

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 28, 2023**

REGULAR **CONSENT** **EFFECTIVE DATE** January 1, 2024

DATE: December 15, 2023

TO: Public Utility Commission

FROM: Anna Kim

THROUGH: Bryan Conway and Marc Hellman **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1575/Advice No. 23-38)
Updates Schedules 26 consistent with final net variable power costs.

STAFF RECOMMENDATION:

Staff recommends the Oregon Public Utility Commission (Commission) approve the filing submitted by Portland General Electric (PGE) and allow the tariff sheets filed in Advice No. 23-38 to go into effect for service rendered on and after January 1, 2024.

DISCUSSION:

Issue

Whether the Commission should approve PGE's filing implementing changes to its rates effective January 1, 2024.

Applicable Law

Under ORS 757.205(1):

Every public utility shall file with the Public Utility Commission, within a time to be fixed by the commission, schedules which shall be open to public inspection, showing all rates, tolls and charges which it has established and which are in force at the time for any service performed by it within the state, or for any service in connection therewith or performed by any public utility controlled or operated by it.

The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable. ORS 757.210. Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0025. OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

Filings that propose any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the change. ORS 757.220; OAR 860-022-0015. Tariff filings to be effective on less than 30 days following notice of the change may be authorized with a waiver of less than statutory notice pursuant to ORS 757.220 and OAR 860-022-0020.

OAR 860-022-0030(1) further requires that for tariff or schedule filings proposing increased rates, the utility must for each separate schedule, identify the total number of customers affected, the total annual revenue derived under the existing schedule, and the amount of estimated revenue which will be derived from applying the proposed schedule, the average monthly use and resulting bills under both the existing rates and the proposed rates that will fairly represent the application of the proposed tariff or schedules, and the reasons or grounds relied upon in support of the proposed increase.

Analysis

Advice No. 23-38 updates Schedule 26 (Nonresidential Demand Response Pilot Program). Advice No. 23-38 updates a single sheet, Sheet No. 26-8. Schedule 26 energy prices are updated based on the 2024 forward market prices contained in the final UE 416 net variable power cost (NVPC) update.

On February 15, 2023, PGE filed its 2024 NVPC projection as part of the UE 416 Request for a General Rate Revision and 2024 Annual Power Cost Update. NVPC include wholesale power purchases and sales, fuel costs, and other costs that generally change as power output changes. This update process includes four periodic updates to forecasted NVPC for the following year with revisions to load forecasts, price forecasts, and contracts as they are realized. Each change in parameters produces a revised net variable power cost by updating the MONET dispatch tool and running the model again for the test year.

On November 15, 2023, PGE performed the final update of its 2024 NVPC forecast. This update included 2024 electric forward prices. Based on the final update, the Company's updated prices are presented in the following table:

Table 1: Monthly energy prices per MWh used to calculate payment for Schedule 26

	Jan	Feb	Jun	Jul	Aug	Sep	Nov	Dec
2023	\$122.50	\$105.00	\$62.50	\$175.20	\$228.40	\$186.80	\$97.40	\$111.20
2024	\$135.20	\$115.10	\$67.20	\$141.80	\$200.60	\$150.00	\$94.98	\$129.20
Change	\$12.70	\$10.10	\$4.70	(\$33.40)	(\$27.80)	(\$36.80)	(\$2.42)	\$18.00

The Company notes that these changes result in higher prices in some months and lower prices in other months but will have an overall de minimis impact on Company revenues. The program impacts approximately 85 customers.¹

Staff compared the tariff revision to the compliance filing in UE 416. Based on Staff's analysis of PGE's advice filing and associated workpapers, Staff finds the filed rates to be accurate and consistent with applicable law. Staff further finds that the revised tariff sheet is correct and that the Company's filing results in rates that are fair, just, and reasonable.

Conclusion

Based on the review of PGE's application, Staff concludes that the proposed revisions and result in rates that are fair, just, and reasonable.

PROPOSED COMMISSION MOTION:

Approve the filing submitted by PGE and allow the tariff sheets filed in Advice No. 23-38 to go into effect with service provided on and after January 1, 2024.

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¹ Advice No. 23-38, p. 1.