

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 11, 2021**

REGULAR CONSENT EFFECTIVE DATE Upon Approval

DATE: February 1, 2021

TO: Public Utility Commission

FROM: Scott Gibbens

THROUGH: Bryan Conway and Caroline Moore **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 1953)
PGE's Green Energy Affinity Rider, Schedule 55, Phase 1, CSO Option,
rate and credit calculation for new customer.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric's (PGE) rate and credit calculations related to its Phase 1, Customer Supply Option (CSO) offering and find that it is in compliance with Order No. 19-075 and PGE's Schedule 55.

DISCUSSION:

Issue

Whether the Public Utility Commission of Oregon (OPUC or Commission) should approve the rate and credit calculations for the Green Energy Affinity Rider (GEAR) Phase 1, CSO customer tranche.

Applicable Rule or Law

ORS 757.205 requires that every public utility file with the Commission all rates, tolls, and charges which are established and in force for any service performed by it within the state. All rules and regulations that affect rates charged or to be charged must also be filed.

Analysis

Background

On April 13, 2018, the Company filed a proposal for its GEAR program, a voluntary renewable energy tariff (VRET), which the Commission subsequently docketed as OPUC Docket No. UM 1953. The Commission approved Phase 1 of PGE's proposed GEAR program in Order No. 19-075, subject to certain conditions. As part of those conditions, PGE implemented Phase 1 with a limited scope, including separate program caps for the PGE supplied option (PSO) and the customer supplied option (CSO). Phase 1 includes a 100 MW cap for the PSO, available to any non-residential customer whose aggregate demand across all retail schedules exceeds 30 kW. It also includes a 200 MW cap for the CSO for customers with demand in excess of 10 aMW. For the CSO, customers would approach PGE with a potential PPA and PGE, the customer, and the project owner would work to come to terms on a contract.

The Commission also approved Schedule 55, a tariff that describes the rates and rules that apply to subscribing customers. PGE's GEAR program is voluntary, with risks and costs of the program paid for by subscribers, who also continue to pay all other applicable rates and supplemental schedules. Therefore, under the terms of the tariff, subscribers receive a credit for the value of incremental energy and capacity provided to PGE's system by the PPA from other cost of service (COS) customers. Any PPA cost above the energy and capacity value credited to the subscribers is to be borne by the subscribers.

Schedule 55 sets forth the formula used to determine rates for subscribers, and, when the Company enters into a contract with participants in the GEAR, PGE must file the specific rate and credit calculations for review with the Commission. Upon review, Staff makes a recommendation to the Commission at a public meeting regarding compliance with the Company's Schedule 55 and Order No. 19-075.

This memo provides Staff's recommendation on PGE's January 22, 2021, compliance filing of rates and customer agreement for the remainder of the cap space under Phase 1 of the program.

Initial GEAR Offering

In total, Phase 1 of the GEAR program allowed 300 MW of participation. PGE opened the program to subscribers on May 31, 2019. This offering resulted in 160 MW of demand from customers. Following further clarification from the Commission regarding the differences between the PSO and CSO, 160 MW was allocated under the PSO and 140 MW capacity remained available, reserved for participants in the CSO.

The Commission approved the rates associated with the 160 MW initial PSO offering in Order No. 20-036.

On January 22, 2021, PGE submitted a compliance filing for the contract executed for the remaining 140 MW of CSO available in Phase 1. As Staff discusses later in this memo, PGE has relied on the same methodology and customer agreement for this compliance filing as was approved in Commission Order No. 20-036.

Effect on Non-Participating Cost-of-Service Customers

PGE's GEAR program is structured to only have a direct rate effect on those customers who choose to subscribe. As such, the only impact the Commission's approval will have are on the GEAR subscribers.

Rate Calculation

Staff has reviewed the credit methodology and rate calculation and finds it to be in compliance with the Commission-approved methodology as set forth in PGE's Schedule 55, implementing Order No. 19-075. PGE utilized the proper IRP valuation methodology and has provided reasonable estimates of administrative costs. Staff notes that PGE ultimately decided to split the start-up costs built into the administration fee among all subscribers, because PGE has not yet begun charging any customers under the Schedule. In speaking to PGE, the Company stated that they felt this was the fairest way to divide the costs because all customers subscribing under the first phase had an equal burden on PGE's cost to implement the program. Staff agrees with PGE's reasoning and methodology, which results in a slight decrease in rates to the customers who have already signed up for the program.

Customer Agreement

Staff has reviewed the customer agreement and finds it to be in compliance with the Company's Schedule 55 and Order No. 19-075. Further, the customer agreement matches, to the extent practicable, the customer agreements utilized in PGE's initial offering already approved by the Commission.

Conclusion

Staff recommends that the Commission approve the rates and credit calculation provided in compliance with PGE's Schedule 55 tariff.

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PROPOSED COMMISSION MOTION:

Approve Portland General Electric's rate and credit calculations related to its Phase 1, Customer Supply Option offering and find that it is in compliance with Order No. 19-075 and the Company's Schedule 55.

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