Oregon
Kate Brown, Governor

Public Utility Commission
201 High St SE Suite 100
Salem, OR 97301
Mailing Address: PO Box 1088
Salem, OR 97308-1088
Consumer Services
1-800-522-2404
Local: 503-378-6600
Administrative Services
503-373-7394

July 9, 2020

Via Electronic Filing

OREGON PUBLIC UTILITY COMMISSION
ATTENTION: FILING CENTER
PO BOX: 1088
SALEM OR 97308-1088

RE: Docket No. UE 377 – In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, 2021 Annual Power Cost Update Tariff.

Attached are Staff Supplemental Testimony and Exhibits:
Cover Letter, Certificate of Service, and Service List

- Exhibits 500-504 Redacted,
  Exhibit 500 CONF
  Exhibit 501 has two confidential attachments and one Highly Confidential attachment
  Exhibit 502 CONF
  Exhibit 503 CONF
  Exhibit 504 CONF

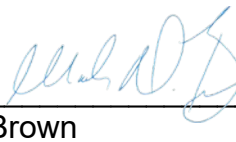
/s/ Mark Brown
Mark Brown
PUC- Utility Program
(503) 378-8287
mark.brown@state.or.us

CERTIFICATE OF SERVICE

UE 377

I certify that I have, this day, served the foregoing document upon all parties of record in this proceeding by delivering a copy in person or by mailing a copy properly addressed with first class postage prepaid, or by electronic mail pursuant to OAR 860-001-0180, to the following parties or attorneys of parties.

Dated this 9th day of July, 2020 at Salem, Oregon



Mark Brown
Public Utility Commission
201 High Street SE Suite 100
Salem, Oregon 97301-3612
Telephone: (503) 378-8287

UE 377 SERVICE LIST

AWEC	
LANCE KAUFMAN **(C)**	2623 NW BLUEBELL PL CORVALLIS OR 97330 lance@aegisinsights.com
CORRINE MILINOVICH **(C)** DAVISON VAN CLEVE, P.C.	1750 SW HARBOR WAY, STE. 450 PORTLAND OR 97201 com@dvclaw.com
TYLER C PEPPLE **(C)** DAVISON VAN CLEVE, PC	1750 SW HARBOR WAY STE 450 PORTLAND OR 97201 tcp@dvclaw.com
CUB	
OREGON CITIZENS' UTILITY BOARD	610 SW BROADWAY, STE 400 PORTLAND OR 97205 dockets@oregoncub.org
WILLIAM GEHRKE **(C)** OREGON CITIZENS' UTILITY BOARD	610 SW BROADWAY STE 400 PORTLAND OR 97206 will@oregoncub.org
MICHAEL GOETZ **(C)** OREGON CITIZENS' UTILITY BOARD	610 SW BROADWAY STE 400 PORTLAND OR 97205 mike@oregoncub.org
PGE	
PORTLAND GENERAL ELECTRIC	pge.opuc.filings@pgn.com
JAKI FERCHLAND **(C)** PORTLAND GENERAL ELECTRIC	121 SW SALMON ST. 1WTC0306 PORTLAND OR 97204 jacquelyn.ferchland@pgn.com
DOUGLAS C TINGEY **(C)** PORTLAND GENERAL ELECTRIC	121 SW SALMON 1WTC1301 PORTLAND OR 97204 doug.tingey@pgn.com
STAFF	
STEPHANIE S ANDRUS **(C)** PUC STAFF--DEPARTMENT OF JUSTICE	BUSINESS ACTIVITIES SECTION 1162 COURT ST NE SALEM OR 97301-4096 stephanie.andrus@state.or.us
SABRINNA SOLDAVINI **(C)** PUBLIC UTILITY COMMISSION OF OREGON	201 HIGH ST SE SUITE 100 SALEM OR 97301 sabrinna.soldavini@state.or.us

CASE: UE 377
WITNESS: SABRINNA SOLDAVINI

PUBLIC UTILITY COMMISSION
OF
OREGON

STAFF EXHIBIT 500

Testimony
On the Douglas Contract

July 9, 2020

Q. Please state your name, occupation, and business address.

A. My name is Sabrinna Soldavini. I am a Senior Regulatory Analyst employed in the Energy Rates, Finance and Audit Division of the Public Utility Commission of Oregon (OPUC). My business address is 201 High Street SE., Suite 100, Salem, Oregon 97301.

Q. Have you previously provided testimony in this case?

A. Yes, I previously provided testimony in this case in Exhibit Staff/100.

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to provide Staff's recommendation regarding Portland General Electric's (PGE or Company) supplemental testimony regarding its recently executed power purchase agreement (PPA) with the Public Utility District No. 1 of Douglas County (Douglas).

Q. Did you prepare an exhibit for this docket?

A. Yes. I prepared the following Exhibits:

Staff/501, PGE Response to Data Requests;

Staff/502, PGE Response to Confidential Data Request;

Staff/503, Confidential Douglas PPA MFR; and

Staff/504, Confidential Avangrid Capacity Contract.

ISSUE 1. DOUGLAS PPA

Q. Please provide background on this issue.

A. In its opening testimony, PGE stated that in order to "further address the capacity deficit that PGE will face when Boardman ceases operations at the end of 2020" it was pursuing additional capacity, noting that it may execute an agreement that would be effective in 2021.[1] The Company stated that if it did execute a contract for additional firm capacity, it would adjust its 2021 NVPC forecast in a future MONET scheduled update.[2]

Subsequently, on June 8, 2020, PGE filed supplemental testimony alerting parties that at the time of its opening testimony, it had been actively involved in negotiations with Douglas for surplus capacity and energy, which had since resulted in an executed agreement. PGE's supplemental testimony outlines the details of the Douglas PPA, and describes the effect of the PPA on PGE's 2021 Net Variable Power Cost (NVPC) forecast.[3] At the time of PGE's June 8 filing, the Douglas PPA was expected to increase NVPC by approximately $4.6 million.[4]

Due to the timing of the filing, Parties requested additional time to conduct discovery and review the contract before providing testimony on the issue. Parties agreed that Staff and Intervenor Opening Testimony on the Douglas contract be moved to July 9, 2020.

---

[1] PGE/100, Seulean – Kim – Batzler/28.
[2] PGE/100, Seulean – Kim – Batzler/28.
[3] PGE/300, Seulean – Kim – Batzler/1.
[4] PGE/300, Seulean – Kim – Batzler/11.

Q. Please describe the need for the Douglas PPA.

A. PGE states that the Douglas PPA aligns with PGE's 2019 IRP action plan, acknowledged by the Commission in Order No. 20-152, which called for bilateral procurement of existing regional capacity. The Douglas PPA is expected to contribute approximately 100 to 160 MW of non-emitting capacity toward an approximately 250 MW near-term capacity need as identified in PGE's 2019 IRP.[5]

The Company states that the capacity and portfolio resources offered by the Douglas PPA provide "flexible capacity and other attributes (e.g., ancillary services) to enhance PGE's operational capabilities necessary to integrate additional renewable resources."[6] PGE also notes that even in light of the COVID-19 pandemic it still expects a near term capacity need, and that the Douglas PPA supports Oregon's and PGE's near-term decarbonization goals.[7]

Q. What are the terms of the Douglas PPA?

A. Beginning on January 1, 2021, the PPA is a five-year agreement that will provide PGE with approximately 100 to 160 MW of non-emitting capacity. The terms of the Douglas PPA allow PGE to purchase surplus capacity, energy, ancillary services, and environmental attributes associated with the Douglas and Public Utility District No. 1 of Okanogan (Okanogan) resource portfolios. PGE will have full access to the Douglas and Okanogan portfolios, including real time dispatch of the Wells and Rocky Reach projects. Under the

[5] PGE/300, Seulean – Kim – Batzler/7.
[6] PGE/300, Seulean – Kim – Batzler/8.
[7] *Ibid.*

agreement, PGE will also manage load supply and wholesale market services for Douglas and Okanogan, serving as the "supplier of choice".[8,9] PGE notes that it will not receive separate compensation for these services, but that "these services were negotiated as part of the overall transaction and the value the provide is reflected in the agreed upon fixed payments of the contract."[10]

PGE states that the resource expected to provide surplus capacity to PGE is the Wells Hydroelectric (Wells) project. The Wells project is owned and operated by Douglas, and has ten generating units rated at a combined 840 megawatts.[11] The Rocky Reach project is also listed as a firm resource in the PPA, but PGE notes that based on the forecasted loads of Douglas and Okanogan, Rocky Reach does not result in surplus capacity at this time.

Q. Please describe the pricing terms.

A. As noted in the contract, **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL].**[12] PGE will incur a capacity payment charge equal to the **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**.[13]

[8] PGE/300, Seulean – Kim – Batzler/4.
[9] PGE/300, Seulean – Kim – Batzler/6.
[10] PGE/300, Seulean – Kim – Batzler/7.
[11] PGE/300, Seulean – Kim – Batzler/6.
[12] PGE/301, Seulean – Kim – Batzler/12.
[13] Exhibit Staff/503, Soldavini/2.

In addition to capacity payments, the PPA also includes energy payment charges and environmental attributes charges. As outlined in the PPA, energy charges are at **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**. Environmental attribute charges for 2021 for eligible resources will be calculated on September 1, 2020. As such, PGE states that MONET has modeled environmental attributes in accordance with the methodology outlined in the PPA. The PPA describes the environmental attributes payment methodology as follows:[14]

[BEGIN CONFIDENTIAL]

[redacted]

[END CONFIDENTIAL]

[14] PGE/301, Exhibit H.

Q. Has Staff reviewed the Douglas PPA?

A. Yes. Staff has reviewed both the Douglass PPA and the effects to the 2021 NVPC Forecast resulting from the addition of this PPA to MONET. Staff also issued data requests to the company, and reviewed additional data requests sent to the Company by Oregon Citizens' Utility Board (CUB).[15]

Generally, Staff's review is focused on ensuring that the contract terms and pricing are reasonable, and that the contract provides the necessary protections for Oregon ratepayers. In addition to pricing, Staff's review focused on two issues. First, Staff reviewed the provision that PGE serve as the "supplier of choice" to Douglas and Okanogan to ensure Oregon ratepayers are not subsidizing this activity. Second, Staff reviewed the PPA for compliance with the competitive bidding guidelines in OAR 860-089-0100.

Q. Does Staff have concerns with the pricing structure of the PPA?

A. No. Staff finds the pricing structure of the Douglas PPA to be in line with other recently executed capacity contracts, which suggests that the Douglas PPA does not result in rates that are unreasonable.

Q. Please explain.

A. To reach this conclusion, Staff reviewed the pricing of this PPA in the context of other recently executed agreements including offers PGE received in its 2017 bilateral solicitation, which included the 2017 execution of the Avangrid capacity contract at **[BEGIN CONFIDENTIAL]** [redacted] **[END**

[15] Exhibit Staff/501, PGE Responses to Data Requests.

CONFIDENTIAL][16] and two other capacity contracts added in this year's NVPC filing, at a capacity price of **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**. Staff additionally reviewed the Company's presentation to the Commission on April 16, 2020, on its 2020 bilateral capacity activities. The final capacity price of the Douglas PPA matches the price presented to the Commission at this presentation, which was before acknowledgement of the Company's 2019 IRP action plan.

Q. Does Staff remain concerned that PGE is not being separately compensated for serving as the "supplier of choice" to Douglas and Okanogan?

A. Potentially. As noted above, Staff's primary concern with PGE's responsibility for managing the energy supply for Douglas and Okanogan load is that PGE is not separately compensated for these activities, and as such it may fall to Oregon ratepayers to subsidize this activity.

Staff issued discovery on this issue, requesting the Company explain how these services "were negotiated as part of the overall transaction"[17] and if the Company expected to incur any incremental costs to fulfill its role as the "supplier of choice." In response to Staff Data Request 95, the Company states that it "does not expect to incur any incremental costs in order to provide these services. PGE does not plan to make any additional capital

[16] Exhibit Staff/504, Soldavini/6, Avangrid Seasonal Capacity Contract.
[17] PGE/300, Seulean – Kim – Batzler/6.

investments, procure any additional systems, or increase headcount in order to fulfill its obligation under the contract."

Further, the Company states that these services were negotiated as part of the overall transaction because "rather than negotiating a typical hydro "slice" contract for a pre-determined fixed portion of surplus capabilities of the Wells project alone, Douglas and PGE developed a mutually beneficial transaction framework where PGE has access to the entire Douglas and Okanogan resource portfolio and Douglas and Okanogan can avoid incurring the incremental operating costs associated with setting up a wholesale market and power operations function separate from plant and balancing authority operators."[18]

Staff understands PGE's response to mean that it cannot specifically quantify the value of serving as the "supplier of choice" to Douglas and Okanogan. While Staff notes that it has a clear preference for this type of service to be specifically addressed and valued in a contract, Staff does believe that the structure of the PPA may be mutually beneficial to both parties, so long as PGE incurs no incremental costs to fulfill its role. Though PGE states that it plans to incur no incremental costs, Staff finds that this may be an unreasonable assumption depending on the level of work required to fulfill its role as "supplier of choice".

[18] Exhibit Staff/501, Soldavini/3-4, PGE Response to Staff Data Request 95.

As such, Staff recommends that in next year's AUT, PGE report on whether or not any incremental costs were incurred to fulfill this role, and any incremental costs reported serve as an offset to NVPC.

Q. Please outline Staff's concern with respect to OAR 860-089-0100.

A. OAR 860-089-0100 describes the applicability of competitive bidding guidelines. Of relevance to this case is OAR 860-089-0100(1)(a), which states:

> (1) An electric company must comply with the rules in this division when it seeks to acquire generating or storage resources or to contract for energy or capacity if any of the following apply:
>
> (a) The acquisition is of a resource or a contract for more than an aggregate of 80 megawatts and five years in length…

PGE states that it did not need to file a waiver of the competitive bidding guidelines for this contract because the contract is for a term of no longer than five years; however, the contract includes language stating **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]**.

Staff is generally concerned this clause may violate the spirit of the competitive bidding guidelines, if the Company can essentially extend the contract indefinitely. In response to Staff Data Request 97, the Company notes that it believes the contract is in line with OAR 860-089-0100, stating that

[BEGIN CONFIDENTIAL] [redacted]

[redacted]

[redacted]

[redacted] **[END CONFIDENTIAL]**

Staff raises this issue only to note its concern of the potential for the contract to be extended indefinitely without future Commission review. As the contract includes a provision to **[BEGIN CONFIDENTIAL]** [redacted] [redacted] **[END CONFIDENTIAL]** this may put ratepayers at risk of paying unreasonable rates in the future as prices change. Staff flags this as an issue for future review.

Q. What is Staff's recommendation?

A. After Staff's review, Staff recommends that the Douglas PPA be allowed into rates subject to the above mentioned condition that in next year's AUT, PGE report any incremental costs incurred to fulfill its role as the "supplier of choice" for Douglas and Okanogan, and that any such incremental costs serve as an offset to NVPC.

Q. Does this conclude your testimony?

A. Yes.

CASE: UE 377
WITNESS: SABRINNA SOLDAVINI

PUBLIC UTILITY COMMISSION
OF
OREGON

STAFF EXHIBIT 501

Exhibits in Support
Of Testimony

July 9, 2020

June 26, 2020

TO: Sabrinna Soldavini
Public Utility Commission of Oregon

FROM: Jaki Ferchland
Manager, Revenue Requirement

PORTLAND GENERAL ELECTRIC
UE 377
PGE Response to OPUC Data Request No. 094
Dated June 12, 2020

Request:

Please refer PGE/300, Seulean – Moore – Batzler/7, and footnote 7. Please provide all materials from the April 15, 2020 presentation to the Commission on the progress of 2020 bilateral capacity activities.

Response:

Attachment 094-A provides PGE's presentation to the Commission held on April 16, 2020[1] regarding the progress on 2020 bilateral capacity activities.

Attachment 094-A is protected information subject to Protective Order No. 20-100.

[1] PGE inadvertently provided the incorrect date of April 15, 2020 in PGE Exhibit 300, footnote 7.

UE 377

Attachment 094-A

Provided in Electronic Format

PGE Presentation to the Commission
April 16, 2020

June 26, 2020

TO: Sabrinna Soldavini
Public Utility Commission of Oregon

FROM: Jaki Ferchland
Manager, Revenue Requirement

PORTLAND GENERAL ELECTRIC
UE 377
PGE Response to OPUC Data Request No. 095
Dated June 12, 2020

Request:

Please refer to PGE/300, Seulean – Kim – Batzler/6-7 which states, "PGE will be responsible for managing the energy supply for Douglas and Okanogan load, which includes buying and selling energy, as well as, physical delivery to/from the Douglas BAA, providing load following capabilities, and managing ancillary services…" and also states that PGE will not be receiving separate compensation for these services.

a. Please explain, in as much detail as possible, how "these services were negotiated as part of the overall transaction and the value they provide is reflected in the agreed upon fixed payments of the contract."

b. Please provide an estimate of the incremental costs to PGE necessary to provide Douglas and Okanogan with load management and wholesale market services. Please provide such information by service category, in electronic spreadsheet format, and include the source of any assumptions.

c. In reference to part b above, please explain how these costs were factored into the Douglas PPA to ensure that PGE ratepayers are not paying for load management and wholesale market services to Douglas and Okanogan.

Response:

a. Rather than negotiating a typical hydro "slice"[1] contract for a pre-determined fixed portion of surplus capabilities of the Wells Project alone, Douglas and PGE developed a mutually beneficial transaction framework where PGE has access to the entire Douglas and Okanogan resource portfolio and Douglas and Okanogan can avoid incurring the incremental operating costs associated with setting up a wholesale market and power

[1] A slice is a contract type where the purchaser receives a percentage share of all of the attributes of the facility (e.g. inflow, storage, capacity, ancillary services, etc.).

operations function separate from plant and balancing authority operators. Attachment 095-A provides additional detail regarding contract pricing.

b. PGE does not expect to incur any incremental costs in order to provide these services. PGE does not plan to make any additional capital investments, procure any additional systems, or increase headcount in order to fulfill its obligations under the contract.

c. Please refer to part b above. The forecast in PGE's MONET model reflects the benefit of the surplus capacity and energy under the Douglas PPA net of all of the Douglas and Okanogan load management requirements. In addition, as stated in PGE Exhibit 300 Page 7, lines 7-13, the contract contains several protections to address situations where Douglas or Okanogan are deficit or other unexpected situations. Such protections are included in, but not limited to, Section 3.3, Section 3.7, Section 4.3(c), Section 4.4(c)-(e), Article 5, Exhibit F, and Exhibit H.

Attachment 095-A is protected information subject to Protective Order No. 20-100.

UE 377

Attachment 095-A

Provided in Electronic Format

Protected Information Subject to Protective Order 20-100

PGE- Douglas PUD Transaction Framework Detail

June 26, 2020

TO: Sabrinna Soldavini
Public Utility Commission of Oregon

FROM: Jaki Ferchland
Manager, Revenue Requirement

PORTLAND GENERAL ELECTRIC
UE 377
PGE Response to OPUC Data Request No. 096
Dated June 12, 2020

Request:

Please refer to PGE/300, Seulean – Kim – Batzler/9.

a. Please confirm that PGE cannot provide the pricing and bid information from the 2020 bilateral auction for structured products to parties in this docket confidentially

   i. If PGE does not confirm, please provide the bid and pricing information received by the Company in the 2020 bilateral auction.

   ii. If PGE does confirm, please provide as much detail as possible to support the Company's claim that "the Douglas PPA is competitively priced…"

Response:

a. See PGE's response below:

   i. As noted in the PGE 300, specific pricing and bid information is subject to non-disclosure agreements. PGE however can provide pricing and bid information confidentially in this docket. PGE's response to CUB Data Request No. 012, confidential Attachment 012-A and PGE's response to OPUC Data Request No. 094, confidential Attachment 094-A provide PGE's presentation to the Commission regarding the progress of the 2020 bilateral auction, which includes pricing and bid information. Note that the pricing information and resource characteristics included in confidential Attachment 094-A are from a bid PGE began negotiations with in 2020 as a result of the auction process. As one can see from the capacity price of this bid, the price secured in the Douglas PPA is substantially lower.

   ii. In addition to the bid and pricing information provided in confidential Attachment 094-A, the Douglas PPA is similar in price or compares favorably to the contracts executed pursuant to the 2017 bilateral solicitation. PGE provided details regarding the size and pricing of the capacity PPAs that were executed pursuant to the 2017

bilateral solicitation in the April 15 Minimum Filing Requirements, Volume 9, Step 0e and in Volume 5 – Contracts – Avangrid Capacity.

June 25, 2020

TO: William Gehrke
Oregon Citizens' Utility Board

FROM: Jaki Ferchland
Manager, Revenue Requirement

PORTLAND GENERAL ELECTRIC
UE 377
PGE Response to CUB Data Request No. 009
Dated June 18, 2020

Request:

Refer to UE 377 – PGE/300/ Seulean – Kim – Batzler /Page 3, Lines 9-10. Please provide the Wells PPA, which was executed on March 29th, 2017.

Response:

A copy of the contract is provided with PGE's Minimum Filing Requirements submitted April 15, 2020. See confidential Attachment 1, Vol. 4 – Hydro > Cost > Wells Renewal > #WellsRenewalContracts_ExecutedPGE.pdf.

June 26, 2020

TO: William Gehrke
Oregon Citizens' Utility Board

FROM: Jaki Ferchland
Manager, Revenue Requirement

PORTLAND GENERAL ELECTRIC
UE 377
PGE Response to CUB Data Request No. 010
Dated June 18, 2020

Request:

Refer to UE 377 – PGE/300/Seulean – Kim – Batzler /Page 6, Lines 9-11. The Company states "Rocky Reach is also listed as a firm resource in the PPA; however, the forecasted load needs of Douglas and Okanogan do not result in it providing surplus capacity at this time." & Refer to UE 377 / PGE /300/Seulean – Kim –Batzler /Page 5, Lines 11-15 "While the portfolio of resources accompanying the Douglas PPA are highly flexible, the loads are relatively steady and flat. This enables PGE to leverage the portfolio for meeting capacity needs, providing flexibility, and optimizing the synergies of the Combined Douglas/Okanogan systems and PGE system for the benefit of both Douglas and PGE customers."

a. Please provide the forecasted load needs of Douglas and Okanogan over the life the Douglas PPA.

Response:

Attachment 010-A provides the forecasted peak and average load needs for Douglas and Okanogan over the expected term of the PPA. This information was provided to PGE by Douglas during the negotiations. Per Section 3.3 of the PPA, Douglas will provide an updated final forecast for PGE to be used in calculating the capacity payment for calendar year 2021. To the extent that updated forecasts are provided during this docket, PGE will update the MONET model following the procedural scheduled previously established.

Attachment 010-A is protected information and Subject to Protective Order 20-100.

UE 377

Attachment 010-A

Provided in Electronic Format

Protected Information Subject to Protective Order 20-100

Douglas and Okanogan Forecasted Load Needs

June 25, 2020

TO: William Gehrke
Oregon Citizens' Utility Board

FROM: Jaki Ferchland
Manager, Revenue Requirement

PORTLAND GENERAL ELECTRIC
UE 377
PGE Response to CUB Data Request No. 011
Dated June 18, 2020

Request:

Refer to UE 377 – PGE/300/ Seulean – Kim –Batzler/ Page 6/ Lines 12-16. How does PGE plan on using the environmental attributes associated with Douglas and Okanogan's share of the Wells and Rocky Reach Projects? Does the Company plan on using the project for Oregon RPS compliance? Does PGE plan on monetizing the Wells/Rocky Reach RECs in Washington or Oregon? Please provide a narrative explanation along with any associated supporting documents and/or workpapers.

Response:

The reference to 'environmental attributes' within the contract is meant to refer to all attributes, should there be any currently or in the future, but more specifically the ability to claim the carbon free attributes of the specified generation. PGE's primary objective in the Douglas transaction was to secure non-emitting capacity to help address PGE's projected capacity needs over the next five years. Due to the nature of the capacity purchased being derived from hydro facilities, it is not possible to separate the environmental attributes from the energy produced by that capacity.

PGE does not plan on using the output received from Wells or Rocky Reach for Oregon RPS compliance. The Wells Project is not registered in WREGIS nor is it a registered Oregon eligible RPS facility. Therefore, Wells does not generate RECs that could be used for Oregon RPS compliance. A portion of the Rocky Reach facility does provide Oregon RPS eligible RECs for the portion of output that is associated with efficiency upgrades implemented by Chelan County PUD. Under the contract, PGE would receive the efficiency upgrade REC's associated with Douglas County PUD's 5.54% share of the eligible portion of Rocky Reach. For 2019, Douglas County PUD received approximately 60,000 RECs, of which approximately 15,000 were registered in the Western Renewable Energy Generation Information System (WREGIS) as Oregon eligible.

Regarding Washington, PGE does not have an RPS obligation within the state of Washington and only the Rocky Reach efficiency upgrades are registered in Washington. PGE is aware of rulemakings and other administrative processes related to the implementation of the Clean Energy Transformation Action (CETA), but is not in a position to speculate as to how RECs (or the carbon free attributes) will be applied under CETA or modified, if at all, to apply to Washington hydro resources.

PGE does not have a specific plan as to whether it will monetize or use these RECs for Oregon compliance. PGE has not entered into any transactions for the sale of the Rocky Reach output or the associated efficiency upgrade RECs. To the extent that Rocky Reach is received and delivered to PGE load, it is likely the associated RECs would remain as bundled RECs in PGE's WREGIS account. As stated above, PGE's primary objective in the Douglas transaction was to secure non-emitting capacity to address PGE's projected capacity needs over the next five years.

June 25, 2020

TO: William Gehrke
Oregon Citizens' Utility Board

FROM: Jaki Ferchland
Manager, Revenue Requirement

PORTLAND GENERAL ELECTRIC
UE 377
PGE Response to CUB Data Request No. 013
Dated June 18, 2020

Request:

Refer to UE 377 – PGE/300/Seulan – Kim – Batzler /Page 10/Lines 5-6. The Company states "The Douglas PPA is a cost competitive transaction that is similar in price or compares favorably to the contracts executed pursuant to the 2017 bilateral solicitation." Please provide the results of the 2017 bilateral solicitation.

Response:

Results of the 2017 bilateral solicitation can be found here: 1) PGE's Minimum Filing Requirements submitted April 1, 2020 > Confidential > Vol 9 – Enhancements and New Items > Step 0e – BPA Capacity Contracts, and 2) PGE's Minimum Filing Requirements submitted April 15, 2020 > Attachment 1_Confidential MFRs > Vol 5 – Contracts > Avangrid Capacity.

June 25, 2020

TO: William Gehrke
Oregon Citizens' Utility Board

FROM: Jaki Ferchland
Manager, Revenue Requirement

PORTLAND GENERAL ELECTRIC
UE 377
PGE Response to CUB Data Request No. 014
Dated June 18, 2020

Request:

Refer to UE 377 – PGE/300/Seulan – Kim – Batzler /Page 9/Lines 19-21. The Company states that the Douglas PPA is competitively priced. Please provide the evidence used to establish that statement.

Response:

As demonstrated by the information provided in PGE's response to CUB Data Request Nos. 012 and 013, the pricing for the non-emitting capacity secured under the Douglas PPA is in line with the 2017 contracts, one of which is emitting, and cheaper than the 2020 emitting offer PGE begun negotiating but wound up declining.

June 25, 2020

TO: William Gehrke
Oregon Citizens' Utility Board

FROM: Jaki Ferchland
Manager, Revenue Requirement

PORTLAND GENERAL ELECTRIC
UE 377
PGE Response to CUB Data Request No. 015
Dated June 18, 2020

Request:

Does PGE anticipate that it will have to install any additional capital investments in order to serve as Douglas and Okanagan's "supplier of choice"?

Response:

No. PGE does not estimate any incremental capital investments.

June 25, 2020

TO: William Gehrke
Oregon Citizens' Utility Board

FROM: Jaki Ferchland
Manager, Revenue Requirement

PORTLAND GENERAL ELECTRIC
UE 377
PGE Response to CUB Data Request No. 016
Dated June 18, 2020

Request:

Does PGE anticipate that any additional O&M expense during the contract term in order to fulfil its role as Douglas and Okanagan's "supplier of choice"?

Response:

No. PGE does not estimate any additional O&M expense to provide these services. Additionally, as stated in PGE/300 Page 7, lines 7-13, the contract contains several protections to address situations where Douglas or Okanogan are deficit, or other unexpected situations. Such protections are included in, but not limited to, Section 3.3, Section 3.7, Section 4.3(c), Section 4.4(c)-(e), Article 5, Exhibit F, and Exhibit H.

CASE: UE 377
WITNESS: SABRINNA SOLDAVINI

PUBLIC UTILITY COMMISSION
OF
OREGON

STAFF EXHIBIT 502

Exhibits in Support
Of Testimony

July 9, 2020

Staff Exhibit 502 is Confidential
Subject to Protective Order No. 20-100.

CASE: UE 377
WITNESS: SABRINNA SOLDAVINI

PUBLIC UTILITY COMMISSION
OF
OREGON

STAFF EXHIBIT 503

Exhibits in Support
Of Testimony

July 9, 2020

Staff Exhibit 503 is Confidential Subject to Protective Order No. 20-100.

CASE: UE 377
WITNESS: SABRINNA SOLDAVINI

PUBLIC UTILITY COMMISSION
OF
OREGON

STAFF EXHIBIT 504

Exhibits in Support
Of Testimony

July 9, 2020

Staff Exhibit 504 is Confidential Subject to Protective Order No. 20-100.