



**Portland General Electric**  
121 SW Salmon Street · Portland, Ore. 97204

November 12, 2020

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High Street, S.E.  
P.O. Box 1088  
Salem, OR 97308-1088

**RE: Advice No. 20-35, Updating Schedule 25, Nonresidential Direct Load Control Pilot Term Extension**

Portland General Electric Company (PGE) submits this filing pursuant to Oregon Revised Statutes 757.205 and 757.210, and Oregon Administrative Rule (OAR) 860-022-0025, for filing proposed tariff sheets associated with Tariff P.U.C. No. 18, with a requested effective date of **January 1, 2021**:

Second Revision of Sheet No. 25-1  
Third Revision of Sheet No. 25-2  
Fifth Revision of Sheet No. 25-4

The Nonresidential Direct Load Control (DLC) Pilot (Schedule 25) is set to expire on December 31, 2020. The purpose of this filing is to extend Schedule 25 through May 31, 2022 and to reduce the installation cap from 10,000 to 3,800 units. A 17-month extension will allow PGE ample time to conduct the pilot so that there are consecutive evaluation results for each season; learnings from implementation can be applied to Pilot design; and gain more knowledge into how thermostats can contribute to Flexible Load product portfolio. The allowable number of units has been reduced in order to align with the Pilot's term and deferral reauthorization application budget.

**Background**

Schedule 25 and Schedule 26 (Nonresidential Demand Response Pilot) are collectively marketed and commonly known as "Energy Partner" to business customers. In compliance with Order No. 17-429, these tariffs were approved and went into effect on December 1, 2017.<sup>1</sup> The DLC Pilot is designed to address both the needs of PGE's nonresidential customers while helping to grow a resilient and flexible demand response portfolio to create a program able to meet PGE's goals of greater than 77 MW of winter peak load reduction and 69 MW of summer peak load reduction by 2021; Energy Partner's goal is to meet 23.4 MW of nonresidential peak load reduction in winter and 30.7 MW in summer. The Pilot's key objective is to enable a demand response ("DR")

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<sup>1</sup> See OPUC Docket No. ADV 646, Advice No. 17-23, approved at the November 21, 2017 public meeting. Retrieved from <https://edocs.puc.state.or.us/efdocs/UBH/adv646ubh145442.pdf>

offering for small to medium-sized businesses through smart thermostat technologies by shifting business customers' loads during peak times. PGE will leverage pilot learnings to continually improve the Pilot in preparation of transitioning the pilot-to-program. Although Schedules 25 and 26 are two distinct products that share a common demand response strategy; to shift business customers' loads during peak times, Schedule 25 is new to the market and early in its maturity. The first thermostat was enabled prior to the Summer 2019 Event Season.

Currently, Schedule 25 is piloting two different thermostat manufacturers (Pelican and Ecobee); each thermostat is designed for different Heating, Ventilation, and Air Conditioning (HVAC) configurations with little application overlap between qualifying sites. During the pilot phase, PGE is testing implementation, customer engagement, and marketing approaches; measuring customer satisfaction and acceptance; providing final validation of the business case; and demonstrating cost effectiveness. At this time, evaluation results for load impact and process are sparse for Schedule 25 and the Summer 2020 season will be the first event season with a statistically significant sample of events, thermostats, and customers. PGE filed the evaluation for Summer 2019 on November 5, 2020 and the Summer 2020 evaluation will be filed as early as January 2021. The first winter evaluation will be performed during the Winter 2020-21 season and will be filed in August of 2021.

#### Schedule 25 Term Extension

PGE plans for Schedule 25 to remain in pilot status as it is too early in its maturity to look at moving it to a program. This tariff update is to extend the term to align with the deferral period, which will end in April of each year.

To satisfy the requirements of OAR 860-022-0025, PGE responds as follows:

The proposed revisions to Schedule 25, Nonresidential Direct Load Control Pilot, do not increase, decrease, otherwise change existing rates, or impact revenues; costs are being deferred in UM 1514 for later ratemaking treatment.

Please direct questions to Casey Manley at (503) 464-8258. Please direct all formal correspondence and requests to the following email address [pge.opuc.filings@pqn.com](mailto:pge.opuc.filings@pqn.com)

Sincerely,

*\s\ Robert Macfarlane*

Robert Macfarlane  
Manager, Pricing and Tariffs

Enclosure  
cc Kacia Brockman, OPUC

**SCHEDULE 25  
NONRESIDENTIAL DIRECT LOAD CONTROL PILOT**

**PURPOSE**

This Direct Load Control Pilot is a demand response option for eligible nonresidential Customers. The Direct Load Control Pilot offers incentives to allow the Company to control thermostats during Direct Load Control Events while providing a customer override. The Company provides advance notice to participating Nonresidential Customers for Direct Load Control Events. The Pilot is expected to be conducted from December 1, 2017 through May 31, 2022.

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**DEFINITIONS**

Central Air Conditioning – Air conditioner tied into a central ducted forced air system.

Direct Load Control – A remotely controllable switch that allows the utility to operate an appliance, often by cycling. In terms of this pilot, direct load control allows the Company to change the set point or cycle the Nonresidential Customer's heating or cooling through the Customer's Qualified Thermostat in order to reduce the Customer's energy demand.

Direct Load Control Event – A period of time in which the Company will provide direct load control.

Ducted Heat Pump – Heat pump heating and cooling system hooked into a central ducted forced air system.

Electric Forced Air Heating – An electrical resistance heating system tied into a central ducted forced air system.

Event Notification – The Company will issue a notification of a Direct Load Control Event to participating Customers. Participating Nonresidential Customers must choose at least one method for receipt of notification. Notification methods may include email, text, auto-dialer phone call, on thermostat display screen, or via mobile app notification. Notification may also be available on the Company's website.

Event Season – The pilot has two event seasons: the Summer Event Season and the Winter Event Season.

Holidays – The following are holidays for purposes of the pilot: New Year's Day (January 1), Martin Luther King Day (third Monday in January), President's Day (third Monday in February), Independence Day (July 4), Labor Day (first Monday in September), Thanksgiving Day (fourth Thursday in November), and Christmas Day (December 25). If a holiday falls on a Saturday, the preceding Friday will be designated the holiday. If a holiday falls on a Sunday, the following Monday will be designated the holiday.

## SCHEDULE 25 (Continued)

### DEFINITIONS (Continued)

Summer Event Season – Includes the successive calendar months June through September.

Winter Event Season – Includes the successive calendar months November through February.

Qualified Thermostat – Thermostats that are Company-approved have been integrated with Company's demand response management system for event calling.

### AVAILABLE

In all territory served by the Company.

### APPLICABLE

To qualifying Nonresidential Customers served under Schedules 32, 38, 47, 49, 75, 83, 85, 89, and 90. The Company will limit participation to 3,800 Qualified Thermostats. Nonresidential Customers will remain on their base schedule and will be eligible for the incentives described in this schedule. (C)

### ELIGIBILITY

Eligible Nonresidential Customers must have a Network Meter. Nonresidential Customers must have a Qualified Thermostat connected to the internet and the heating or cooling system at their expense, except as provided in the Incentives section of this schedule. To participate in the Winter Event Season, the Nonresidential Customer must have a Ducted Heat Pump or Electric Forced Air Heating. To participate in the Summer Event Season, the Nonresidential Customer must have Central Air Conditioning or a Ducted Heat Pump.

### DIRECT LOAD CONTROL EVENT

Direct Load Control Events occur for one to five hours. The Company may call two events per day but will not exceed five cumulative hours for the day. During Direct Load Control Events the Customer may allow the Company to control their thermostat for the duration of the event. The Customer has the option not to participate by overriding via the thermostat. The Company initiates Direct Load Control Events with Event Notification. The Company will call Direct Load Control Events only during the Event Seasons. Direct Load Control Events will not be called on weekends or Holidays. Reasons for calling events may include, but are not limited to: energy load forecasted to be in the top 1% of annual load hours, forecasted temperature above 90 or below 32, expected high generation heat rates and market power prices, and/or forecasted low or transitioning wind generation. The Company will call no more than 150 event hours per Event Season.

**SCHEDULE 25 (Concluded)**

SPECIAL CONDITIONS (Continued)

7. PGE has the right to remove a Customer from the pilot when good cause is shown including, but not limited to, for poor customer responsiveness, consistent customer non-participation in called events, or issues with customer equipment that impact customer's participation.

**TERM**

This pilot term is December 1, 2017 through May 31, 2022.

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