



Oregon

Kate Brown, Governor

Public Utility Commission

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October 20, 2020



BY EMAIL

Portland General Electric Company

Pge.opuc.filings@pgn.com

RE: Advice No. 20-28

At the public meeting on October 20, 2020, the Commission adopted Staff's recommendation in this matter docketed as ADV 1182. 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: October 20, 2020**

REGULAR CONSENT EFFECTIVE DATE October 21, 2020

DATE: October 12, 2020

TO: Public Utility Commission

FROM: Kacia Brockman

THROUGH: Bryan Conway, JP Batmale, and Sarah Hall **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1182/Advice No. 20-28)
Requests update to Residential Direct Load Control Thermostat Pilot,
Schedule 5.

STAFF RECOMMENDATION:

Approve Portland General Electric Company's (PGE or Company) request to revise Schedule 5 to give the Company discretion whether to recover the cost of a PGE-provided thermostat from customers who opt out of direct load control events.

DISCUSSION:

Issue

Whether to approve PGE's request to revise Schedule 5 to give the Company discretion whether to recover the cost of a PGE-provided thermostat from customers who opt out of direct load control events.

Applicable Law

Oregon Revised Statutes (ORS) 757.205 requires public utilities file to all rates, rules, and charges with the Commission.

ORS 757.210 establishes a hearing process to address utility filings and requires rates be fair, just, and reasonable.

ORS 757.220 provides that no change shall be made in any schedule, except upon

30 days' notice to the Commission prior to the time the changes are to take effect.

Oregon Administrative Rule (OAR) 860-022-0025 requires that filings revising tariffs include statements showing the change in rates, the number of customers affected and resulting change in annual revenue, and the reasons for the tariff revision.

Analysis

Background

Schedule 5 defines PGE's residential direct load control pilot, which is scheduled to end June 30, 2022. The pilot is testing the demand response potential and customer acceptance of direct load control of residential thermostats.

The pilot has two participation options for customers with qualified heating and/or cooling systems. The first option, Bring Your Own Thermostat, allows customers to use their own qualified thermostat and receive an incentive for participating in direct load control events. The second option, Direct Installation, allows customers to receive a thermostat at no cost from PGE in exchange for participating in a minimum number of direct load control events.

Schedule 5 currently requires a Direct Installation customer to pay back to PGE the labor and material cost of the thermostat if the customer a) opts out of more than 50 percent of event hours, or b) moves out of the residence.

On September 8, 2020, PGE filed Advice No. 20-28. In this advice filing, PGE revises Schedule 5 to make enforcement of the payback mechanism for Direct Installation customers optional, at the discretion of the Company. Under the proposed revision, PGE "may" recover costs of the thermostat from a customer who a) opts out of more than 50 percent of event hours, or b) removes the installed thermostat. The payback mechanism would no longer apply to customers who move from the residence and leave the thermostat in place.

Reason for Proposed Change

The Company reports that 10 percent of Direct Installation customers fail to participate in the required minimum 50 percent of event hours. PGE surveyed those customers and determined that further education about the program may increase their participation. PGE also determined that those customers, based on their demographics, may be harmed by enforcement of the payback mechanism. PGE is requesting this change to allow the Company to test new communication strategies to increase customer participation in direct load control events rather than enforcing the payback mechanism.

PGE also notes in its advice filing that, due to the risk of transmission of the COVID-19 virus, the Company is changing from direct installation of thermostats to providing virtual support to guide customers through self-installation of thermostats.

Conclusion

Staff finds that the proposed changes to Schedule 5 are in the best interest of ratepayers as they minimize harm to customers and maximize learnings from the pilot. Staff appreciates PGE's efforts in this regard. Staff confirms that no other revisions to Schedule 5 are included in this advice filing.

PROPOSED COMMISSION MOTION:

Approve PGE's request to revise Schedule 5 to give the Company discretion whether to recover the cost of a PGE-provided thermostat from customers who opt out of direct load control events.

SCHEDULE 5 (Continued)

DELIVERY CHANNEL (Continued)

RESIDENTIAL THERMOSTAT DIRECT INSTALLATION

This delivery channel allows Customers who own a qualifying Ducted Heat Pump, Electric Forced Air Heating, and/or Central Air Conditioner but do not own a Qualified Thermostat to participate by receiving one from the Company. The Company will provide the following to Eligible Customers within the participation cap:

- For those Customers with a Ducted Heat Pump or Electric Forced Air, with or without Central Air Conditioner system, a connected thermostat that is installed, provisioned, and enrolled into PGE's demand response platform at no additional charge; or
- For those Customers with a Central Air Conditioner, for a fee up to \$150, a connected thermostat that is installed, provisioned, and enrolled into PGE's demand response platform.

PGE may, at a later date, apply a mechanism to recover labor and materials costs if the Customer opts-out of more than 50% of the event hours in an Event Season or the Customer removes the enrolled thermostat. The Customer may be charged up to the following:

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Participation Year Customer Opts- Out	Customer Payback of Thermostat Labor & Materials
1	100%
2	80%
3	60%
4	40%
5	20%
6	0%

If, a Customer returns the working qualified thermostat within 90 days of installation, they are not charged for the cost of the thermostat and are only charged for the labor associated with installing the thermostat.