UM 1977.

DATED at Portland, Oregon, this 25th day of October, 2019.



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