



Oregon

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Public Utility Commission

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May 31, 2022



BY EMAIL

Portland General Electric Company

pge.opuc.filings@pgn.com

RE: Advice No. 22-07

At the public meeting on May 31, 2022, the Commission adopted Staff's recommendation in this matter docketed as ADV 1389. The Staff Report, LSN, 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: May 31, 2022**

REGULAR CONSENT EFFECTIVE DATE June 1, 2022

DATE: May 23, 2022

TO: Public Utility Commission

FROM: Nick Sayen

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

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1389/Advice No. 22-07)
Revises nonresidential direct load control pilot in Schedule 25 and extends pilot through 2025.

STAFF RECOMMENDATION:

Approve Portland General Electric's (Company or PGE) Advice No. 22-07, authorizing revisions to Schedule 25.

DISCUSSION:

Issue

Whether the Oregon Public Utility Commission (Commission) should approve revisions to PGE's nonresidential direct load control pilot, which include updating incentives, adding new conditions to clarify operation of the pilot, increasing the enrollment cap, and extending the pilot through May 31, 2025.

Applicable Rule or Law

In Order No. 20-152, the Commission acknowledged PGE's 2019 IRP action item 1 B to achieve 141 MW (winter) and 211 MW (summer) of aggregate demand response capacity by 2025.

In Order No. 22-115, the Commission chose not to approve the two-year budget for Energy Partner Smart Thermostat, and instead chose to wait to receive the detailed pilot proposal provided in this filing.

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.

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

This memo discusses background and challenges of the Schedule 25 Nonresidential Direct Load Control Pilot and summarizes the Company's proposed changes as presented in Advice No. 22-07. The memo concludes with Staff's recommendation to approve the Company's filing.

Background

Schedule 25, the nonresidential direct load control pilot (Pilot), became effective December 1, 2017, as a compliment to Schedule 26, the nonresidential demand response pilot.¹ The Schedule 25 pilot is now known as the Energy Partner Smart Thermostat (EPST) pilot.² EPST currently provides participants smart thermostats and installation, at zero cost. The Pilot also provides a seasonal per-participating-thermostat incentive to allow PGE to adjust the temperature setpoint of thermostats, curtailing load from electric HVAC systems during demand response events.

As of March 2022, EPST has enrolled approximately 2,100 thermostats at more than 750 sites. EPST achieved 1.23 MW of demand reduction in the summer and 1.29 MW of demand reduction in the winter.³ By 2030, the market potential for EPST is forecast to reach nearly 25 MW of capacity in summer and over 12 MW of capacity in the

¹ See Docket No. UM 1514, Order No. 17-429, <https://apps.puc.state.or.us/edockets/orders.asp?OrderNumber=17-429>.

² In order to avoid confusion please note the following: the Schedule 26 nonresidential demand response pilot is known as Energy Partner; PGE offers a residential direct load control pilot through Schedule 5 that is marketed as the Smart Thermostat Program.

³ Staff met with the Company on March 29, 2022, as it was developing this filing. PGE presented program data at that time.

winter.⁴ PGE notes in this filing that commercial thermostats represent the largest resource in the supply-curve of Flex Load products that is not currently cost effective.⁵ Further, EPST represents an opportunity to engage small- to medium-sized businesses in contributing to PGE and the State's clean energy goals. This market has historically been difficult reach with cost effective programs.

Pilot challenges

PGE filed Advice No. 20-35 on November 12, 2020.⁶ The filing proposed extending the EPST termination date from December 31, 2020 to May 31, 2022, and reducing the cap on the number of participating thermostats from 10,000 to 3,800 to align with the Pilot's scaled-back implementation plan. These changes were in response to challenges Pilot had encountered. These challenges were discussed in Staff's memo, and included the following:

- Delayed rollout. While Schedule 25 became effective in December 2017, PGE did not begin installing thermostats in the Pilot until 2019.
- Lack of conclusive evaluation results. The Pilot's first evaluation was filed November 5, 2020, but performance data was sparse due to the small number of enrolled thermostats in summer 2019 and the lack of called events resulting from mild weather in winter 2019-2020.⁷

However, by late 2020 the Company had installed over 1,100 thermostats and requested the extension in order to apply learnings from upcoming evaluations, and to gain experience with additional winter and summer seasons. Staff found that the Pilot had achieved participation volume adequate to test learning objectives, and the extension was necessary to allow sufficient data to be collected and evaluated over consecutive demand response event seasons. Staff recommended approval of the filing. On December 29, 2020, the Commission approved PGE's Advice No. 20-35.⁸

⁴ See Docket No. ADV 1389, Initial Utility Filing, Attachment A, p. 4, PGE cites to the distributed energy resource forecast in its Distribution System Plan (DSP) Part 1 filing, <https://apps.puc.state.or.us/edockets/edocs.asp?FileType=UAA&FileName=uaa134710.pdf>.

⁵ See Docket No. ADV 1389, Initial Utility Filing, Attachment A, p. 3, <https://apps.puc.state.or.us/edockets/edocs.asp?FileType=UAA&FileName=uaa134710.pdf>.

⁶ See Docket No. ADV 1195, Initial Utility Filing, <https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=22635>

⁷ See Docket No. ADV 1195, Staff Report, <https://apps.puc.state.or.us/edockets/edocs.asp?FileType=HAU&FileName=adv1195hau123220.pdf>.

For the November 2020 evaluation see Docket No. UM 1514, PGE's Energy Partner Evaluation, <https://apps.puc.state.or.us/edockets/edocs.asp?FileType=HAH&FileName=um1514hah155829.pdf>.

⁸ See Docket No. ADV 1195, <https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=22635>

During the Pilot extension, PGE enrolled additional thermostats in EPST and ran the Pilot through several more winter and summer seasons. The Company separated the operations of EPST and the Schedule 26 nonresidential demand response pilot and conducted a thorough analysis of EPST.

EPST was included in PGE's Flexible Load Multi-Year Plan filed in November 2021.⁹ However, the analysis of EPST was not complete and Staff recommended not approving the Pilot's two-year budget proposed in the Flexible Load Multi-Year Plan. Staff recommended instead waiting for completion of the EPST analysis and the resulting detailed proposal that PGE committed to submitting which would justify extending the Pilot beyond its then expiration date. The Commission adopted this recommendation in Order No. 22-023.¹⁰

PGE completed the analysis of EPST in early 2022, resulting in this filing. The analysis revealed a number of problematic issues which PGE discusses in Attachment A of this filing.¹¹ Staff summarizes these below:

- Prior to March 2022, EPST was unable to review reliable event results until third-party evaluation reports were completed following the conclusion of the season. Several individual challenges contributed to this overarching issue:
 - Throughout most of the past tariff cycle, EPST's demand response management system (DRMS) did not have a baseline set to measure thermostat performance. This meant that curtailment values reported out of the DRMS were inaccurate and unusable. PGE worked with its implementer and the DRMS vendor to select and implement a baseline methodology effective July 2021.
 - The DRMS software used average peak time event kW impact to calculate system load reduction during events. In February 2022, the Pilot began using HVAC system data to calculate load reduction accurately, rather than the estimated kW impact per system per event.
 - The DRMS did not have a method for reporting event results out for PGE's use. PGE worked with its implementer and the DRMS vendor to develop and finalize in March 2022 an event report with thermostat-level performance information.

⁹ See Docket No. UM 2141, Flexible Load Multi-Year Plan 2022-2023, p. 70, <https://apps.puc.state.or.us/edockets/edocs.asp?FileType=HAD&FileName=um2141had16243.pdf>

¹⁰ See Docket No. UM 2141, Order No. 22-023, <https://apps.puc.state.or.us/edockets/orders.asp?OrderNumber=22-023>.

¹¹ See Docket No. ADV 1389, Initial Utility Filing, Attachment A, Section 6, p. 4, <https://apps.puc.state.or.us/edockets/edocs.asp?FileType=UAA&FileName=uaa134710.pdf>.

- During the summer 2021 season, one of the thermostat manufacturers incorrectly reported thermostat performance data and associated event curtailment values. This affected over half of the thermostat fleet. The thermostat manufacturer provided a corrected dataset to EPST that allows accurate retroactive calculations of event performance. Effective March 2022, the DRMS' new event report addresses this issue so accurate event performance is available for upcoming seasons.
- Up to 546 thermostats at 89 customer sites with multiple PGE meters may be associated with the incorrect meter. Mis-association of meters may result in sites showing zero reduction during events since the meter data is not necessarily reflecting HVAC load at the site. For each participant with more than one meter, the EPST implementer is analyzing load data to identify the meters that should be linked to thermostats and used for evaluation. This project is scheduled to complete in April 2022.
- From the inception of the Pilot to summer 2021, the EPST marketing plan was focused on delivering a high volume of thermostat installations. However, after research and study, marketing and outreach is now focused on identifying and engaging customers with a propensity to participate in EPST, and to contribute capacity during events.

Staff is disappointed to learn of such fundamental issues occurring in a Pilot operating for well over two years. Staff also appreciates PGE's thorough Pilot review and candor in describing the issues and the challenges they presented. Staff is relieved the Company has corrected these operational issues or will do so in the coming months.

The analysis of EPST also revealed a problematic financial issue, summarized below:

- Prior to January 2021, EPST administration costs were combined with the Schedule 26 pilot; cost effectiveness of a standalone EPST pilot was unknown.
- Once modeled on its own, EPST cost effectiveness in 2021 was 0.54 from a Total Resource Cost (TRC) perspective, with no Value of Service Lost.

Summary of Proposed Changes

PGE proposes the changes below to improve the cost effectiveness of EPST.

1. Adding a participant copay

Currently EPST participants are offered unlimited thermostats installed at the participant's business at zero cost. PGE proposes that participants shall be charged a \$60 copay per installed thermostat under the direct installation channel. PGE proposed in the Initial Utility Filing that the copay would be \$50 per installed thermostat under the

direct installation channel.¹² However, Staff found an inadvertent omission in the tariff language related to the copay. As a result, PGE filed a supplemental filing on May 19, 2022, that included tariff language stating the copay may be up to \$60 per installed thermostat. PGE confirmed to Staff via email that the copay amount would be \$60. Staff supports this change as it improves EPST cost effectiveness and is a reasonable cost for participants in exchange for both a new smart thermostat, and installation.

2. *Shifting the basis of the seasonal incentive*

EPST currently provides participants a \$60 per-participating-thermostat incentive for each event season participated in. For example, if a participant had five thermostats at two sites and participated in the summer and winter season, the incentive would be \$600 (five thermostats X \$60 X two seasons). PGE proposes shifting the incentive to \$60 per site for each event season participated in. Using the same example as above, the incentive would be \$240 (two sites X \$60 X two seasons). Staff notes that for participants having more than one thermostat per site this change would result in an incentive reduction.

PGE states in this filing that a 2021 participant satisfaction survey indicated the highest value is derived from a free thermostat upgrade, installation provided by the Pilot, the flexibility to opt out of events, and a commitment to contributing to a clean energy future. The seasonal incentive was not one of the highest values. Staff supports this change as it improves EPST cost effectiveness and seems unlikely to have a detrimental effect on participation.

3. *Adding a Trade Ally referral channel*

EPST currently utilizes a direct installation delivery channel. PGE proposes to maintain this channel but add a Trade Ally referral channel. Through this approach PGE will partner with HVAC companies and the Company will provide incentives to the HVAC firms to provide leads of eligible customers who have qualifying thermostats installed at their business. PGE will then perform outreach directly to these customers to encourage enrollment in EPST and participation of their previously installed thermostats in the Pilot. Participants will be eligible for ongoing seasonal incentives. Staff understands the incentives provided to the HVAC companies to be less than the cost of a standard direct installation. As such, Staff supports this change as it improves EPST cost effectiveness.

¹² See Docket No. ADV 1389, Initial Utility Filing, Attachment A, p. 2, <https://apps.puc.state.or.us/edockets/edocs.asp?FileType=UAA&FileName=uaa134710.pdf>.

4. *Increase the enrollment cap*

PGE proposes to increase the EPST enrollment cap from 3,800 to 7,000 thermostats. The increased cap will accommodate 1,350 annual new thermostat installations through the direct installation channel, plus trade ally referrals. New customers must be enrolled in the Pilot in order to test the efficacy of the customer copay, revised seasonal incentive, trade ally referral incentive, and use of the marketing and outreach study to identify customers most likely to participate.

5. *Extend the Pilot through May 31, 2025*

PGE proposes to extend the Pilot from May 31, 2022 to May 31, 2025. Staff supports this change to provide time to implement and evaluate the significant Pilot changes PGE proposes in this filing.

6. *Miscellaneous tariff language changes*

PGE proposes miscellaneous language additions in the tariff, including adding a definition for Qualified Site, and a special condition stating the Company shall have the right to pre-heat or pre-cool as part of a direct load control event. The supplemental filing on May 19, 2022, proposes adding a definition for Direct Installation, adding a special condition stating the Company may enable existing thermostats at customers' sites to enroll them in the Pilot, and eliminating special conditions related to the Non-Ducted HVAC System Thermostat Demonstration, as this demonstration is no longer occurring. Staff supports these changes.

Projected cost effectiveness

PGE states that as a result of the revamped Pilot design that includes the operational improvements and proposed changes discussed above, the Pilot's cost effectiveness is projected to be 1.02 from the TRC perspective. PGE stated in the Initial Utility Filing a cost effectiveness from the TRC perspective projected to be 1.15.¹³ However, PGE explained to Staff via email that after submitting the filing, the Company revised the annual installation forecast to a more conservative rate. This resulted in a TRC of 1.02. The utility provided electronic workpapers demonstrating these calculations. Staff reviewed these workpapers and they appear reasonable and accurate; the lower TRC is reflected therein.

¹³ See Docket No. ADV 1389, Initial Utility Filing, Attachment A, Section 6, p. 5, <https://apps.puc.state.or.us/edockets/edocs.asp?FileType=UAA&FileName=uaa134710.pdf>.

Budget

This filing states that the EPST budget will be reported in the Schedule 25 deferral reauthorization filing due June 1, 2022. However, for the purposes of estimation, Staff notes the Company proposed a two-year \$2.8M budget for EPST in November 2021, as part of the Flexible Load Multi-Year Plan.¹⁴

To satisfy the requirements of OAR 860-022-0025, PGE states in this filing:

The proposed revisions to Schedule 25, Nonresidential Direct Load Control Pilot, do not increase, decrease, otherwise change existing rates, or impact revenues; costs are being deferred in UM 1514 for later ratemaking treatment.

Pilot cost recovery

The Commission has authorized the deferral of incremental EPST costs and recovery through an automatic adjustment clause, Schedule 135.¹⁵ At the next occurrence that PGE seeks amortization of deferred costs, Staff recommends a prudence review that addresses certain Pilot challenges related to:

- The EPST DRMS, and the limited functionality it delivered to the Pilot, and
- The mis-association of thermostats with incorrect PGE meters (service point ID), affecting approximately 25 percent of enrolled thermostats.

Conclusion

The issues and challenges EPST has encountered are substantive. Despite these setbacks PGE is bullish on this Pilot:

PGE is confident that the pilot is now inherently stable and primed for a strategic pivot to a model that is cost effective, focused on delivery to customers able to deliver value to the pilot, and capable of measuring energy savings capacity during Peak Time Events.

Staff is encouraged by this sentiment but will be focused in the coming years on properly evaluating whether the Pilot is viable to continue long-term as a mature program. In the interim, Staff finds that PGE's proposed revisions to the nonresidential direct load control pilot and progress addressing EPST's issues, combined with its long term market potential, merit approval of this filing.

¹⁴ See Docket No. UM 2141, Flexible Load Multi-Year Plan 2022-2023, Table 4, p. 22, <https://apps.puc.state.or.us/edockets/edocs.asp?FileType=HAD&FileName=um2141had16243.pdf>.

¹⁵ See Docket No. UM 1514, Order No. 21-421, <https://apps.puc.state.or.us/edockets/orders.asp?OrderNumber=21-421>.

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PROPOSED COMMISSION MOTION:

Approve PGE's Advice No. 22-07, authorizing revisions to Schedule 25.

CA3 Docket No. ADV 1389

LESS THAN STATUTORY NOTICE APPLICATION

This document may be electronically filed by sending it as an attachment to an electronic mail message addressed to the Commission's Filing Center at puc.filingcenter@state.or.us.

Received
Filing Center
MAY 19 2022

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF <u>Portland General Electric Company</u> (UTILITY COMPANY)))))	UTILITY L.S.N. APPLICATION NO. <u>2292</u> (LEAVE BLANK)
TO WAIVE STATUTORY NOTICE.		

NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)
 Portland General Electric Company (PGE) submits this supplemental filing pursuant to Oregon Revised Statutes 757.205 and 757.210, and Oregon Administrative Rule (OAR) 860-022-0025, for filing proposed tariff sheets associated with Tariff P.U.C. No. 18. PGE initially filed Advice No. 22-07 on April 15, 2022, with a requested effective date of June 1, 2022, which remains as filed. PGE is submitting this Supplemental Filing due to an inadvertent omission in the tariff language related to Customer co-pays found by Staff, as well as provide some additional clarifying language and removing a program from the tariff that has now concluded.

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)
 Second Revision of Sheet No. 25-1
 Fourth Revision of Sheet No. 25-2
 Third Revision of Sheet No. 25-3
 Sixth Revision of Sheet No. 25-4

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)
 Third Revision of Sheet No. 25-1
 Fifth Revision of Sheet No. 25-2
 Fourth Revision of Sheet No. 25-3
 Seventh Revision of Sheet No. 25-4

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:
 PGE initially filed Advice No. 22-07 on April 15, 2022, with a requested effective date of June 1, 2022, which remains as filed. PGE is submitting this Supplemental Filing due to an inadvertent omission in the tariff language related to Customer co-pays found by Staff, as well as provide some additional clarifying language and removing a program from the tariff that has now concluded.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S): June 1, 2022

. AUTHORIZED SIGNATURE	TITLE Robert Macfarlane Manager, Pricing & Tariffs	DATE May 19, 2022
PUC USE ONLY		
<input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE June 1, 2022	
AUTHORIZED SIGNATURE	DATE May 31, 2022	

**SCHEDULE 25
NONRESIDENTIAL DIRECT LOAD CONTROL PILOT**

PURPOSE

This Direct Load Control Pilot is a demand response option for eligible nonresidential Customers. The Direct Load Control Pilot offers incentives to allow the Company to control thermostats during Direct Load Control Events while providing a customer override. The Company provides advance notice to participating Nonresidential Customers for Direct Load Control Events. The Pilot is expected to be conducted from December 1, 2017 through May 31, 2025.

(C)

DEFINITIONS

Central Air Conditioning – Air conditioner tied into a central ducted forced air system.

Direct Installation – Thermostat delivery model in which a PGE technician, or implementation contractor technician representing PGE, installs thermostat(s) at a qualifying customer Site at a reduced cost to the Customer and enables the thermostat(s) to participate in the Pilot.

(N)
|
(N)

Direct Load Control – A remotely controllable switch that allows the utility to operate an appliance, often by cycling. In terms of this pilot, direct load control allows the Company to change the set point or cycle the Nonresidential Customer's heating or cooling through the Customer's Qualified Thermostat in order to reduce the Customer's energy demand.

Direct Load Control Event – A period of time in which the Company will provide direct load control.

Ducted Heat Pump – Heat pump heating and cooling system hooked into a central ducted forced air system.

Electric Forced Air Heating – An electrical resistance heating system tied into a central ducted forced air system.

Event Notification – The Company will issue a notification of a Direct Load Control Event to participating Customers. Participating Nonresidential Customers must choose at least one method for receipt of notification. Notification methods may include email, text, auto-dialer phone call, on thermostat display screen, or via mobile app notification. Notification may also be available on the Company's website.

Event Season – The pilot has two event seasons: the Summer Event Season and the Winter Event Season.

Holidays – The following are holidays for purposes of the pilot: New Year's Day (January 1), Martin Luther King Day (third Monday in January), President's Day (third Monday in February), Independence Day (July 4), Labor Day (first Monday in September), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25). If a holiday falls on a Saturday, the preceding Friday will be designated the holiday. If a holiday falls on a Sunday, the following Monday will be designated the holiday.

SCHEDULE 25 (Continued)

DEFINITIONS (Continued)

Non-Ducted HVAC System Thermostat Demonstration – A demonstration within the smart grid test bed that meets Special Conditions 8 through 10. Demonstrations are limited in scope and will not interfere with the operations of the Nonresidential DLC Pilot.

Summer Event Season – Includes the successive calendar months June through September.

Winter Event Season – Includes the successive calendar months November through February.

Qualified Site – Nonresidential Customer building served under qualifying PGE rate Schedule (as defined in Applicable section below) with a unique PGE service address and utility meter. Additionally, Qualified Sites meet HVAC system requirements defined in Eligibility section below.

(N)
|
(N)

Qualified Thermostat – Thermostats that are Company-approved have been integrated with Company's demand response management system for event calling.

AVAILABLE

In all territory served by the Company.

APPLICABLE

To qualifying Nonresidential Customers served under Schedules 32, 38, 47, 49, 75, 83, 85, 89, and 90. The Company will limit participation to 7,000 Qualified Thermostats. Nonresidential Customers will remain on their base schedule and will be eligible for the incentives described in this schedule.

(C)

ELIGIBILITY

Eligible Nonresidential Customers must have a Network Meter. Nonresidential Customers must have a Qualified Thermostat connected to the internet and the heating or cooling system at their expense, except as provided in the Incentives section of this schedule. To participate in the Winter Event Season, the Nonresidential Customer must have a Ducted Heat Pump or Electric Forced Air Heating. To participate in the Summer Event Season, the Nonresidential Customer must have Central Air Conditioning or a Ducted Heat Pump.

(M)

SCHEDULE 25 (Continued)

DIRECT LOAD CONTROL EVENT

Direct Load Control Events occur for one to five hours. The Company may call two events per day but will not exceed five cumulative hours for the day. During Direct Load Control Events the Customer may allow the Company to control their thermostat for the duration of the event. The Customer has the option not to participate by overriding the temperature setpoint via the thermostat. The Company initiates Direct Load Control Events with Event Notification. The Company will call Direct Load Control Events only during the Event Seasons. Direct Load Control Events will not be called on weekends or Holidays. Reasons for calling events may include but are not limited to: energy load forecasted to be in the top 1% of annual load hours, forecasted temperature above 90 or below 32, expected high generation heat rates and market power prices, and/or forecasted low or transitioning wind generation. The Company will call no more than 150 event hours per Event Season.

(T)

ENROLLMENT

The Customer may enroll at any time but must participate for the minimum number of hours described in the incentive section.

INCENTIVE

Participating Customers receive a Qualified Thermostat for signing up for the Direct Load Control Pilot's Direct Installation channel. A Customer may receive multiple Qualified Thermostats for separate spaces subject to verification by the Company. A Customer co-pay of up to \$60 per installed thermostat is required for participation. Customers receive up to \$60 per Qualified Site for each Event Season they participate. A Customer participating in all Event Seasons receives up to \$120 per Qualified Site per Pilot year. Incentives are paid to the Customer with an automated clearing house (ACH,) check, bill credit, or generic gift card. To receive payment for an Event Season, all Qualifying Thermostats at the Qualified Site must participate in at least 50% of the event hours for which the Customer is eligible to participate in that Event Season.

(C)

(C)

(C)

(C)

SPECIAL CONDITIONS

1. Customers that reenroll in the program are not eligible for additional Qualified Thermostats for signing up. A Customer continuing service at a new location is not considered a new enrollment.
2. If the participating Customer moves to a different location, the Customer may continue participation if the new location meets the eligibility requirements.
3. The Company will defer and seek recovery of all pilot costs not otherwise included in rates.
4. The Company is not responsible for any direct, consequential, incidental, punitive, exemplary, or indirect damages to the participating Customer or third parties that result from Air Conditioning Cycling or changing the thermostat set point.

(C)

SCHEDULE 25 (Concluded)

SPECIAL CONDITIONS (Continued)

5. The Company shall have the right to select the cycling schedule and the percentage of the Customer's heating or cooling systems to cycle at any one time, up to 100%, at its sole discretion.
6. The Company shall have the right to pre-heat or pre-cool the Site as part of the Direct Load Control event in order to thermally condition the space to increase occupant comfort and site performance for the duration of the event. (N)
|
(N)
7. The provisions of this schedule do not apply for any period that the Company interrupts the Customer's load for a system emergency or any other time that a Customer's service is interrupted by events outside the control of the Company. The provisions of this schedule will not affect the calculation or rate of the regular service schedule and associated charges and Customers will not be charged for energy not used or demand not set during Direct Load Control Events. (T)

(C)
(C)
8. The Company may engage with Customers who have existing qualified thermostats installed at their Sites to enroll them in the pilot. Customers with pre-existing thermostats that were not installed through the Direct Installation channel are eligible for seasonal incentives. (N)
|
(N)
9. PGE has the right to remove a Customer from the pilot when good cause is shown including, but not limited to, poor customer responsiveness, consistent customer non-participation in called events, or issues with customer equipment that impact customer's participation. (T)
(T)

TERM

This pilot term is December 1, 2017 through May 31, 2025.

(D)

(C)