

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT**

PUBLIC MEETING DATE: December 28, 2021

REGULAR **CONSENT** **EFFECTIVE DATE** January 1, 2022

DATE: December 14, 2021

TO: Public Utility Commission

FROM: John Fox

THROUGH: Bryan Conway and John Crider **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1343/Advice No. 21-39)
Schedule 137, Customer-Owned Solar Payment Option Cost Recovery
Mechanism

STAFF RECOMMENDATION:

Approve Portland General Electric's (PGE or Company) filing and allow the associated tariff to go into effect on January 1, 2022, with Less than Statutory Notice.

DISCUSSION:

Issue

Whether the Commission should approve PGE's proposed updates to update Schedule 137 prices consistent with the existing balance and projections of costs for Schedule 137 and projected 2022 applicable loads.

Applicable Rule or Law

Under ORS 757.205(1):

Every public utility shall file with the Public Utility Commission, within a time to be fixed by the commission, schedules which shall be open to public inspection, showing all rates, tolls and charges which it has established and which are in force at the time for any service performed by it within the state, or for any service in connection therewith or performed by any public utility controlled or operated by it.

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.

OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

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. ORS 757.220; OAR 860-022-0015. Tariff filings to be effective on less than 30 days following notice of the change may be authorized with a waiver of less than statutory notice pursuant to ORS 757.220 and OAR 860-022-0020.

OAR 860-022-0030(1) further requires that for tariff or schedule filings proposing increased rates, the utility must for each separate schedule, identify the total number of customers affected, the total annual revenue derived under the existing schedule, and the amount of estimated revenue which will be derived from applying the proposed schedule, the average monthly use and resulting bills under both the existing rates and the proposed rates that will fairly represent the application of the proposed tariff or schedules, and the reasons or grounds relied upon in support of the proposed increase.

Analysis

Background

In 2010, the Commission implemented a statutorily mandated Volumetric Incentive Rate (VIR) Pilot Program for all three investor-owned electric utilities operating in Oregon. PGE recovers costs associated with the VIR Pilot Program under an automatic adjustment clause in PGE Schedule 137 (the Customer-Owned Solar Payment Option (SPO) Cost Recovery Mechanism).¹

¹ See *In the Matter of the Public Utility Commission of Oregon Investigation into Pilot Programs to Demonstrate the use and effectiveness of Volumetric Incentive Rates for Solar Photovoltaic Energy Systems*, Docket No. UM 1452, Order No. 10-198, May 28, 2010.

Schedule 137 prices were most recently established in 2015.² The most recent deferral of program costs is effective for the 12 month period beginning May 7, 2021.³

Current Filing

PGE's application states the following:

Schedule 137 has remained fairly constant since the last pricing update in 2015. In the last year PGE built a balance on this schedule, to decrease that balance and to provide stable Schedule 137 prices PGE is amortizing the remaining balance down to \$0 over the course of 2022 and 2023.

Supplemental Filing

PGE filed a revised tariff on December 6, 2021, stating that:

PGE is submitting this Supplemental Filing at the request of staff. Staff requested that PGE update the amortization schedule, amortizing the balance of Schedule 137 to zero over one year rather than two as initially proposed.

Staff suggested an amortization period of one year because review of the Company's work papers indicate that approximately three quarters of the balance due to ratepayers accumulated prior to 2021 (\$4.2 million and \$5.7 million in December 2020 and 2021, respectively).

Staff also noted that deferred amounts earn interest at the Modified Blended Treasury which provides only a modest return to ratepayers for financing an ongoing balance over two years.

In Staff's view, an accelerated return of these funds to customers is appropriate given the circumstances.

To satisfy the requirements of OAR 860-022-0025, PGE provides the following responses:

As a result of this proposed price change, 918,600 Cost of Service (COS) customers will be impacted by this overall \$7.3 million or 0.36% decrease in COS

² See *PGE ADVICE 15-14 SCHEDULE 137 CUSTOMER-OWNED SPO COST RECOVERY MECHANISM*, Docket No. ADV 48, approved by the Commission at its June 23, 2015, public meeting.

³ See In the Matter of PORTLAND GENERAL ELECTRIC COMPANY Application for Deferral of Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot, Docket No. UM 1482(11), Order No. 21-196, Jun 15, 2021.

revenues. A typical Schedule 7 Residential Customer consuming 780 kWh monthly will see a bill decrease of approximately \$0.33 or 0.31%.

Conclusion

After a review of PGE's supplemental filing and accompanying work papers, Staff finds that PGE's proposed rate is reasonable. As this filing meets the requirements of ORS 757.205, ORS 757.210, OAR 860-022-0025, and OAR 860-022-0030, Staff recommends the Commission approve PGE's filing.

PROPOSED COMMISSION MOTION:

Approve PGE's filing to adjust the rate of Schedule 137, Customer-Owned Solar Payment Option Cost Recovery Mechanism, and the associated tariff be allowed to take effect for service on and after January 1, 2022, with Less than Statutory Notice.