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Erin Apperson
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July 21, 2022

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street, Ste. 100
P.O. Box 1088
Salem OR 97308-1088

RE: UM 2166 – Compliance with Condition 3 in Staff's Report filed on June 29, 2022

Attention Filing Center:

Enclosed for filing today in the above-referenced docket is Portland General Electric Company's (PGE) redacted compliance filing associated with Condition 3 in Staff's Report filed on June 29, 2022. PGE will be providing, under separate cover, an unredacted version of this compliance filing to persons qualified to receive highly confidential material under Modified Protective Order No. 22-025.

Please direct any questions regarding this filing to Jimmy Lindsay at jimmy.lindsay@pgn.com or (503) 464-8311.

Sincerely,

Erin Apperson
Assistant General Counsel II

EEA: dm
Enclosures

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 2166

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY 2021 All-Source Request for Proposals.	**PORTLAND GENERAL ELECTRIC COMPANY'S COMPLAINCE FILING**

The Public Utility Commission of Oregon (OPUC or Commission) Staff included the following condition in their Report filed June 29, 2022:

> If not provided prior to the Commission's acknowledgement decision, PGE must file, within one week of the acknowledgement decision, a designation of its preferred portfolio for the 250 MWa procurement level. This shall include the specific projects, the total MWa expected from those projects, how the portfolio analysis and sensitivities support the presented preferred portfolio, and any other relevant data to support the preferred portfolio.

In accordance with Condition 3 from Staff's Report, PGE designates the following portfolio from the RFP portfolio analysis as the preferred portfolio for the 250 MWa procurement level:

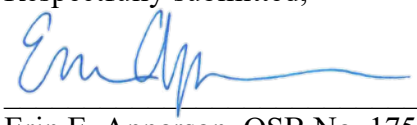
Portfolio P 117	
Project	**MWa**
[redacted]	[redacted]
Total	[redacted]

To identify the top performing 250 MWa portfolio, PGE calculated an "efficient frontier." The efficient frontier methodology intends to identify portfolios that provide the optimal level of expected return at a given level of risk. In PGE's supply portfolio analysis, the efficient frontier is calculated based on traditional cost and risk metrics: namely through a comparison of cost, variability,[1] and severity.[2] The efficient frontier identifies a meaningful break point, below which portfolios can be said to provide the greatest return at the least cost. An example of portfolio calculation under PGE's efficient frontier methodology can be found on page 191 of the 2019 IRP.

From the efficient frontier portfolios identified, PGE selected a top performing preferred portfolio. This selection methodology, described on page 18 of Appendix N, relies upon a total portfolio score for each portfolio based on reference cost, standard deviation of forecasted costs across all futures, and individual projects' non-price score. Portfolio 117 was the top performing preferred portfolio from this analysis.

For additional background and context on the portfolio analysis performed, see PGE's Final Shortlist filing, section "F. Portfolio Analysis."

Respectfully submitted,



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[1] Variability captures the potential deviation in cost outcomes across futures. Portfolios with low variability scores tend to provide more cost certainty.

[2] Severity measures the potential magnitude of very high-cost outcomes across potential futures, and is based on tail-risk at the 90th percentile. Portfolios with low severity scores tend to have less costly worst-case scenarios.