



Portland General Electric
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August 24, 2020

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

**RE: Staff Report for Public Meeting Date August 25, 2020
Docket No. UE 358, PGE NLDA Program Administration and Queue Issues**

Portland General Electric Company (PGE) is writing in response Staff's memo dated August 20, 2020 that discusses the waiver process for the New Large Load Direct Access Program (NLDA). PGE participated in Staff's waiver guideline workshop on August 4, 2020 and agrees with assertions in Staff's memo regarding the need to meet the Commission's high bar for waivers and to provide clear guidance to customers seeking waivers so they know what information they need to provide and the showing they likely have to meet.

In the course of the Commission's consideration of an NLDA waiver process, PGE is concerned that customers, who have found they may not be eligible to participate, may seek to relitigate issues around the cap and queue administration. Stakeholders participated in rulemaking, AR 614, where the rules for the New Large Load Direct Access were considered and adopted, as well as UE 358 (PGE's contested NLDA tariff offering) where PGE's program requirements and parameters were decided. At a Staff-called stakeholder workshop on February 13, 2020 instigated by PGE, to address program administration details not addressed in the Commission's rules, Staff expressed to PGE that it is PGE's program and as such, PGE has discretion to develop the parameters of program administration, provided they were administered in a nondiscriminatory manner. In response to Staff's assertion that "PGE's queue administration and program rules need to be first addressed before parties can make any meaningful progress toward discussion of the Commission's waiver process," PGE urges the Commission to reassert its finding that PGE's approach of evaluating eligibility on the forecasted load based on the distribution facility plans is reasonable.¹

One of the main issues brought up by stakeholders at the August 4, 2020 workshop was PGE's methodology for calculating load towards the cap. PGE addressed that issue in a separate letter to the Commission on August 24, 2020.

PGE agrees with the assertion of the Commissioners at the PUC meeting June 16, 2020 that there should be a "high bar" to granting of waivers and that the issues that led to the imposition of a participation cap largely remain, particularly since the investigation

¹ PUC Public meeting June 16, 2020

into long term direct access issues are continuing (UM 2024).

The Commission states in Order 18-341 (at 7-8) that they “will consider requests from customers to exceed the cap, upon application and a finding of good cause...Under this standard, a waiver to the cap may be appropriate if an individual application advances the goals reflected in state policy through elements such as carbon-free generation resources, value-added grid services, and support for system capacity needs or through other means.” Commission further states “[i]f aspiring NLDA participants can support the system modernization efforts through committed private action, then that action may provide part of the good cause justification necessary to exceed the cap.” Additionally, they state “the costs or risks to cost-of-service customers of granting such a waiver should be insignificant, while the overall benefit to the system should be significant.”

All participants should have the same requirements around resource adequacy (RA) and energy supply:

One of PGE’s main concerns is around resource adequacy and the potential shifting of costs onto COS customers. Commission states in Order 20-002 (at 7) that “PGE is accountable for system reliability within its BA, and resource adequacy is an important component of that reliability. We must provide PGE with the appropriate framework and tools to achieve RA, and that means ensuring that all customers – including direct access customers – are appropriately contributing.” Additionally, the Commission has “a strong preference for solutions that give direct access customers the opportunity to choose how they support RA, whether that be through the utility, third parties, demand response, customer-sited resources, curtailment, or a combination.” In Order 20-002 (at 15), the Commission notes that “[t]he NLDA program cap also provides a natural limit to the potential impact of NLDA customers on cost-of-service customers on RA grounds, and we would expect to consider an NLDA customer’s contribution to RA in evaluating any waiver request.”

PGE appreciates and agrees with Staff that waiver applicants should not be allowed to rely on “market purchases not backed by a specific physical resource, which rely on liquidated damages to ensure delivery” to address the RA issue, at least until the contribution to resource adequacy has been explored and determined in UM 2024. No electricity provider should be able to avoid contributing to Oregon’s clean, reliable energy future.

PGE looks forward to the discussion at the Public Meeting on August 25, 2020.

Sincerely,

\s\ Karla Wenzel

Karla Wenzel
Manager, Regulatory Strategy