

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1953**

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY

Investigation into Proposed Green Tariff.

RENEWABLE NORTHWEST'S  
RESPONSE TO STAFF REPORT

October 18, 2019

**RENEWABLE NORTHWEST'S RESPONSE TO STAFF REPORT**

Renewable Northwest respectfully disagrees with Staff's recommendation that the Oregon Public Utility Commission ("Commission") find that Portland General Electric's ("PGE") implementation of its Green Energy Affinity Rider program ("Green Tariff"), as described in PGE's September 13, 2019 Compliance Filing ("Compliance Filing"), is inconsistent with Commission Order No. 19-075.<sup>1</sup> Contrary to the Staff Report's position, there is nothing in Order No. 19-075 that precludes PGE's implementation of the Green Tariff.

**I. BACKGROUND**

In Order No. 19-075, the Commission approved PGE's proposed Green Tariff program.<sup>2</sup> The Commission described the approved program as including both a PGE Supply Option, in which PGE would negotiate and procure a power purchase agreement ("PPA") for an eligible renewable resource on behalf of subscribing customers, and a Customer Supply Option, in which

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<sup>1</sup> Staff presented this recommendation in a Staff Report dated October 9, 2019 but not filed until October 16, 2019. *See infra* at 3 n.11. This document will refer to this document as "the Staff Report."

<sup>2</sup> Oregon Public Utility Commission, Docket UM 1953, Order No. 19-075 at 4 (Mar. 5, 2019). The Commission's approval of PGE's Green Tariff program included modifications that are not germane to the issues raised by the Staff Report.

customers could “bring their own” PPA subject to PGE’s approval.<sup>3</sup> The Commission capped the PGE Supply Option at 100 MW and the Customer Supply Option at 200 MW.<sup>4</sup> Beyond requiring PGE’s ultimate approval of any Customer Supply Option PPA, the order did not specify the mechanics of how customers, developers, and PGE would or could interact under the Customer Supply Option to negotiate a PPA.

On September 13, 2019, PGE submitted its Compliance Filing to the Commission, explaining how it had carried out the terms of Order No. 19-075.<sup>5</sup> In the Compliance Filing, PGE explained that “[w]ithin minutes” of opening enrollment for the PGE Supply Option, “PGE had received enough interest -- via non-binding letters of interest emailed to PGE -- for the PGE Supply Option to purchase the equivalent of an approximately 160 MW facility.”<sup>6</sup> Because the PGE Supply Option was capped at 100 MW, PGE worked with some large customers to facilitate their enrollment in the program via the Customer Supply Option rather than the PGE Supply Option.<sup>7</sup>

As PGE explained, regardless of whether a customer subscribes via the PGE Supply Option or the Customer Supply Option, “[t]he PPA ultimately needs to be a bilateral contract between PGE and the developer.”<sup>8</sup> This is because “under PGE's Green Tariff subscription model, all cost-of-service customers receive the energy and capacity from the Green Tariff

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<sup>3</sup> *Id.* at 4.

<sup>4</sup> *Id.*

<sup>5</sup> PGE, *RE: UM 1953 PGE's Green Energy Affinity Rider, Schedule 55, Rate and Credit Calculations and Customer Agreements, Submitted in Compliance with Order No. 19-075* (Sept. 13, 2019), available at <https://edocs.puc.state.or.us/efdocs/HAD/um1953had15402.pdf>.

<sup>6</sup> *Id.* at 2.

<sup>7</sup> *Id.* at 2-3.

<sup>8</sup> *Id.* at 3.

resource” and “[s]ince PGE is responsible for the receipt of energy and capacity, it is also the party responsible for executing the contract.”<sup>9</sup>

In the end, PGE reported that “[t]he overall result of this process was that subscribers claimed approximately 60 MW of the 100 MW available in the PGE Supply Option and 100 MW of the 200 MW available in the CSO.”<sup>10</sup>

On October 16, 2019, Staff submitted its Staff Report recommending that the Commission “[f]ind Portland General Electric Company’s (PGE or Company) implementation of its Green Energy Affinity Rider program, as described in its September 13, 2019, Compliance Filing, to be non-compliant with Commission Order No. 19-075.”<sup>11</sup> The Staff Report raises two concerns: “first ... that PGE’s implementation of the CSO option is inconsistent with the Order”; and “second ... that PGE’s ‘reshuffling’ of customers from the PGE procured portion to the CSO portion is inconsistent with the spirit of the Commission’s Order.”<sup>12</sup>

Renewable Northwest now files these comments because neither of the Staff Report’s concerns is sufficiently well-founded to support its recommendation that the Commission find PGE’s Green Tariff implementation inconsistent with the Commission’s direction in Order No. 19-075.

## II. ANALYSIS

Renewable Northwest respectfully requests that the Commission reject the Staff Report’s recommendation because PGE’s implementation of the Green Tariff is consistent with Order No. 19-075.

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<sup>9</sup> *Id.*

<sup>10</sup> *Id.* at 3.

<sup>11</sup> Oregon Public Utility Commission, Staff Report (dated Oct. 9, 2019, but filed Oct. 16, 2019), *available at* <https://edocs.puc.state.or.us/efdocs/HAU/um1953hau175531.pdf>.

<sup>12</sup> *Id.* at 4 & 5.

Renewable Northwest disagrees with the Staff Report's first argument that "PGE's implementation of the CSO option is inconsistent with the Order"<sup>13</sup> because, while PGE's Compliance Filing explains how its Green Tariff implementation *is* consistent with Order No. 19-075,<sup>14</sup> the Staff Report does not point to any language from Order No. 19-075 that *is not* consistent with PGE's Green Tariff implementation.<sup>15</sup> Instead, the Staff Report's characterization of the Order is not rooted in either the Order's language or the underlying record; rather, it makes the case that PGE's implementation is inconsistent with the parties' expectations of how the Order would be carried out.<sup>16</sup> In the end, the Staff Report rests its concerns primarily on the record's (and implicitly the Order's) silence regarding the implementation approach PGE ultimately undertook, e.g.: "Staff could not find a single reference in the record in which the Company indicated that customers could move between options or that PGE would procure resources for the customer in the CSO, nor could it find reference that the resource procured could be the same for both a PGE procured and CSO option."<sup>17</sup> That silence, however, does not indicate that PGE's implementation violated the Commission's Order.

Instead, PGE's actions are consistent not only with the Order but also with the reality that, regardless of whether a customer were to subscribe to the Green Tariff program via the PGE Supply Option or the Customer Supply Option, the ultimate result would be a PPA executed by

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<sup>13</sup> *Id.* at 4.

<sup>14</sup> Compliance Filing at 4.

<sup>15</sup> At pages 5-6, the Staff Report excerpts a portion of Order No. 19-075, but it does not point to any inconsistency between that language and PGE's program implementation, and Renewable Northwest has been unable to identify any such inconsistency.

<sup>16</sup> For example, the Staff Report states that "[p]ursuant to the Commission's Order, the CSO option customer is tasked with identifying a resource and negotiating a contract based on the minimum requirements posted by PGE, which must be brought to PGE for final approval" and "[t]he resource procured is to be distinct from the resource procured for the PGE supplied option." Staff Report at 4. The Staff Report does not cite the Order to support these statements, nor does it otherwise explain where in the Order such support might be found.

<sup>17</sup> Staff Report at 9.

PGE. This result should not be a surprise. As PGE introduced through its October 22, 2018 testimony of Brett Sims and Jay Tinker, even in the Customer Supply Option, “PGE will retain final approval of PPA terms and conditions and execution of the PPA for inclusion in the program shall be at PGE’s sole discretion.”<sup>18</sup> Because PGE’s implementation reflects this necessary result, it is also consistent with the spirit of Order No. 19-075.

Compliance aside, the Staff Report’s recommendation could jeopardize 160 MW of renewable energy procurement that is tailored to meet customer demand and help customers meet essential climate goals.<sup>19</sup> Since the Staff Report’s filing earlier this week, comments have come in from the City of Portland, Washington County, the City of Milwaukie, Oregon Health Science University, the City of Beaverton, the City of Salem, and the City of West Linn supporting PGE’s Green Tariff program. Each of those sets of comments has pointed to the critical importance of the Green Tariff to the commenters’ ability to achieve their climate and sustainability goals. Simply put, following the Staff Report’s recommendation would run the risk of blocking customers’ (and, in the case of several customers that are political bodies, voters’) efforts to achieve climate goals in a manner that not only works for them and for PGE but also is fully consistent with Order No. 19-075 -- including, crucially, those elements of the Order that are in place to protect non-subscribing customers.<sup>20</sup> Rejecting the Staff Report’s recommendation would not only mark an important step toward reducing Oregon’s greenhouse gas emissions and mitigating climate change, but would also produce only winners, not losers.

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<sup>18</sup> Oregon Public Utility Commission, Docket UM 1953, PGE/400 at Sims-Tinker/2 (Oct. 22, 2019), *available at* <https://edocs.puc.state.or.us/efdocs/HTB/um1953htb154519.pdf>.

<sup>19</sup> *See, e.g.*, Oregon Public Utility Commission, Docket UM 1953 (Phase II), PGE Response to OPUC Data Request No. 056 (Sept. 27, 2019) (“Should the Commission not acknowledge PGE’s compliance by October 22, 2019 the PPA timeline and current pricing is at risk.”).

<sup>20</sup> For example, the Staff Report explicitly does not challenge PGE’s adherence to the Commission-approved methodology for determining subscriber credits. Staff Report at 10.

### III. CONCLUSION

Because PGE's Green Tariff implementation is consistent with Order No. 19-075, Renewable Northwest respectfully requests the Commission reject the recommendation set forth in the Staff Report.

Dated this 18th day of October, 2018

Respectfully submitted,

/s/ Max Greene

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