



Oregon

Kate Brown, Governor

Public Utility Commission

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October 22, 2019



BY EMAIL
PORTLAND GENERAL ELECTRIC COMPANY
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RE: Advice No. 19-18

At the public meeting on October 22, 2019, the Commission adopted Staff's recommendation in this matter docketed as ADV 1021. The Staff Report and a receipted copy of the sheet in your advice filing are attached.

Nolan Moser
Chief Administrative Law Judge
Public Utility Commission of Oregon
(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: October 22, 2019**

REGULAR **CONSENT** **EFFECTIVE DATE** November 1, 2019

DATE: October 14, 2019

TO: Public Utility Commission

FROM: Mitchell Moore

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

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. ADV 1021/Advice No. 19-18) Updates Schedule 26, Energy Payments for Non-residential Demand Response Pilot Program.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric's (PGE or Company) filing that updates the Firm Energy Payments made to customers related to the demand response pilot program in Schedule 26, with an effective date of November 1, 2019.

ISSUE:

Whether the Commission should approve PGE's proposed updates to the Firm Energy Payments and other clarifying language contained in Schedule 26, with an effective date of November 1, 2019.

DISCUSSION:

Applicable Law

The Commission may approve tariff changes if they are deemed to be fair, just and reasonable. ORS 757.210. Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0025. Filings that propose any change in rates, tolls, charges, rules, or

regulations must be filed with the Commission at least 30 days before the effective date of the change. See ORS 757.220; OAR 860-022-0020.

Overview

On September 26, 2019, PGE filed Advice No. 19-18, requesting an update to the Firm Energy Payments made to non-residential customers that respond to demand response events as defined in Schedule 26. In this filing PGE only updates the remaining months of November and December, 2019.

Historically, Schedule 26 has been updated each November through the following October. In order to transition to a calendar year forecast, the Company intends to make another update filing in mid-November to include the full calendar year 2020, based on the November 2019 price forecast. This will enable PGE to use the latest power cost forecast for 2020.

Analysis

Schedule 26 is an optional service that provides large non-industrial customers incentives for reducing a committed amount of load at the request of the Company. The program is currently in pilot status and is expected to run through September 30, 2020.

The incentive payments made to customers under Schedule 26, known as Firm Energy Payments, are based on the Mid-Columbia Electricity Index (Mid-C) as reported by the Powerdex, and adjusted for losses based on the Customer's delivery voltage. This filing updates the November 2019 through December 2019 payments based on the most recent forecast.

In its review, Staff verified the accuracy of the proposed payments as reflected in the identification of this forecast in the Company's UE 335 rate case filing.

Conclusion

Staff reviewed the Company's filing and redline changes to the Company's Schedule 26. Staff is satisfied that the changes are appropriate, and reflect the current approved forecast of forward market gas prices.

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PROPOSED COMMISSION MOTION:

Approve PGE's filing that updates the Firm Energy Payments made to customers related to demand response pilot program in Schedule 26, with an effective date of November 1, 2019.

ADV 1021 PGE Advice No. 19-18 non-residential demand response

SCHEDULE 26 (Continued)

ENERGY PAYMENTS

The Energy Payment is the Mid-Columbia Electricity Index (Mid-C) as reported by the Powerdex, adjusted for losses based on the Customer's delivery voltage. The Firm Energy Reduction Amount can be up to 120% of the commitment.

The monthly energy prices (per MWh) for the months in which the events are called* are:

Nov 2019	Dec 2019
\$26.85	\$35.30

(C)
(C)

The Firm Energy Reduction Payment rates will be updated by December 1st for the next year beginning in January. Evaluation and settlement of the Firm Energy Reduction Payment will occur within 60 days of the Firm Load Reduction Event.

(C)
(C)

* PGE will not call events on Saturdays, Sundays, or Holidays. Holidays are New Year's Day (January 1), President's Day (third Monday of February), Memorial Day (last Monday in May), Independence Day (July 4), Labor Day (first Monday in September), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25). If a holiday falls on Saturday, Friday is designated a holiday. If a holiday falls on Sunday, the following Monday is designated a holiday.

LINE LOSSES

Losses will be included by multiplying the applicable price by the following adjustment factors:

Subtransmission Delivery Voltage	1.0356
Primary Delivery Voltage	1.0496
Secondary Delivery Voltage	1.0685

LOAD REDUCTION MEASUREMENT

Load Reduction is measured as a reduction of Demand from a Customer Baseline Load calculation during each hour of the Load Reduction Event. Although the Firm Load Reduction Agreement shall specify the Customer Baseline Load calculation methodology to be used, PGE generally uses the following baseline methodology:

Baseline Load Profile

The Baseline Load Profile is based upon the average hourly load of the five highest load days in the last ten Typical Operational Days for the Event period. For Customers choosing the four-hour or 10-minute notification options there is an adjustment to the amounts above to reflect the day-of operational characteristics leading up to the Event if the Event starts at 11 am or later. This adjustment is the difference between the Event day load and the average load of the five highest days used in the load profile above during the two-hour period ending four hours prior to the start of the Event.

Received by OPUC

Filing Center
09/26/2019

Advice No. 19-18
Issued September 26, 2019
James F. Lobdell, Senior Vice President

Effective for service
on and after November 1, 2019