



**Portland General Electric Company**  
*Legal Department*  
121 SW Salmon Street • Portland, Oregon 97204  
503-464-8926 • Facsimile 503- 464-2200

**Douglas C. Tingey**  
*Associate General Counsel*

December 11, 2018

***Via Electronic Filing***

Oregon Public Utility Commission  
Attention: Filing Center  
PO Box 1088  
Salem OR 97308-1088

**Re: UM 1953 - PORTLAND GENERAL ELECTRIC COMPANY, Investigation into  
Proposed Green Tariff**

Dear Filing Center:

Enclosed is Portland General Electric Company's Opening Brief for filing in the above-referenced docket.

Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink that reads "Douglas C. Tingey" with a stylized flourish at the end.

Douglas C. Tingey  
Associate General Counsel

DCT:bop

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

**UM 1953**

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY,

Investigation into Proposed Green Tariff.

**OPENING BRIEF OF PORTLAND  
GENERAL ELECTRIC COMPANY**

Portland General Electric Company (“PGE”) submits this opening brief in this matter.

**I. BACKGROUND**

As directed by House Bill 4126, the Commission previously conducted a study to consider the impact of allowing utility-offered voluntary renewable energy tariffs for non-residential customers. The proceeding – docketed as UM 1690<sup>1</sup> – was opened in 2014 and ran for 24 months with the intent to examine the question of whether a utility-offered voluntary energy tariff (known at the time as a ‘VRET’) could be in the public interest. The Commission identified five statutory factors found in HB 4126 upon which a decision would be based:

1. Whether allowing electric companies to provide [green tariffs] to nonresidential customers promotes the further development of significant renewable energy resources.
2. The effect of allowing electric companies to offer [green tariffs] on the development of a competitive retail market.
3. Any direct or indirect impact, including any potential cost-shifting, on other customers of any electric company offering a [green tariff].

---

<sup>1</sup> *In the Matter of Public Utility Commission of Oregon, Voluntary Renewable Energy Tariffs for Non-Residential Customers*, Docket No. UM 1690 (Apr. 22, 2014).

4. Whether the [green tariff] provided by electric companies to nonresidential customers rely on electricity supplied through a competitive procurement process, and
5. Any other reasonable consideration related to allowing electric companies to offer [green tariffs] to their nonresidential customers.

Over 15 stakeholders participated in the docket and provided recommendations regarding the form, structure, and rules of a hypothetical voluntary renewable energy product in Oregon. The process was divided into two phases: Phase I studied the potential impacts of utility companies offering voluntary renewable products, while Phase II addressed the conditions under which it would be reasonable to allow companies to provide voluntary renewable energy tariffs to non-residential customers. Through three orders, Order No. 15-258<sup>2</sup>, Order No. 15-405<sup>3</sup>, and Order No. 16-251<sup>4</sup>, the Commission put forth nine conditions that attempted to meet the statutory factors. The questions raised in Order No. 15-258 provided a framework to structure a green tariff program to ensure that there would be no undue cost shifting between the subscribers selecting a voluntary renewable program and non-participating cost of service customers. In Order No. 15-405, the Commission replaced three of the nine conditions proposed by Staff in its Phase II report with the following three additional conditions, termed “further protection” conditions, which were aimed to protect the competitive market in the case of utility ownership of a voluntary renewable asset:

---

<sup>2</sup> *In the Matter of Public Utility Commission of Oregon, Voluntary Renewable Energy Tariffs for Non-Residential Customers*, Docket No. UM 1690, Order 15-258 (Aug. 26, 2015).

<sup>3</sup> *In the Matter of Public Utility Commission of Oregon, Voluntary Renewable Energy Tariffs for Non-Residential Customers*, Docket No. UM 1690, Order 15-405 (December 15, 2015).

<sup>4</sup> *In the Matter of Public Utility Commission of Oregon, Voluntary Renewable Energy Tariffs for Non-Residential Customers*, Docket No. UM 1690, Order 16-251 (Jul. 5, 2016).

- 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 conditions that differ from current direct access provisions, but must propose changes to their respective direct access programs to match those changes;
- The regulated utility may own a VRET resource but may not include any VRET resource in its general rate base. It may recover a return on and return of its investment in the VRET resource from the VRET customer; however, the utility must share some of the return on with other utility customers for ratepayer-funded assets used to assist the VRET offering;
- All VRET offerings must be made publicly available and subject to review by the Commission to ensure they are fair, just, and reasonable.

Although the nine conditions were offered as guidance to utilities and stakeholders at the time, the Commission was clear that the conditions would need to be tested against a tangible green tariff proposal from a utility. Order No. 16-251<sup>5</sup>:

Although the majority of the Commission agreed that the revised conditions met the statutory factors, they were not convinced that when considered together, a utility-offered VRET product that met those conditions would be in the public interest. Therefore, the Commission invited the utilities to provide VRET proposals to provide an example against which they could weigh their decision.

On April 14, 2016, PGE notified the Commission that due to existing market conditions and the perceived need to meet all nine conditions, PGE could not propose a voluntary renewable product at that time. The Commission subsequently closed Docket No. UM 1690.

---

<sup>5</sup> *In the Matter of Public Utility Commission of Oregon, Voluntary Renewable Energy Tariffs for Non-Residential Customers*, Docket No. UM 1690, Order 16-251, Appendix A at 4 (Jul. 5, 2016).

On April 13, 2018, PGE filed a motion in Docket UM 1690 seeking to amend Order No. 16-251 and reopen the docket for review of PGE’s proposed green tariff offering. In the alternative, PGE requested that the Commission open a new docket specifically to consider PGE’s proposed green tariff. Along with the motion, PGE filed two pieces of testimony explaining that market circumstances had changed in the preceding years, and PGE had been working with customers and stakeholders to develop a voluntary green tariff that satisfies the conditions set by the Commission for voluntary renewable energy tariff offerings, as applicable. The Mayors of six cities and two commercial customers in PGE’s service territory supported PGE’s filing via testimony and letters, respectively.

In May 2018, the Commission opened Docket UM 1953<sup>6</sup> to provide an examination of PGE’s proposed green tariff through a contested case process. Over ten parties intervened in the docket, and eight have provided written testimony over multiple rounds. PGE has responded to over 30 data requests, a bench request, and filed supplemental testimony—as requested by other parties to the docket—to clarify some of the mechanisms proposed for the green tariff pilot. The Commission held a hearing on November 20, 2018, during which Commissioners examined witnesses from PGE, Staff of the Public Utility Commission of Oregon (Staff), and Walmart.

As UM 1953 combines both policy questions (such as whether the nine conditions have continued applicability, how green tariffs interact with direct access programs, whether the further protection conditions must be met when utility ownership is not proposed, and what long-term credit calculation methodologies are appropriate) and a specific program application, PGE has requested that the docket be bifurcated into a Phase I Green Tariff Pilot and a Phase II to address remaining policy questions.

---

<sup>6</sup> *In the Matter of Portland General Electric Company, Investigation into Proposed Green Tariff*, Docket No. UM 1953 (May 24, 2018).

In response to stakeholder feedback throughout this process, PGE has modified the original ask (as filed on April 13) from a program to a pilot – with a request for a policy phase of the docket to follow. As stated in PGE/400, PGE requests Commission approval of the following pilot in Phase I:

- Ability to procure solely through a power purchase agreement (PPA) or PPAs, and offer to subscribers, no more than 100MW of nameplate capacity for Phase I;
- For subscribers with a peak load greater than 10 MWa, PGE will allow a bring your own PPA procurement method for up to 200 additional MW (nameplate) for the purposes of the pilot. This capacity would be separate from the PGE-procured portion of the pilot. PGE would retain final approval over terms and conditions;
- PGE will offer a capacity and energy credit, with values calculated using the methodology outlined in PGE’s Integrated Resource Plan (IRP). The values calculated using this methodology will be those in place when the PPA is executed and fixed for the term of the PPA. Further description of this methodology is explained in PGE/400;
- A risk adjustment may apply depending on the PPA term, the subscription term and other terms and conditions selected by the subscriber. This is described in PGE/300;

## **II. DISCUSSION**

There are two issues to be decided by the Commission in this part of the docket:

1. PGE’s request to pilot a green tariff, as described in PGE/400 and in person before the Commission on November 20, 2018;
2. PGE’s request to defer questions regarding long-term credit calculation, applicability of the conditions outlined in Orders 15-258, 15-405, and 16-251, and interactions with Oregon’s Direct Access Program, to a second phase of the docket.

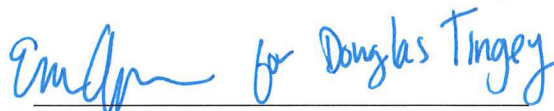
Approval of PGE's requested two phases – a small pilot to be initiated immediately, with resolution of remaining policy issues through a second phase – would serve the dual benefit of allowing customers with stated demand to begin to meet their climate goals, while providing a continued forum for policy discussion. Additionally, Oregon would join the many states that offer voluntary green tariff programs designed to add more renewables to the system and help our business and governmental customers reach their sustainability goals.

There have been multiple rounds of testimony, data requests, and Commission examination to discuss whether, and in what form, a green tariff may be offered in Oregon. The remaining issues for the Commission are policy-based and there are few, if any, disputed facts. There is a complete record of the parties' positions and arguments, both in the current docket (UM 1953) and during the last docketed examination of voluntary renewable programs (UM 1690).

PGE has constructed the proposed pilot in close collaboration with customers who are seeking the ability to purchase renewables from their utility. With respect to the issues outlined above, PGE believes the record supports, and requests the Commission approve the two issues.

Dated this 11 day of December, 2018.

Respectfully submitted,



Douglas C. Tingey, OSB No. 044366  
Associate General Counsel  
Portland General Electric Company  
121 SW Salmon Street, 1WTC1301  
Portland, Oregon 97204  
(503) 464-8926 phone  
(503) 464-2200 fax  
doug.tingey@pgn.com