

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1953

In the Matter of)	
)	
PORTLAND GENERAL ELECTRIC COMPANY)	CLOSING BRIEF OF NORTHWEST & INTERMOUNTAIN POWER PRODUCERS COALITION
)	
Investigation into Proposed Green Tariff)	
_____)	

Pursuant to the procedural schedule adopted by the Commission in this Docket, the Northwest and Intermountain Power Producers Coalition (“**NIPPC**”) submits its closing brief on Portland General Electric Company’s (“**PGE**”)’s proposed filing of a Voluntary Renewable Energy Tariff (“**VRET**”). As set out in its opening brief, NIPPC supports approval of PGE’s proposed VRET, subject to specific conditions that are required by applicable law and policy and will maximize opportunities for customer choice and cost-effective decarbonization of the electric grid. In this closing brief, NIPPC provides a limited response to certain issues raised in the opening briefs filed by PGE and Staff, and clarifies its position with respect to the interplay between any capacity and energy credits approved for a VRET and transition charges applicable to long-term direct access, given the recent Direct Access Stipulation approved by the Commission in PGE’s rate case proceeding at Docket UE 335.¹

1. PGE’s designation of its program as a “Pilot” does not change the applicability of the nine conditions.

As described in opening briefs filed by multiple parties, the Commission expressly conditioned approval of a VRET program on the utility meeting nine specific conditions, including as condition No. 6 the requirement that VRET terms and conditions must “mirror” those of a utility’s direct access program:

VRET terms and conditions (including the timing and frequency of VRET offerings), as well as transition costs, *must mirror those for direct access*. PGE and PacifiCorp may propose VRET terms and

¹ Order No. 18-464 (December 14, 2018).

conditions that differ from current direct access provisions but *must propose changes to their respective direct access programs to match those changes.*²

As noted in PGE’s Opening Brief, PGE modified its originally-filed proposal to request the Commission consider its VRET application in phases, and expressly *withdrew* its request in this initial phase that the Commission address whether the nine conditions should remain applicable.³ Yet, despite asking the Commission *not* to consider any change to the applicability of the nine conditions as requirements for a VRET, PGE acts as if calling its program a “small pilot”⁴ somehow means that the conditions may be ignored.

PGE is not proposing a minor, small program that may be applicable to a single user. PGE is proposing a program with a 300 MW cap,⁵ essentially equal in size to its existing direct access program cap that PGE frequently laments as being too large, and about twice the size of the cap applicable to the recently-approved New Large Load Direct Access.⁶ PGE has vociferously argued in various proceedings that a 300 MW cap on its direct access program is quite significant.⁷ PGE’s apparent suggestion that a program with this same, very significant cap is somehow just a “small pilot,” such that it should be free to ignore the Commission’s express VRET conditions, cannot be countenanced. A program of this size must have the protections that the Commission determined appropriate for a VRET. Whether PGE could demonstrate that some or all of the “nine conditions” should no longer be applicable to a VRET in some future phase of the proceeding is irrelevant – PGE has not made such a showing, and has asked the Commission not to consider that issue. Simply referring to its program as a “small pilot” does not change this fact. In keeping with the nine requirements, the Commission must condition approval of any PGE VRET proposal on the requirement that PGE modifying terms and

² Order 15-405 at 2 (emphasis supplied); Staff/100, Kauffman/13, lns 14-19.

³ PGE Opening Brief at 4.

⁴ PGE Opening Brief at 6.

⁵ PGE has proposed a cap of 100 MW (nameplate) capacity for its own procurement and 200 MW (nameplate) for larger customers proposing to bring their own PPA procurement method, subject to PGE retaining final approval over terms and conditions, for a total of 300 MW for the pilot. PGE/400, Sims-Tinker p. 5.

⁶ See Order No. 18-341 at 7 and Ordering Paragraph 2.

⁷ See, e.g., OPUC Docket UE 335, Opening Brief of Portland General Electric Company Regarding Direct Access Issues, October 19, 2018.

conditions for its various direct access programs to be comparable, including the timing and frequency of offerings and eligibility thresholds.

2. The Commission must address the comparability of capacity and energy credits between the VRET and Direct Access programs.

As addressed in NIPPC's opening brief, and as recommend by Staff,⁸ the calculation of capacity and energy credits used for PGE's VRET program must be consistent with the calculation of the value brought to PGE's system from capacity and energy included in direct access transition charges. PGE has indicated that, should the Commission require it to treat customers electing service from the competitive marketplace in a similar manner with respect to a capacity credit, it would prefer to withdraw its proposal to offer a capacity credit at all.⁹ Therefore, the Commission must address the applicability of comparable capacity credits at this juncture. However, NIPPC clarifies its position in light of the Commission's December 14, 2018 Order at Docket UE 335¹⁰ approving a Direct Access Stipulation that included maintaining the existing five-year transition charge mechanism for parties electing long-term direct access. Given this recent Commission approval, NIPPC agrees with Calpine that it would be "reasonable at this time to maintain the current transition adjustment calculation for direct access service, which does not include a capacity credit offset" pending PGE's next general rate case.¹¹ This clarification is limited to the transition adjustment calculation, and does not change the requirement that the Commission must condition any approval of PGE's VRET on PGE modifying the other terms and conditions of its various direct access programs to have similar terms and conditions as a the VRET, including eligibility threshold and timing and frequency of offerings.¹² Therefore, as a condition to approval of a VRET, PGE should be directed to

⁸ See Staff/200 Gibbens/16, Ins 11-12.

⁹ UM 1953, PGE/400 Sims-Tinker/19, Ins 6-8 (specifying that PGE would choose to withdraw the capacity credit in the green tariff product rather than direct that it provide a capacity credit to ESS long term or new load direct access customers).

¹⁰ Order No. 18-464 (December 14, 2018).

¹¹ See Calpine Solutions/100, Higgins p. 4.

¹² NIPPC believes that Staff's Initial Brief unintentionally mischaracterizes Calpine's position to the extent it suggests that all "necessary adjustments to PGE's direct access program could be addressed in the Company's next general case." Staff Initial Brief at 11, citing Calpine Solutions/100, Higgins p. 4. Calpine's comments in the cited reference were limited to application of the capacity credit, and did not extend to other terms and conditions of direct access service.

immediately prepare a new Advice Filing that revises its direct access tariffs to be consistent with all other relevant terms and conditions in the VRET.

3. Conclusion

NIPPC supports approval of PGE's proposed VRET, provided it is properly conditioned on the requirement that PGE update the terms under which it provides direct access service to "mirror" any terms offered under the VRET. Simply labeling its proposal as a "small pilot" program does not provide any basis for ignoring the express conditions set out in the Commission's VRET orders. The Commission also should provide guidance that the calculation of capacity and energy credits used for PGE's VRET program must be consistent with the calculation of the value brought to PGE's system from customers moving to long-term direct access. However, in light of the Commission's recent order approving the direct access stipulation in Docket UE 335, NIPPC clarifies that the methodology for calculation of direct access transition charges can be addressed in PGE's next rate proceeding.

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Respectfully submitted,



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