



Oregon

Kate Brown, Governor

Public Utility Commission

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June 30, 2020



BY EMAIL

Portland General Electric Company

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RE: Advice No. 20-08

At the public meeting on June 30, 2020, the Commission adopted Staff's recommendation in this matter docketed as ADV 1111. The Staff Report and a receipted copy of the sheets 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: June 30, 2020**

REGULAR CONSENT EFFECTIVE DATE August 1, 2020

DATE: June 23, 2020

TO: Public Utility Commission

FROM: Mitch Moore and Nicholas Colombo

THROUGH: Bryan Conway, Michael Dougherty, John Crider, and Matt Muldoon **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1111/Advice No. 20-08)
Establishes a New Schedule 14 Residential Battery Energy Storage Pilot.

STAFF RECOMMENDATION:

Staff recommends that the Public Utility Commission of Oregon (Commission) approve Portland General Electric's (PGE or Company) Advice No. 20-08, which establishes a new Schedule 14 Residential Battery Energy Storage Pilot, effective for service on and after August 1, 2020.

DISCUSSION:

Issue

Whether the Commission should approve PGE's Advice No. 20-08, which establishes a new Schedule 14 Residential Battery Energy Storage Pilot, effective for service on and after August 1, 2020.

Applicable Law

ORS 757.205(1) states that a public utility must file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time.

OAR 860-022-0025 requires that new tariff filings include statements showing the new rates, the number of customers affected, the impact on annual revenue, and the reasons supporting the proposed tariff. Filings that make 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 changes.

The Commission reviews tariffs filed under ORS 757.205 and 757.210 to determine whether they are fair, just, and reasonable.

Analysis

Background

PGE submitted this filing to the Commission on April 21, 2020, pursuant to ORS 757.205, ORS 757.210, and OAR 860-022-0025, with a requested effective date of August 1, 2020. The Company requests establishment of a new Schedule 14 for a Residential Battery Energy Storage Pilot. The Company expects the pilot to be conducted through July 31, 2025. Simultaneous with this filing, the Company filed an Application for Deferral of Costs Associated with the Residential Battery Energy Storage Pilot, which will be investigated in Docket No. UM 2078.

In September 2015, the Commission opened Docket No. UM 1751 to implement legislation HB 2193 (2015), which required Pacific Power and PGE to submit proposals to develop qualifying energy storage systems with the capacity to store at least five megawatt hours of energy. The Commission subsequently opened Docket No. UM 1856 to investigate PGE's energy storage proposals.

On August 13, 2018, the Commission issued Order No. 18-290,¹ adopting a partial stipulation (Stipulation) that outlined an approach to the development of five energy storage projects for PGE, of which this residential storage pilot is the fifth and final proposed project. Pursuant to the Stipulation, PGE filed an addendum to the energy storage proposal in January 2019. Staff met with PGE in July 2019,² and after that discussion PGE and Staff agreed that PGE would revise the residential storage pilot design, still under the terms of the Stipulation, to address Staff's concerns. PGE met with Staff on January 27, 2020 and February 14, 2020 to discuss progress on revisions to the pilot design, and PGE filed the Revised Residential Storage Pilot Proposal on March 12, 2020.³

Staff filed comments on the Company's revised proposal on April 9, 2020, that were supportive of the Company's proposal, with several minor suggested revisions. Staff welcomed the Company to make advice, tariff, and compliance filings as necessary to implement the pilot. Among other comments, Staff asked the Company to consider the

¹ Docket No. UM 1856, Partial Stipulation filed May 22, 2018.

² Docket No. UM 1856, Addendum to PGE's Residential Storage Pilot filed January 25, 2019.

³ Docket No. UM 1856, PGE's Revised Residential Storage Pilot Proposal filed March 12, 2020.

potential impacts of the coronavirus pandemic on demand for residential battery installations and access to customers' homes.⁴ Although it was not required to be filed in a docket, the Company developed a detailed, revised marketing plan in light of the pandemic and shared it with Staff informally April 16, 2020.

This residential battery energy storage pilot will evaluate the ability of residential batteries to deliver services in support of PGE's electrical system. The battery energy storage pilot offers incentives to allow the Company to manage the charging and discharging of customer batteries with the option for a customer override.

Effects of filing

This filing implements Schedule 14, which defines the parameters of the battery storage pilot. It has no effect on customer rates. Costs associated with the pilot will be deferred under Docket No. UM 2078 and will be amortized in a future filing.

Conclusion

Staff has reviewed the Company's filing and finds that the proposed Schedule conforms with Staff's expectations and accord with Staff's comments on the Company's revised proposal in UM 1856. Staff recommends the Commission approve the Company's application.

PROPOSED COMMISSION MOTION:

Approve PGE's Advice No. 20-08, which establishes a new Schedule 14 Residential Battery Energy Storage Pilot, effective for service on and after August 1, 2020.

⁴ Docket No. UM 1856, Staff's Comments on PGE's Revised Residential Storage Pilot Proposal filed April 9, 2020.

**PORTLAND GENERAL ELECTRIC COMPANY
TABLE OF CONTENTS
RATE SCHEDULES**

Schedule Description

Table of Contents, Rate Schedules

Table of Contents, Rules and Regulations

Residential Service

- 3 Residential Demand Response Water Heater Pilot
- 4 Multifamily Residential Demand Response Water Heater Pilot
- 5 Residential Direct Load Control Pilot
- 7 Residential Service
- 13 Opt-Out Residential Demand Response Testbed Pilot
- 14 Residential Battery Energy Storage Pilot (N)

Standard Service Schedules

- 15 Outdoor Area Lighting Standard Service (Cost of Service)
- 16 Electric Vehicle Pole Charging Demonstration Project
- 25 Nonresidential Direct Load Control Pilot
- 26 Nonresidential Demand Response Pilot Program
- 32 Small Nonresidential Standard Service
- 38 Large Nonresidential Optional Time-of-Day Standard Service (Cost of Service)
- 47 Small Nonresidential Irrigation and Drainage Pumping Standard Service (Cost of Service)
- 49 Large Nonresidential Irrigation and Drainage Pumping Standard Service (Cost of Service)
- 50 Retail Electric Vehicle (EV) Charging
- 55 Large Nonresidential Green Energy Affinity Rider (GEAR)
- 75 Partial Requirements Service
- 76R Partial Requirements Economic Replacement Power Rider
- 81 Nonresidential Emergency Default Service
- 83 Large Nonresidential Standard Service (31 – 200 kW)
- 85 Large Nonresidential Standard Service (201 – 4,000 kW)
- 86 Nonresidential Demand Buy Back Rider

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**SCHEDULE 14
RESIDENTIAL BATTERY ENERGY STORAGE PILOT**

PURPOSE

This residential battery energy storage pilot will evaluate the ability of residential batteries to deliver services in support of PGE's electrical system. The battery energy storage pilot offers incentives to allow the Company to manage the charging and discharging of customer batteries with the option for a customer override. The pilot is expected to be conducted from August 1, 2020 through July 31, 2025.

AVAILABLE

In all territory served by the Company.

APPLICABLE

This program is applicable to Residential (Schedule 7) Customers that own a qualifying battery¹ and elect to enroll and participate in the pilot. Customers will remain on Schedule 7 and will be eligible for the incentives described in this schedule. The pilot is optional and limited to 525 residential customers.

ELIGIBILITY

Customers must submit an interconnection application which must be approved by PGE, purchase or already own a qualifying battery, proceed with installation, and apply for acceptance into the pilot.

ENROLMENT

Customers will be allowed to enroll in this pilot until the pilot reaches its maximum enrollment of 525 residential customers. Unless this pilot is otherwise terminated, participating Customers will be enrolled for the entire pilot term.

INCENTIVES

Basic Offering

1. Available to customers who have a qualifying battery and allow PGE to manage the charging and discharging of such equipment for the benefit of PGE's electric system.
2. For customers with a battery that is able to charge from the electrical grid, PGE will pay the customer \$40 monthly for the duration of the pilot or until the customer disenrolls, whichever is earlier.

1. A list of approved qualifying battery storage systems for this pilot is available on PortlandGeneral.com

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Filing Center
04/21/2020

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SCHEDULE 14 (Continued)

INCENTIVES (Continued)

3. For customers with a battery that is unable to charge from the electrical grid (restricted to charging with onsite solar only), PGE will pay the customer \$20 monthly for the duration of the pilot or until the customer disenrolls, whichever is earlier.

Test Bed Rebate

1. Available only to customers who are served by the Delaware, Island, or Roseway substations, who purchase a new qualifying battery, and allow PGE to manage the charging and discharging of such equipment for the benefit of PGE's electric system.
2. In addition to the Basic Offering, PGE shall provide a rebate for the new purchase and installation of a qualifying battery storage system.
3. The new purchase rebate is limited to 200 customers. The rebate amount shall be \$3,000 for the first 67 customers that have a pilot application approved by PGE, \$2,000 for customers 68 through 134, and \$1,000 for customers 135 through 200.
4. The rebate level will be reserved for a customer for six months from when the pilot application is approved to when the battery storage system is operable by PGE and enrolled in this pilot. If the battery storage system does not begin communications with PGE within six months of pilot application approval, the customer's reserved rebate will be released. When communications are established the customer may receive the incentive at the currently available level, if still available.
5. A developer or builder is eligible to receive the rebate if purchase and installation of a qualified battery storage system occurred prior to occupancy by a residential customer and enroll the battery in the Pilot.

Income Qualified Rebate

1. Available to customers receiving incentives from the Energy Trust of Oregon's Solar Within Reach program that purchase a new qualifying battery storage system and allow PGE to operate such equipment for the benefit of PGE's electric system.
2. In addition to the Basic Offering, PGE shall provide a rebate of \$5,000 for the new purchase and installation of a qualified battery storage system. The rebate is limited to the first 25 customers.

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SCHEDULE 14 (Continued)

SPECIAL CONDITIONS

1. Participants are responsible for any equipment, installation, and associated costs of the battery storage system, including any upgrades identified in the PGE interconnection process.
2. The participant will retain ownership of the battery storage system and is responsible for all maintenance, replacement, and disposal costs.
3. In the event of non-payment of electricity bill charges or disconnection for non-payment, for Electricity Service rendered, PGE will discontinue credit payments and battery storage system operation until the participant is current on all past-due balances. The participant will be removed from the pilot if basic service electricity charges are not current after two consecutive months.
4. The participant is required to maintain reliable communications with the battery storage system. If communications to the battery storage system are not restored in a timely manner PGE may discontinue paying the monthly incentive until communications are reestablished, or PGE may remove the customer from the pilot.
5. A participant that only receives the Basic Offering and did not receive a Test Bed or Income Qualified rebate may disenroll from the pilot at any time, upon which PGE will cease monthly payments.
6. If the participant has received a Test Bed or Income Qualified rebate, the customer may be required to repay the unamortized portion of the rebate in the event that the customer voluntarily disenrolls prior to the end of the pilot, or if the battery storage system is removed from the pilot due to lapses in communications. This is defined as the proportion of the months left until the end of the pilot divided by the months the customer has participated in the pilot.
7. Participants must agree to the contractual terms laid out in the Residential Battery Energy Storage Pilot contract.
8. PGE will have full control of the battery storage system for grid services that override any manufacturer programming.
9. PGE will never discharge the battery storage system below 20% of capacity or below the manufacturer's warranty recommendation, whichever is higher.

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SCHEDULE 14 (Concluded)

SPECIAL CONDITIONS (Continued)

10. The participant may override PGE's control up to ten times per calendar year for a period of 24 hours per time.
11. During times of severe weather, defined as any time PGE has placed emergency operators on Standby status, PGE will allow the battery storage system to fully charge.
12. In the event of a power outage, the customer will have full use of the battery storage system until grid service is restored. Power outages are not considered a customer override.
13. Customers enrolled in Solar Payment Option may not participate in this Pilot offering.
14. A customer may only receive one rebate or bill credit per service meter.

TERM

This pilot began on August 1, 2020 and ends on July 31, 2025

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