



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

May 5, 2015

Email

puc.filingcenter@state.or.us

Commission Filing Center
Oregon Public Utility Commission
3930 Fairview Industrial Drive, SE
Salem, OR 97308-1088

**Re: UM 1482 Application for Reauthorization to Defer Expenses
Associated with a Photovoltaic Volumetric Incentive Rate Pilot**

Pursuant to ORS 757.259 and OAR 860-027-0300, enclosed for filing is the Application of Portland General Electric for Reauthorization to Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot. Per OAR 860-027-0300(2), the authorized deferred account expires 12 months from the date the deferral was reauthorized or May 6, 2015.

A Notice of Application regarding the filing of this application is attached. We have provided notification to the UM 1482 and UE 294 service lists.

Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pgn.com.

If you have any questions or require further information, please call me at (503) 464-7580 or Karla Wenzel at (503) 464-8718. Please direct all formal correspondence, questions, or requests to the following e-mail address: pge.opuc.filings@pgn.com.

Sincerely,

A handwritten signature in blue ink that reads "Patrick G. Hager". The signature is written in a cursive style and is positioned above the printed name and title.

Patrick G. Hager
Manager, Regulatory Affairs

PGH/sp
encls.

cc: Judy Johnson
UM 1482 and UE 294 Service Lists

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1482

In the Matter of the Application of Portland General Electric Company for an Order Approving the Deferral of Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot

Application for Reauthorization to Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot, aka the PGE Solar Payment Option Pilot

Pursuant to ORS 757.259, OAR 860-027-0300, OAR 860-084-0380 and 860-083-0390, and OPUC Orders No. 13-250 and 14-271, Portland General Electric Company (“PGE”) hereby requests authorization to continue to defer for later rate-making treatment expenses associated with the Photovoltaic Volumetric Incentive Rate Pilot (“PV VIR”). This PV VIR Pilot is also referred to as the PGE Solar Payment Option (“Pilot”), Schedules 215, 216 and 217. PGE requests this reauthorization commence effective May 7, 2015 through May 6, 2016.

I. Deferral History:

Under Docket AR 538, the Commission promulgated its Division 84 rules for the PV VIR Pilot. Docket UM 1452 set out additional details of implementation through OPUC Orders detailed below, the latest being Nos. 13-250 and 14-271. This Pilot provides payments to retail electric customers for electricity generated by permanently installed solar photovoltaic energy systems through Schedules 215, 216 and 217. This deferral allows PGE to recover costs associated with the Pilot, through Schedule 137, Customer Owned Solar Payment Option Cost Recovery Mechanism.

This accounting facilitates cost recovery authorized by the Commission in Order 10-198. PGE intends to recover Pilot costs from all applicable customer classes in the manner authorized by the Commission. Approval of the reauthorization application for the deferral is necessary since these incremental costs are not included in any other cost recovery mechanism.

PGE has filed and received reauthorization for this deferral, as shown in Table 1 below:

Table 1

Filing Date	Renewal Period	Order No.	Approval Date
5/06/2010	5/6/2010 – 5/5/2011	11-059	2/16/2011
4/28/2011	5/7/2011 – 5/6/2012	11-281	8/01/2011
5/04/2012	5/7/2012 – 5/6/2013	12-202	5/07/2012
5/02/2013	5/7/2013 – 5/6/2014	13-250	7/02/2013
4/28/2014	Supplemented	N/A	
7/08/2014	5/7/2014 – 5/6/2015	14-271	7/22/2014

II. OAR 860-027-0300 Requirement (3):

a. Description of Amounts

See deferral history above. The balancing account includes incremental costs consisting of volumetric incentive payments and/or retail bill offsets to participants, administrative costs associated with the PV VIR program operations, data collection, development costs for billing and website, customer surveys, and regulatory reporting requirements. Credits to the balancing account include: deposit forfeitures, interconnection application fees, customer charges, assignment fees, and the avoided energy value.

Amounts in the balancing account accrue interest at the Commission-authorized rate of return for deferred accounts.

b. Reasons for Deferral

PGE seeks reauthorization to defer incremental costs associated with this deferral pursuant to ORS 757.259(2)(e), OAR 860-027-0300, OAR 860-084-0060, OAR 860-084-0380 and 860-084-0390, and OPUC Orders No. 13-250 and 14-271. Without reauthorization this deferral will expire May 6, 2015. The reauthorization of this deferral is necessary because ORS 757.365, and UM-1452 require the Pilot, and continuation of this deferral will minimize the frequency of rate changes or fluctuations and match appropriately the costs borne by and benefits received by customers.

c. Proposed accounting

PGE proposes to record the deferred amount as a regulatory asset in FERC account 182.3, Other Regulatory Assets, with a credit to FERC account 407.4, Regulatory Credits. In the absence of a deferred accounting order from the Commission, PGE would continue to record costs associated with the Pilot to FERC Accounts 903 Customer Records and Collection Expenses and 908 Customer Assistance Expenses.

d. Estimate of Amounts

See II (a) above. The amounts to be deferred consist of incremental costs of the Pilot for (1) VIR payments to participants including any retail electricity service bill offset amounts, and (2) program costs incurred to implement and administer the requirements for the Pilot. For both cost categories, the amounts deferred depend upon actual participation levels and PV system sizes of participants in the Pilot.

PGE estimates incremental costs may range from \$6 to \$8 million for the deferral period, May 7, 2015 through May 6, 2016, consisting largely of VIR payments to participants as more systems are energized. In its 2013 regular session, the legislature enacted House Bill 2893, codified in ORS 757.365(12), adding an additional 2.5 MW capacity to the statewide program. In Docket UM 1673, 1.5 MW of that capacity was added to PGE's pilot program. An additional enrollment window was established for customers starting on April 1, 2014 to allocate the additional capacity. Another enrollment window started on May 1, 2015 to account for capacity dropouts from previous windows. More systems continue to come online and there is additional capacity to enroll customers' systems; therefore, the payment amounts in 2015 and 2016 are expected to increase.

e. Notice

A copy of the notice of application for reauthorization of deferred accounting treatment and a list of persons served with the notice are attached to the Application as Attachment A

(OAR 860-027-0300[6]).

III. OAR 860-027-0300 Requirement (4), Reauthorization:

a. Description of deferred account entries

See II a. and II c. above. The deferral balance through December 2014 is \$1,144,564.56. The systems currently online now generate less energy in the peak of the winter months. As more systems begin generating and more energy is produced in the summer months from these systems in 2015, the VIR payments will substantially increase offsetting the over collection.

b. The reason for continuing the deferred account

PGE seeks approval to continue to defer incremental costs associated with the Pilot not currently in rates. The granting of this reauthorization request will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers. This deferral should be continued and is necessary because ORS 757.365 requires the Pilot and the costs of both implementation and operation for the Pilot. Without reauthorization this deferral will expire on May 6, 2015.

IV. PGE contacts:

The authorized addresses to receive notices and communications in respect of this Application, are:

Jay Tinker
Rates & Regulatory Affairs
Portland General Electric,
1 WTC0702
121 SW Salmon Street
Portland, Oregon 97204
Phone: 503.464.7857
E-mail: pge.opuc.filings@pgn.com

Douglas C. Tingey
Associate General Counsel
Portland General Electric,
1 WTC1301
121 SW Salmon Street
Portland, Oregon 97204
Phone: 503.464.8926
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In addition to the names and addresses above the following are to receive notices and communications via the e-mail service list:

Karla Wenzel
Rates and Regulatory Affairs
Email: karla.wenzel@pgn.com

V. Summary of Filing Conditions¹:

Information related to future amortization is listed below:


- a. Earnings Review: Schedule 137 recovers costs associated with the Solar Payment Option Pilot not otherwise included in rates. The adjustment schedule is implemented as an “automatic adjustment clause” as provided for under ORS 469A, and defined in the Renewable Portfolio Standards, ORS 757.210, and an earnings review is not applicable to this deferral. See PGE Schedules 215, 216 and 217.
- b. Prudence: Not specifically required, but Staff may review deferred costs as appropriate.
- c. Sharing (Percent): Not applicable with an automatic adjustment clause.
- d. Spread/Rate Design: In Docket UE 237, Commission Staff and parties agreed that Schedule 137 costs be allocated to each schedule (all customer classes) based on an equal percent of generation revenue applied on a cents per kilowatt-hour basis.

¹ Per agreement with OPUC staff on January 24, 2012

VI. Conclusion.

For the reasons stated above, PGE requests permission to continue to defer expenses associated with the Solar Payment Option Pilot effective May 7, 2015, until May 6, 2016.

DATED May 5, 2015.



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UM 1482

Attachment A

**Notice of Application for Reauthorization to Defer Expenses
Associated with a Photovoltaic Volumetric Incentive Rate Pilot,
aka the Solar Payment Option Pilot**

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1482**

In the Matter of the Application of Portland
General Electric Company for an Order
Approving the Deferral of Expenses Associated
with a Photovoltaic Volumetric Incentive Rate
Pilot

**Notice Of Application for Reauthorization
To Defer Expenses Associated with a
Photovoltaic Volumetric Incentive Rate
Pilot aka the Solar Payment Option Pilot**

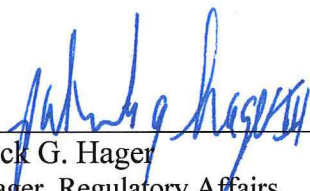
On May 5, 2015, Portland General Electric Company (“PGE”) filed an application with the Oregon Public Utility Commission (the “Commission”) for an Order authorizing deferral of certain expenses associated with a Photovoltaic Volumetric Incentive Rate Pilot, also known as PGE Solar Payment Option Pilot.

Approval of PGE’s Application will not authorize a change in PGE’s rates, but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding.

Persons who wish to obtain a copy of PGE’s application will be able to access it on the OPUC website.

Any person who wishes to submit written comments to the Commission on PGE’s application must do so no later than June 5, 2015.

DATED this 5th day of May, 2015.



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UM 1482
Attachment B

Solar Payment Option
Deferral Amounts and Program Cost


Electronic File

SPO Deferral	SPO 2010 Program Year	SPO 2011 Program Year	SPO 2012 PROGRAM YEAR	SPO 2013 Program Year	SPO 2014 Program Year	Balance To Date
Cost Categories	2010 Total	2011 Total	2012 Total	2013 Total	2014 Total	
Program Development	60,476.88	-	-	-	-	60,476.88
Program Administration	153,347.61	242,719.23	294,112.10	660,749.71	537,259.36	1,888,188.01
Incentives / Bill Credits	20,257.35	1,270,737.77	3,169,821.71	4,909,698.83	6,357,460.64	15,727,976.30
Interest	4,635.58	64,092.08	11,515.21	(3,450.22)	5,274.03	82,066.68
Metering	-	-	-	-	-	-
Cost Total	238,717.42	1,577,549.08	3,475,449.02	5,566,998.32	6,899,994.03	17,758,707.87
Credit Categories						
Deposit Forfeitures	1,383.20	3,968.40	6,973.55	88,220.80	-	100,545.95
Collection of Interconnection Application Fee	2,288.63	5,124.40	5,435.14	5,654.63	2,666.20	21,169.00
Customer Charges	966.67	26,947.76	56,642.29	107,601.14	141,014.69	333,172.55
One Time Assignment Fee	50.00	3,825.00	9,635.40	6,750.00	2,050.00	22,310.40
Avoided Energy Value	1,249.71	76,053.69	220,762.87	400,832.46	581,456.47	1,280,355.20
Amortization	-	-	4,808,006.23	4,997,431.92	5,051,152.06	14,856,590.21
Credit Total	5,938.21	115,919.25	5,107,455.48	5,606,490.95	5,778,339.42	16,614,143.31
Deferral Amount in GL	232,779.21	1,461,629.83	(1,632,006.46)	(39,492.63)	1,121,654.61	1,144,564.56

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the UM 1482 Notice Of Application for **Reauthorization To Defer Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot, aka PGE Solar Payment Option Pilot** to be served by electronic mail to those parties whose e-mail addresses appear on the attached service lists in UM 1482 and UE 294.

DATED at Portland, Oregon, this 5th day of May 2015.



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SERVICE LIST
OPUC DOCKET # UM 1482

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**SERVICE LIST
OPUC DOCKET #UE 294**

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