



Portland General Electric Company
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PortlandGeneral.com

May 27, 2008

Email/US Postal Mail

Vikie Bailey-Goggins
Administrator
550 Capitol Street, N.E., Ste 215
Salem, OR 97301-2551

RE: Market Transformation Barriers to Proceeding Report (OPUC Docket No. UE 189)

OPUC Order No. 08-245 adopted the AMI Conditions filed with the Joint Party stipulation. Joint Party Exhibit 101 requires that PGE file a report detailing barriers to proceeding with Appliance Market Transformation because the USDOE grant application was not approved. Pursuant to the Order, PGE provides the attached report.

If you have any questions or require further information, please call Alex Tooman at (503) 464-7623. Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick G. Hager", written over a horizontal line.

Patrick G. Hager
Manager, Regulatory Affairs

cc: UE 189 Service List

Update to Conditions in Order No. 08-245

The consortium that PGE participated in was not awarded the USDOE grant for Appliance Market Transformation. This document is provided to fulfill PGE's requirement to report on the barriers to market transformation stated in OPUC Order No. 08-245, Appendix A, page 14 of 21.

Appliance Market Transformation

Joint Party Testimony Exhibit 101 (AMI Condition) provides that PGE:

- "... create a 5-10 MW demand response resource through an appliance market-transformation approach that will activate if awarded a USDOE grant by March of 2008. If the grant is not awarded to the consortium, provide a written report to OPUC Staff and CUB detailing barriers to proceeding. . . ."

PGE has proposed active pursuit of market transformation by adding a physical interface for communication on major appliances thus permitting the customer to install a low-cost communication device that passes signals to cause peak-load reduction designed into, and automated by, the appliance.¹ The approach creates a more cost-effective and less intrusive method to reduce system peak during times of high demand than traditional demand response programs. Success of market transformation is defined by enactment and implementation of a national standard. Such an undertaking has significant barriers, including:

- consumer awareness of both the need for usage reductions during times of high demand and availability of technology to assist automatic reductions,
- motivation of appliance manufacturers to incur the cost of adding the interface, especially when consumers are not demanding it, and
- groups working on communications standards for demand response have been primarily focused on data transactions; their efforts have not included development of standards at the appliance level.

PGE formed a consortium to prepare and submit a proposal to the USDOE to demonstrate the feasibility of a physical and communication interface at the appliance that can be used for active and transparent demand response at the system (grid) level. Over 80 proposals were submitted and PGE's was not among the ones receiving a grant. Appliance market transformation is an important part of PGE's demand response planning. Awareness among policy makers, regulators, and others who are in a position to enact a federal standard is key to ultimate appliance market transformation. The company will continue efforts in this regard through other actions, including:

- attend US DOE Smart Grid Implementation Workshop on June 19-20, 2008 in Washington, D.C., to discuss options for furthering this effort;
- advancing work with other utilities and appliance manufacturers to build capability for a demonstration project;
- identifying opportunities to influence the direction of groups such as Utility AMI and Consortium for Electric Reliability Technology Solutions (CERTS), who are defining communication standards;
- collaborating with Lawrence Berkeley National Laboratory (LBNL) and Pier on expanding similar efforts they might have underway,
- working with EEI, Western Governors, and the Northwest congressional delegation to gain support for appliance standards; and
- working with the Demand Response Coordinating Council to draft proposed legislation for policy makers to act on appliance standards.

¹ See description at the following site: http://www.gridwiseac.org/pdfs/forum_papers/103_106_paper_final.pdf.

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the foregoing **MARKET TRANSFORMATION BARRIERS TO PROCEEDING REPORT** to be served by electronic mail to those parties whose email addresses appear on the attached service list, and by First Class US Mail, postage prepaid and properly addressed, to those parties on the attached service list who have not waived paper service from OPUC Docket No. UE 189.

Dated at Portland, Oregon, this 27th day of May 2008.



PATRICK G. HAGER

eDockets

Docket Summary

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Docket No: UE 189 **Docket Name:** PORTLAND GENERAL ELECTRIC

[Print Summary](#)

Subject Company: PORTLAND GENERAL ELECTRIC

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY Request to Add Schedule 111, Advanced Metering Infrastructure (AMI) Filed by Pamela G. Lesh. (See Initial Utility Filing for electronic version.)

Filing Date: 3/7/2007

Advice No: 07-08

Effective: 6/1/2008

Expiration:

Status: ACCEPTED

Final Order: 08-245

Order Signed: 5/5/2008

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