

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: August 13, 2019

REGULAR CONSENT EFFECTIVE DATE _____ N/A _____

DATE: August 2, 2019

TO: Public Utility Commission

FROM: Scott Gibbens

THROUGH: Jason Eisdorfer and John Crider **SIGNED**

SUBJECT: ALLIANCE OF WESTERN ENERGY CONSUMERS:
(Docket No. UM 2024) Petition for Investigation into Long-Term Direct Access Programs.

STAFF RECOMMENDATION:

Staff recommends the Public Utility Commission (Commission) grant the Alliance of Western Energy Consumers' (AWEC) petition for an investigation into the Long-Term Direct Access (LTDA) programs of Portland General Electric (PGE) and PacifiCorp.

DISCUSSION:

Issue

Whether the Commission should grant AWEC's petition for an investigation into the LTDA programs of PGE and PacifiCorp.

Applicable Law

ORS 756.515 provides the Commission with the authority to investigate any matter relating to any public utility.

Analysis

Background

On June 10, 2019, AWEC filed a petition to have the Commission open a general investigation into LTDA programs. AWEC notes in its application that this comes on the heels of Order No. 19-129, which followed PGE's most recent general rate case. The

order states, “the stipulating parties have agreed to review and investigate direct access issues over the next two years.” PacifiCorp further agreed not to oppose any party’s request for a generic investigation into LTDA programs in its most recently completed Transition Adjustment Mechanism. AWEC also notes the fact that PGE’s LTDA program is currently approaching its cap, while PacifiCorp’s program has only been utilized by a single customer. In its petition, AWEC proposed that at a minimum the investigation cover the following questions:

1. What are the potential benefits to and potential harms from long-term direct access offerings?
 - a. How can long-term direct access programs be structured to maximize these potential benefits?
 - b. How can long-term direct access programs be structured to minimize or eliminate these potential harms?
2. What constitutes “unwarranted” cost-shifting?
 - a. Are PGE’s and PacifiCorp’s current long-term direct access programs structure in a way that avoids unwarranted cost-shifting?
 - b. If not, how should these programs be structured to avoid unwarranted cost-shifting?
3. What limits, if any, should be placed on the ability of a customer to participate in a long-term direct access program?

Review

After reviewing AWEC’s petition, Staff believes that investigation into LTDA programs is warranted, and recommends that the Commission grant AWEC’s petition. As AWEC notes in the petition, issues relating to both PGE and PacifiCorp’s LTDA programs have been raised by various parties in recent general rate case and power cost filings. Additionally, new programs such as PGE’s and PacifiCorp’s New Load Direct Access (NLDA) and PGE’s Green Energy Affinity Rider (GEAR), have had potential implications to the LTDA programs as well. Further, a comprehensive investigation into direct access has not occurred for fifteen years, with many changes to the industry and wholesale markets occurring over that time span. Staff will work with parties to develop a recommended scope that may include some or all of the issues raised by AWEC and potentially other issues that the parties may feel warrant further investigation.

Staff finds merit in AWEC’s petition, as it is consistent with Staff’s arguments in Docket No. UE 335 regarding the codependent nature of all aspects of Direct Access which require the Commission to review the programs in a holistic manner. Staff sees the proposed investigation as a means to review the interaction of all potential issues with LTDA programs, resulting in programs which are in the public’s best interest.

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Conclusion

Based on the review of the filing, Staff concludes that the Commission should grant AWEC's proposal to open a general investigation into Long Term Direct Access programs.

PROPOSED COMMISSION MOTION:

Grant AWEC's petition for an investigation into the Long-Term Direct Access programs of Portland General Electric and PacifiCorp.

UM 2024.