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Douglas C. Tingey
Associate General Counsel

May 19, 2020

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, OR 97308-1088

**Re: UE 370 – PORTLAND GENERAL ELECTRIC COMPANY, Renewable Resource Automatic Adjustment Clause (Schedule 122) (Wheatridge Renewable Energy Farm); and
UE 372 – PORTLAND GENERAL ELECTRIC COMPANY, Renewable Resource Automatic Adjustment Clause (Schedule 122) (BPSC Energy Storage Microgrid and ARC Energy Storage)
Consolidated**

Dear Filing Center:

On behalf of Portland General Electric Company, Staff of the Public Utility Commission of Oregon, Oregon Citizens' Utility Board, and Alliance of Western Energy Consumers, enclosed for electronic filing today in the above-captioned dockets are the following:

- Motion to Admit Stipulation
- Stipulation
- Joint Testimony in Support of the First Partial Stipulation
- Declaration of Greg Batzler

Thank you for your assistance. If you have any questions, please do not hesitate to call me.

Sincerely,

/s/ Douglas C. Tingey

Douglas C. Tingey
Associate General Counsel

DT:hp
Enclosures

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 370, UE 372

In the Matters of

PORTLAND GENERAL ELECTRIC
COMPANY,

Renewable Resource Automatic Adjustment
Clause (Schedule 122) (Wheatridge
Renewable Energy Farm) (UE 370), and

Renewable Resource Automatic Adjustment
Clause (Schedule 122) (BPSC Energy Storage
Microgrid and ARC Energy Storage)
(UE 372).

STIPULATION

This Stipulation (“Stipulation”) is among Portland General Electric Company (“PGE”), Staff of the Public Utility Commission of Oregon (“Staff”), Alliance of Western Energy Consumers (“AWEC”), and Oregon Citizens' Utility Board (“CUB”) (collectively, the “Stipulating Parties”). There are no other parties in this docket.

I. INTRODUCTION

In accordance with its tariff Schedule 122, PGE filed its renewable resources automatic adjustment clause tariff in this docket on December 3, 2019, for inclusion of costs and benefits from the Wheatridge Renewable Energy Farm. That filing was opened as Docket No. UE 370 (UE 370). On December 10, 2019, PGE made a similar filing for the costs and benefits of the Beaverton Public Safety Center (BPSC) and Anderson Readiness Center (ARC) energy storage microgrid projects. That filing was opened as Docket No. UE 372 (UE 372). Included with each

filing were PGE's testimony and exhibits. On January 17, 2020, dockets UE 370 and UE 372 were consolidated.

The Parties subsequently reviewed PGE's filings and work papers, and asked numerous data requests. Staff, CUB, and AWEC filed opening testimony on March 30, 2020. On April 24, 2020, PGE filed reply testimony. The Stipulating Parties held settlement conferences on April 9, May 1, and May 6, 2020. As a result of those discussions, the Stipulating Parties have reached agreement settling the majority of issues in this docket as set forth below. The Stipulating Parties request that the Commission issue an order adopting this Stipulation.

II. TERMS OF STIPULATION

1. This Stipulation settles all issues in this docket except those identified below as not settled.

2. Energy Storage Microgrids. PGE will withdraw its energy storage microgrid request under Schedule 122 in this docket. The Stipulating Parties agree not to oppose a proposed recovery mechanism for energy storage microgrids in a new proceeding, which will include litigating substantive issues. The cost recovery mechanism will include the use of a new automatic adjustment clause (AAC), restricted to proposed cost recovery of investments made in compliance with House Bill 2193, and approved by the Commission in Docket No. UM 1856.

3. "Holdback" amount and estimated \$1 million for trailing PGE-incurred costs.

The Stipulating Parties agree that:

a. PGE will file a RAC Update to incorporate actual amounts less any amounts incorporated within initial UE 370 Schedule 122 prices.

b. The update to Schedule 122 rates will include the following:

o The actual amount of each "holdback" amount paid by date,

- The amount of the approximate \$15 million “holdback,” if any, incorporated into prior Schedule 122 rates,
- The capitalized amount of actual trailing PGE costs not incorporated into prior Schedule 122 rates,
- An update to rate base and depreciation expense, and
- An update to revenue requirement associated with the updates of rate base and depreciation expense amounts.

c. PGE will also provide, no less than two business days prior to the rate-effective date of the Update, an attestation from PGE’s CEO, CFO, or Officer responsible for oversight of the Wheatridge project that PGE has paid “holdback” amount(s) specified in the Update and incurred the capitalized amount of trailing costs specified in the Update.

4. Wheatridge Rate Base. PGE will reduce rate base by \$7 million for purposes of calculating rates in this docket only. The Stipulating Parties agree they are free to raise issues related to PGE's production tax credit (PTC) carryforwards in future proceedings.

5. Depreciation. The Stipulating Parties agree that PGE will calculate depreciation based on depreciation parameters and parameter values consistent with Commission Order No. 17-365. This includes use of appropriate accounts, appropriate Average Service Life (ASL) procedure results, and use of appropriate Net Plant parameter values. The Stipulating Parties agree to work in good faith to agree on these parameters. PGE may adjust the depreciation values for Wheatridge pursuant to a future depreciation study.

6. O&M Costs. The Stipulating Parties agree that:
 - a. Wheatridge's production O&M forecast will be reduced \$200,000 for purposes of calculating rates in this docket only.
 - b. Wheatridge station service costs will remain in production O&M. If appropriate, PGE may, through a general rate case proceeding, move the budget for these costs from Production O&M to net variable power costs.
 - c. The start-up costs related to O&M services agreement will be moved to a regulatory asset included in rate base and amortized over 30 years.
7. Revenue Sensitive Amounts. PGE will remove duplicated revenue-sensitive amounts included in the PGE Advice No. 19-34 pricing work paper used to set the Schedule 122 price by rate schedule and incorporate the removal in a filing to update the revenue requirement in this proceeding.
8. Officer Attestation and Re-Filing Requirement.
 - a. PGE will provide an Officer attestation that the project is in-service at least two business days prior to the rate-effective date.
 - b. In the event that the Wheatridge project is not online as of December 31, 2020, PGE will re-file for rate recovery of Wheatridge costs. The Stipulating Parties agree to engage in an expedited review process, if appropriate.
9. Schedule 122 Tariff Changes. PGE, Staff, and interested Stipulating Parties agree to work to resolve issues regarding Schedule 122 language revisions.
10. Unresolved Issues. The following issues are not resolved by this Stipulation:
 - a. PGE's REC Monetization proposal.
 - b. The inclusion of customer benefits in rates in this case.

c. AWEC's issues regarding project selection as discussed in AWEC Exhibit 100.

11. The Stipulating Parties recommend and request that the Commission approve this Stipulation as an appropriate and reasonable resolution of the issues covered by this Stipulation.

12. The Stipulating Parties agree that this Stipulation represents a compromise in the positions of the Stipulating Parties. Without the written consent of all Stipulating Parties, evidence of conduct or statements, including but not limited to term sheets or other documents created solely for use in settlement conferences in this docket, are confidential and not admissible in the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.

13. The Stipulating Parties have negotiated this Stipulation as an integrated document. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order that is not consistent with this Stipulation, each Stipulating Party reserves its right: (i) to withdraw from the Stipulation, upon written notice to the Commission and the other Stipulating Parties within five (5) business days of service of the final order that rejects this Stipulation, in whole or material part, or adds such material condition; (ii) pursuant to OAR 860-001-0350(9), to present evidence and argument on the record in support of the Stipulation, including the right to cross-examine witnesses, introduce evidence as deemed appropriate to respond fully to issues presented, and raise issues that are incorporated in the settlements embodied in this Stipulation; and (iii) pursuant to ORS 756.561 and OAR 860-001-0720, to seek rehearing or reconsideration, or pursuant to ORS 756.610 to appeal the Commission order. Nothing in this paragraph provides any Party the right to withdraw from this

Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.

14. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The Stipulating Parties agree to support this Stipulation throughout this proceeding and in any appeal, provide witnesses to support this Stipulation (if specifically required by the Commission), and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Stipulation, no Stipulating Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Stipulating Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Stipulating Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.

15. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement. The Parties further agree that any electronically-generated Party signatures are valid and binding to the same extent as an original signature.

DATED this 19th day of May, 2020.

**PORTLAND GENERAL ELECTRIC
COMPANY**

By: /s/ Douglas C. Tingey
Douglas C. Tingey

**OREGON CITIZENS' UTILITY
BOARD**

By: _____
Michael Goetz

**STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON**

By: _____
Sommer Moser

**ALLIANCE OF WESTERN ENERGY
CONSUMERS**

By: _____
Tyler Pepple

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By: /s/ Tyler C. Pepple
Tyler Pepple

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**OREGON CITIZENS' UTILITY
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