

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: March 19, 2024

REGULAR  CONSENT  EFFECTIVE DATE March 20, 2024

DATE: March 11, 2024

TO: Public Utility Commission

FROM: Eric Shierman

THROUGH: JP Batmale and Sarah Hall **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:  
(Docket No. ADV 1589/Advice No. 24-02)  
Update to Schedules 7 and 32 Portfolio Option resource mix.

**STAFF RECOMMENDATION:**

Approve Portland General Electric's Advice No. 24-02.

**DISCUSSION:**

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve changes to Portland General Electric's (PGE or the Company) Schedules 7 and 32.

Applicable Rule or Law

ORS 757.603 requires electric utilities to provide a portfolio of rate options to residential customers. The Commission regulates portfolio options so that the rates reflect the costs and risks of serving each option.

OAR 860-038-0220 sets forth the Commission's requirements for electric companies to provide a portfolio of products and pricing options. OAR 860-038-0220(6) requires that the utility offering rate options "acquire the renewable supply resources necessary to provide the renewable energy resources duct through a Commission-approved bidding process or other Commission approved means."

ORS 469A.057(1)(e) establishes the renewable portfolio compliance standard for large electric utilities during the 2025-2029 period as “at least 27 percent.”

## Analysis

### *Background*

PGE’s voluntary green power programs are an opportunity for the Company’s customers to have lower attributable emissions than PGE’s generation system. These portfolio options for Schedule 7 residential customers and Schedule 32 small commercial customers have been procuring renewable energy credits (REC) or funding grants to cover 100 percent of a participating customer’s energy usage. As of the end of January 2024, Schedule 7 has 224,811 participants, and Schedule 32 has 3,913 participants.<sup>1</sup>

Over the past several years, the escalation of REC prices has put upward pressure on portfolio option prices.<sup>2</sup> Both PGE and PacifiCorp have been adapting portfolio option product design and pricing to adjust to higher REC prices.<sup>3</sup>

### *PGE’s Proposal*

The Company proposes to change the Renewable Usage product from one that matches renewable energy equal to 100 percent of a participant’s monthly electricity usage to a product that matches renewable energy equal to 73 percent of a participant’s monthly electricity usage.<sup>4</sup> The 27 percent reduction reflects the renewable energy portfolio of PGE’s generation mix in compliance with Oregon’s renewable portfolio standard. When viewed in aggregate, the Renewable Usage product along with the renewable portfolio standard match 100 percent of Schedule 7 and 32 participants’ energy usage with renewable energy.

### *Reason for Staff Recommendation*

Staff recommends the Commission approve this change to Schedule 7 and Schedule 32’s Renewable Usage portfolio option. Given the transition to non-emitting resources underway in Oregon and the volume of RECs being retired for all customers and covered by general rates, the customers seeking 100 percent renewable energy need not pay for a 100 percent allocation of additional RECs. PGE has found a reasonable means of restraining this product’s price escalation while maintaining its customer value proposition.

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<sup>1</sup> Data provided from Casey Manley to Eric Shierman on February 28, 2024.

<sup>2</sup> See e.g. Docket No. ADV 1309, OPUC Staff Report, p. 2, December 20, 2021.

<sup>3</sup> See e.g. Docket No. UM 1020, OPUC, Order No. 21-308, Appendix A, p. 3, Sept. 22, 2021.

<sup>4</sup> Docket No. ADV 1589, Advice No. 24-02, p. 1, Jan. 29, 2024.

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*Stakeholder Feedback*

No stakeholders have filed comments.

Conclusion

Staff Recommends the Commission approve PGE's proposed changes to Schedules 7 and 32. The Company seeks to avoid the over procurement of RECs when providing residential and small commercial customers the opportunity to consume 100 percent renewable energy.

**PROPOSED COMMISSION MOTION:**

Approve Portland General Electric's Advice No. 24-02.

CA1 – ADV 1589.