



**Portland General Electric Company**  
121 SW Salmon Street • 1WTC0306 • Portland, OR 97204  
portlandgeneral.com

April 12, 2021

***Via Electronic Filing***

Public Utility Commission of Oregon  
P.O. Box 1088  
Salem, OR 97308-1088

**Re: UM 2078 PGE's Application to Reauthorize Deferred Accounting of Costs  
Associated with the Residential Battery Energy Storage Pilot**

Dear Filing Center:

Attached for filing is Portland General Electric Company's Application to Reauthorize Deferred Accounting of Costs Associated with the Residential Battery Energy Storage Pilot.

A Notice regarding the filing of this application has been provided to the parties on the UM 2078 and UE 335 service lists.

Thank you for your assistance in this matter. If you have any questions or require further information, please call me at (503) 464-7488.

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

Sincerely,

*/s/ Jaki Ferchland*  
Jaki Ferchland  
Manager, Revenue Requirement

JF/np  
Enclosure.  
Cc: Service List: UE 335 and UM 2078

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 2078**

In the Matter of  
PORTLAND GENERAL ELECTRIC  
COMPANY  
Application for Reauthorization of Deferred  
Accounting of Costs Associated with the PGE  
Residential Battery Storage Pilot

**PORTLAND GENERAL ELECTRIC  
COMPANY'S REQUEST FOR  
DEFERRAL REAUTHORIZATION**

Pursuant to ORS 757.259 and OAR 860-027-0300, Portland General Electric Company (PGE) hereby respectfully requests reauthorization to defer for later rate-making treatment incremental operation and maintenance (O&M) costs associated with the Residential Battery Storage Pilot (Pilot) proposed by PGE and approved by the Public Utility of Commission of Oregon (Commission or OPUC) in Order No. 20-208. We request the deferral of O&M costs to be effective April 21, 2021 through April 20, 2022.

In support of this application (Application) PGE states:

1. PGE is a public utility in the state of Oregon and its rates, service and accounting practices are subject to the regulation of the Commission.
2. This Application is filed pursuant to ORS 757.259, which allows the Commission, upon application, to authorize deferral of certain items for later incorporation into rates.

3. Written communications regarding this Application should be addressed to:

Douglas C. Tingey  
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PGE-OPUC Filings  
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E-mail: [pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com)

In addition to the names and addresses above, the following are to receive notices and communications via the e-mail service list:

Jaki Ferchland  
E-mail: [Jacquelyn.Ferchland@pgn.com](mailto:Jacquelyn.Ferchland@pgn.com)

**I. OAR 860-027-0300(3) Requirements**

The following is provided pursuant to OAR 860-027-0300(3):

A. Background

In alignment with the State of Oregon's policy direction of decarbonization, PGE is pursuing efforts as a company to decarbonize its energy supply, increase electricity as a share of total energy use, and enhance operational performance and efficiency. PGE's filed Energy Storage Proposal not only complies with Oregon legislation, but also supports PGE's decarbonization, electrification, and performance imperatives.

In accordance with House Bill 2193, 2015 Regular Legislative Session, (HB 2193),<sup>1</sup> and Docket No. UM 1751, PGE filed its Energy Storage Proposal and Final Potential Evaluation<sup>2</sup> on November 1, 2017. PGE's energy storage proposal was evaluated in Docket No. UM 1856 and approved through Commission Order No. 18-290, subject to conditions.<sup>3</sup>

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<sup>1</sup> 2015 Oregon Laws Chapter 312.

<sup>2</sup> PGE proposed to develop five energy storage pilots: Mid-feeder (Baldock); Coffee Creek Substation; Generation Kick Start (Port Westward 2); Customer and Community Microgrid Resiliency Project; and Residential Battery Energy Storage.

<sup>3</sup> See Commission Order No. 18-290, Appendix A, at <https://apps.puc.state.or.us/orders/2018ords/18-290.pdf> for a listing of the stipulated conditions PGE must meet.

Pursuant to Commission Order No. 18-290, PGE filed an addendum to the energy storage proposal on January 25, 2019. After subsequent discussions with OPUC Staff, PGE submitted its final Residential Energy Storage proposal on March 12, 2020.<sup>4</sup> PGE submitted operational tariff Schedule 14 and received Commission approval on June 30, 2020, with an effective date of August 1, 2020.

The objective of this five-year Pilot is to install and connect 525 residential energy storage batteries, behind the meter, that will contribute up to 4 MWs of energy to PGE. Once installed, these distributed assets will create a virtual power plant of small units, 5 kW – 10 KW per unit. PGE will operate these battery units either individually or in aggregate to provide grid services and thereby add flexibility in support of PGE’s transition to a cleaner energy future. In an outage event, the batteries will island from the grid and provide energy for the customer, furthering the customers’ resiliency.

Since approval of the Pilot, PGE has undertaken numerous activities both internally and with external partners/vendors to enable the integration and dispatch of residential batteries.

These activities and associated costs include:

- software subscription and customization to enable battery dispatch;
- operationalizing the partnership between PGE and the Energy Trust to utilize the existing solar trade ally networks, and rebate processing capabilities, and;
- updates to internal PGE billing and net metering application systems.

The company conducted a soft launch in September of 2020, inviting pre-qualified customers to enroll their existing batteries into the Pilot and begin receiving bill credits. The soft launch allowed us to perform safety verifications on existing devices to ensure participants meet

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<sup>4</sup> See PGE’s proposed Residential Battery Storage Pilot at: <https://edocs.puc.state.or.us/efdocs/HAD/um1856had151844.pdf>

code requirements. First year efforts have resulted in 39 currently enrolled customers, with an additional 25 customers interested in enrolling once their battery installation is completed. Currently enrolled customers have been receiving monthly bill rewards for their participation, however, no upfront rebates for Test Bed or income qualified participants have been paid to date.

In the coming year, PGE will continue to grow the Pilot to increase participation as well as the capacity to test grid services and model the flexible load value of distributed residential batteries. The team is preparing an experimental dispatch plan that will guide the research to conduct discrete exercises to generate data that will be used for the eventual measurement and verification.

In accordance with Commission Order No. 18-290, no administrative or evaluation costs associated with the entire portfolio of battery storage projects are requested for deferral.

B. Reasons for Deferral

Pursuant to ORS 757.259(2)(e), and for the reasons discussed above, PGE seeks deferred accounting treatment for the Residential Battery Energy Storage Pilot. The granting of this Application will minimize the frequency of rate changes and/or match appropriately the costs borne by and benefits received by customers.

C. Proposed Accounting for Recording Amounts Deferred.

PGE proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets) and credit the appropriate FERC expense accounts. When specific identification of the particular source of the regulatory asset cannot be reasonably made, then FERC account 407.4 (Regulatory Credits) will be credited. In the absence of a deferred accounting order, the costs would be debited to the appropriate cost accounts.

D. Estimate of Amounts to be Recorded for the Next 12 months.

As shown in Table 1, below, PGE estimates total deferrable costs to be approximately \$3.1 million over the Pilot's five-year period. The estimated cost for 2021 is \$860,000.

**Table 1**  
**Residential Battery Energy Storage Pilot Cost Summary**

Category	Total \$	2020 (Actual)	2021 (Forecast)	2022 (Forecast)	2023 (Forecast)	2024 (Forecast)	2025 (Forecast)
<b>O&amp;M Costs</b>							
Incentives Paid	\$1,520,333	\$1,330	\$425,402	\$342,664	\$336,172	\$275,597	\$139,168
Program Cost	\$870,004	\$16,415	\$280,068	\$285,552	\$195,009	\$92,959	\$46,942
Aggregation and Dispatch	\$689,932	\$0	\$154,600	\$167,451	\$182,112	\$185,769	\$93,808
<b>Total Costs</b>	<b>\$3,080,268</b>	<b>\$17,745</b>	<b>\$860,071</b>	<b>\$795,667</b>	<b>\$713,293</b>	<b>\$554,325</b>	<b>\$279,917</b>

E. Notice

A copy of the notice of application for deferred accounting treatment and a list of persons served with Notice are attached to the application as Attachment A. In compliance with the provisions of 860-027-0300(6), PGE is serving Notice of Application on the service lists of Docket Nos. UM 2078 (Residential Energy Storage Pilot) and UE 335 (2019 General Rate Case).

**II. Summary of Filing Conditions**

A. Earnings Review

Cost recovery associated with the Pilot will be subject to an earnings review in accordance with ORS 757.259(5).

B. Prudence Review

A prudence review should be performed by the Commission Staff as part of PGE's amortization filing.

C. Sharing

All prudently incurred cost will be collected from customers with no sharing mechanism.

D. Rate Spread/Rate Design

Applicable costs will be allocated to each schedule using the applicable schedule's forecasted energy on the basis of an equal percent of revenue applied on a cents-per-kWh basis.

E. Three percent test (ORS 757.259(6))

The amortization of the Pilot's deferred costs will be subject to the three percent test in accordance with the ORS 757.259(7) and (8), which limits aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year.

**III. Conclusion**

For the reasons stated above, PGE requests continued permission to defer the O&M costs associated with the Residential Battery Energy Storage Pilot.

DATED this day April 12, 2021.

Respectfully Submitted,

*/s/ Jaki Ferchland*

Jaki Ferchland,  
Manager, Revenue Requirement  
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121 SW Salmon St., 1WTC 0306  
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## **Attachment A**

### **Notice of Application to Reauthorize Deferred Accounting of Costs Associated with the Residential Battery Energy Storage Pilot**



**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 2078**

In the Matter of  
PORTLAND GENERAL ELECTRIC  
COMPANY  
Application for Reauthorization of Deferred  
Accounting of Costs Associated with the PGE  
Residential Battery Storage Pilot

**NOTICE OF PORTLAND GENERAL  
ELECTRIC COMPANY'S REQUEST  
FOR DEFERRAL  
REAUTHORIZATION**

On April 12, 2021, Portland General Electric Company (PGE) filed an application with the Public Utility Commission of Oregon (the Commission or OPUC) for an Order reauthorizing deferral of operation and maintenance costs associated with the Residential Battery Storage Pilot.

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 May 12, 2021.

Dated this April 12, 2021.

*/s/Jaki Ferchland*

**Jaki Ferchland**  
Manager, Revenue Requirement  
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121 SW Salmon St, 1WTC0306  
Portland, OR 97204  
Telephone: 503.464.7488  
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## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused the **Notice of Application to Reauthorize Deferred Accounting of Costs Associated with the Residential Battery Energy Storage Pilot** to be served by electronic mail to those parties whose email addresses appear on the attached service list for OPUC Dockets UE 335 and UM 2078.

Dated at Portland, Oregon, this 12<sup>st</sup> day of April 2021.

*/s/ Jaki Ferchland*

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