

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1854

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

Application to Lower the Standard Price and
Standard Contract Eligibility Cap for Solar
Qualifying Facilities.

**EXPLANATORY BRIEF IN SUPPORT
OF SETTLEMENT STIPULATION**

Portland General Electric Company (“PGE”) respectfully submits this brief in support of the Settlement Stipulation filed in this docket on October 19, 2018. The Settlement Stipulation was signed by PGE, the Staff of the Public Utility Commission of Oregon, Northwest and Intermountain Power Producers Coalition, Renewable Energy Coalition, Community Renewable Energy Association, Renewable Northwest, and Obsidian Renewables (collectively the “Settlement Parties”). PGE has consulted with representatives of each of the Settlement Parties regarding this brief and each of the Settlement Parties supports this brief.

I. BACKGROUND

PGE initiated Docket No. UM 1854 by filing an application on June 20, 2017, in which PGE asked the Public Utility Commission of Oregon (“Commission”): (A) to lower from 10 megawatts (“MW”) to 3 MW the eligibility cap for a solar qualifying facility (“QF”) to obtain standard avoided cost prices (“standard prices”) from PGE; and (B) to declare that a solar QF project with capacity above 100 kilowatts is not eligible for a standard contract or standard prices from PGE if any owner of the solar QF project has requested or obtained standard prices from PGE for more than 10 MW of solar QF capacity. In the alternative, PGE asked the Commission

to lower to 2 MW the eligibility cap for a solar QF project to obtain standard prices from PGE. PGE asked the Commission to grant these forms of relief on a permanent basis.

At the same time that PGE applied for permanent relief, PGE filed a motion for interim relief asking the Commission to immediately and temporarily approve the forms of relief requested in the application for permanent relief. On August 18, 2017, in Order No. 17-310, the Commission granted interim relief by lowering the eligibility cap for standard prices for solar QF projects from 10 MW to 3 MW effective July 14, 2017. As part of Order No. 17-310, the Commission also ordered PGE to file a monthly report regarding the contracting process with solar QFs.

The Commission is now considering PGE's request for permanent relief including its request for a 10 MW aggregate eligibility cap or a 2 MW eligibility cap. Pursuant to Administrative Law Judge Michael Grant's Ruling of January 18, 2018, regarding the schedule in this proceeding, a settlement conference on the issues raised in this proceeding was held on the February 1, 2018, and an additional settlement conference was held on February 15, 2018. The settlement conferences were open to all parties.

II. THE SETTLEMENT STIPULATION

As a result of the settlement conferences, the Settlement Parties have reached an agreement to resolve all matters raised by PGE's application. Specifically, the Settlement Parties propose that the temporary relief granted by Order No. 17-310 become permanent such that the eligibility cap for solar QFs to obtain PGE's standard prices is reduced permanently from 10 MW to 3 MW. The result of this permanent relief would be: (A) solar QF projects with nameplate capacity of 3 MW or less would remain eligible for PGE's standard contract at PGE's standard prices; (B) solar QF projects with capacity above 3 MW but not exceeding 10 MW

would be eligible for PGE's standard contract but would not be eligible for PGE's standard prices and would need to negotiate the prices to be paid under the contract; and (C) solar QF projects with capacity above 10 MW would not be eligible for either PGE's standard contract or PGE's standard prices.

The Settlement Parties also agreed that PGE should be required to submit work papers as part of its May 1 annual avoided cost price updates and that PGE should continue to make compliance filings as required by Order No. 17-310 (monthly reports regarding the contracting process with solar QFs) for 12 months following the effective date of any Commission Order approving the Settlement Stipulation.

As part of the Settlement Stipulation, the Settlement Parties have agreed to a series of revisions to PGE's Schedule 201 and to PGE's standard contract forms. These agreed revisions are intended to implement a change in the solar QF eligibility cap for PGE standard prices from 10 MW to 3 MW. The Settlement Parties believe these changes to PGE's Schedule 201 and standard contract forms are in the nature of a compliance filing to implement both the temporary change in eligibility approved by Order No. 17-310 and the permanent change in eligibility proposed in the Settlement Stipulation. The Settlement Parties believe the proposed terms of settlement are a fair, just, and reasonable compromise; that they make permanent the eligibility cap relief which the Commission has already approved on a temporary basis in Order No. 17-310; and that they bring the solar QF eligibility cap for PGE's standard prices into alignment with the solar QF eligibility cap applicable to standard prices offered by PacifiCorp and Idaho Power Company.

The Settlement Stipulation does not address all of the Settlement Parties' concerns with the Commission's implementation of the Public Utility Regulatory Policies Act ("PURPA"). In

agreeing to the Settlement Stipulation, each Settlement Party has reserved its right to initiate or respond to any future application, petition or complaint related to PGE's or any other Oregon utility's standard avoided cost rates, standard power purchase agreements, negotiated power purchase agreements, rate schedules, negotiated avoided cost rates, or any other matter related to the Commission's implementation of, or PGE's actions related to, PURPA or ORS 758.505 through ORS 758.555.

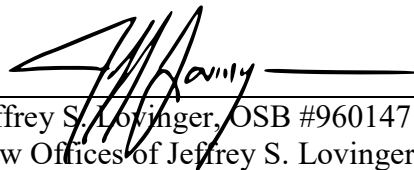
In the event any party to Docket No. UM 1854 files any comments or testimony in opposition to the Settlement Stipulation, PGE (and the Settlement Parties generally) reserve its (their) right to file additional comments or to file pre-filed testimony in support of the Settlement Stipulation. For the reasons discussed above and in the Settlement Stipulation, PGE (on behalf of all of the Settlement Parties) respectfully requests that the Commission approve the Settlement Stipulation.

DATED this 21st day of November, 2018.

Respectfully submitted,



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