



Portland General Electric
121 SW Salmon Street · Portland, Ore. 97204

September 23, 2020

Via Email

Public Utility Commission of Oregon
Filing Center
PO Box 1088
Salem, OR 97308-1088

**RE: UM 2112 – PGE 2019 Renewable Portfolio Standard Compliance Report
Reply Comments**

Attention Filing Center:

Portland General Electric Company (PGE) submits its reply comments to Staff of the Public Utility Commission of Oregon (OPUC) regarding PGE's 2019 Renewable Portfolio Standard Compliance Report for the 2019 compliance year (2019 RPS Compliance Report).

Sincerely,

\s\ Jaki Ferchland

Jaki Ferchland
Manager, Revenue Requirement

JF/mw

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2112

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

2019 Renewable Portfolio Standard
Compliance Report

**Reply Comments of Portland
General Electric Company**

1 Introduction

2 On September 9, 2020, pursuant to ORS 469A.170 and OAR 860-083-0350,
3 Portland General Electric Company (PGE) filed its 2019 Renewable Portfolio Standard
4 (RPS) Supplemental Compliance Report (Compliance Report). Subsequently, the Staff of
5 the Public Utility Commission of Oregon (OPUC) filed initial comments on
6 September 15, 2020.

7 Pursuant to OAR 860-038-0350(4), PGE submits its reply comments to OPUC
8 Staff (Staff) regarding PGE’s 2019 Compliance Report. PGE appreciates Staff’s findings
9 that PGE has complied with the basic requirements of OAR 860-083-0350 and requests
10 that the Commission find PGE in compliance with the RPS.

1 **PGE Reply Comments to OPUC Staff**

2 Unbundled RECs

3 Staff provided comments regarding differences in PGE’s use of unbundled RECs
4 as presented in its RPS Compliance Report, compared to the 5-year RPS compliance plan
5 provided in the Renewable Portfolio Implementation Plan (2019 RPIP). While Staff did
6 find PGE to be compliant in its RPS obligation, they determined that PGE did not provide
7 sufficient explanation regarding the deviation in the use of unbundled RECs between the
8 2019 RPS Compliance Report and PGE’s 2019 RPIP. While noting that PGE has not
9 exceeded the four percent cost cap provided in OAR 860-083-0350 and that PGE’s use of
10 RECs aligns with the overarching compliance strategy described in the 2019 RPIP, Staff
11 requests that PGE provide in these reply comments a detailed explanation of PGE’s
12 decision to deviate from the 2019 RPIP planning regarding the use of unbundled RECs.

13 The RPIP represents an estimate of potential REC retirements in the future, based
14 on information available at that time. Evolving conditions between the filing of the RPIP
15 and the corresponding RPS Compliance Report (such as changes in PGE’s forecasted loads
16 and market conditions) can result in differences between forecasted and actual REC
17 retirements as well as the use of unbundled RECs for compliance purposes.

18 Consistent with the condition set forth in Commission Order No. 14-265 (Docket
19 No. UM 1683), PGE did provide a scenario under the RPIP reference case in which the full
20 20% unbundled RECs are used. However, PGE asserts it is both strategically detrimental
21 and highly hypothetical to forecast REC prices and purchases in the RPIP. In the western
22 US markets, there are few active buyers and sellers of RECs, and both the demand and
23 supply of RECs fluctuates widely as these market participants have irregular and often non-

1 overlapping schedules. Therefore, opportunities to purchase or sell RECs can be presented
2 to PGE at various times of the year depending on the dynamics of the REC market. PGE
3 evaluates such opportunities with the intent of maintaining REC bank levels as forecasted
4 in PGE’s Integrated Resource Planning process while providing greater RPS compliance
5 flexibility (e.g., purchasing infinite life RECs vs five-year RECs) in satisfying current and
6 future RPS requirements on behalf of PGE customers. PGE expects increasing uncertainty
7 in unbundled REC markets due to increasing RPS requirements and voluntary unbundled
8 REC programs in states across the Western Electricity Coordinating Council (WECC)
9 region.¹ In addition, proposing both a mandated forecast and use of unbundled RECs in the
10 RPIP would likely impact the market prices for those RECs. Therefore, it is important that
11 PGE be able to assess the market and the financial feasibility of using unbundled RECs on
12 an ongoing basis in any particular year.

13 Staff notes that further consideration of forecasting unbundled REC acquisition and
14 use in the RPIP and communicating material differences in the RPS Compliance Reports
15 should occur within Docket No. AR 616 Renewable Portfolio Standard Planning Process
16 and Reports. This may provide more process and clarity around what constitutes a
17 “material deviation” between RPS Compliance Reports and the filed RPIPs. PGE agrees
18 that these RPS rulemakings are the appropriate forum for the concerns raised and looks
19 forward to the opportunity to participate in obtaining additional clarity around this term in
20 the rulemakings.

¹ The RPS requirement has increased from 15% in 2019 to 20% in the period 2020-2024 and will further increase to 27% in the period 2025-2029.

1 **Conclusion**

2 PGE concurs with Staff that it has met the RPS compliance target requirements
3 mandated by ORS 469A.052(1)(a) and the RPS compliance reporting requirements
4 specified by OAR 860-083-0350, as demonstrated in the 2019 RPS Compliance Report.
5 PGE has done so while ensuring that the cost of compliance for the current compliance
6 period was under the cost cap, and thus requests the Commission make the determination
7 that PGE is in compliance with the RPS. PGE appreciates Staff's feedback on the 2019
8 RPS Compliance Report and looks forward to continued work with Staff and other Parties
9 to ensure Oregon's future RPS requirements are achieved in the best interest of PGE
10 customers.

Respectfully submitted,

Jaki Ferchland

Jaki Ferchland
Manager, Revenue Requirement