



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204
PortlandGeneral.com

February 21, 2017

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

RE: Advice No. 17-04 Schedules 7 and 32 Renewable Development Fund Update

Portland General Electric (PGE) submits this filing pursuant to Oregon Revised Statutes (ORS) 756.010(8) and 757.205, 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 **April 5, 2017**:

Eighth Revision of Sheet No. 7-2
Eighth Revision of Sheet No. 7-3
Eighth Revision of Sheet No. 32-2
Seventh Revision of Sheet No. 32-3

The purpose of this filing is twofold: 1) to comply with Order 16-156 with regard to the timing of the annual report; and 2) to clarify the language regarding the interest paid on funds deemed disbursed in the Renewable Development Fund (RDF).

Report timing

With regard to the change in the annual report, PGE will now report by March 15, consistent with Order 16-156. This is a change from April 1.

Interest Accrued on RDF

In PGE's Advice Filing 16-08, which became effective July 6, 2016, PGE added language to its tariff to note the applicable interest rate to apply to the RDF. The tariff makes the distinction between contributions to the RDF starting July 6, 2016 that accrue interest at the same rate applied to a deferred account in amortization, and contributions preexisting July 6, 2016 that accrue interest at the Company's authorized rate of return.

The purpose of the RDF is to provide these customer contributed funds as grants to support renewable projects, as described in the tariff. The intent of the higher interest rate that applies to funds existing in the RDF prior to July 6, 2016, was to incentivize the Company to make timely funding allocation decisions and avoid undue accumulation of funds in the RDF.

Earlier in 2016, PGE had submitted to the Commission, its RDF program and guidelines that set forth the process and criteria. At that time, the RDF had a balance of approximately \$11.6 million. The Commission approved the guidelines in April 2016 with Order 16-156. In that Order, the Commission also approved the process for review of projects that are awarded RDF funding.¹

Following the Commission's approval of PGE's project selection process, PGE issued an RFP, calling for projects seeking RDF funding. After selecting projects based on rigorous evaluation and scoring, PGE forwarded the selected projects to the Commission for review. PUC review was complete in February with Order 17-048. After that, PGE notified the project owners of the approved selected projects that they would receive the RDF funding once the projects were constructed and complete.

In this advice filing, PGE is clarifying in the tariff, that the applicable interest rate applies to the funds until they are disbursed and that funds are deemed disbursed when they are allocated to projects *and* the grants have been through the PUC Staff/Commission review process. Funds deemed disbursed, but still held by the Company, will accrue interest at the Commission authorized rate for deferred accounts in amortization.

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

This filing modifies language and is housekeeping in nature. There is no change in rates or charges in this service. PGE has 9,078 Customers who choose the Fixed Renewable voluntary option and contribute to the RDF.

Please direct any questions regarding this filing to me at (503) 464-8718. Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pqn.com

Sincerely,



Karla Wenzel
Manager, Pricing & Tariffs

Enclosure(s)

¹ The review process is Commission review for all projects that receive over \$400,000 in RDF funding and Commission Staff review for all projects that receive \$400,000 or less.

SCHEDULE 7 (Continued)

MONTHLY RATE (Continued)

Renewable Portfolio Options

(available upon enrollment in either Energy Charge option)

| | | |
|--|--------|--|
| Renewable Usage Option | 0.800 | ¢ per kWh in addition to Energy Charge |
| Renewable Fixed Option | \$2.50 | per month per block |
| Renewable Solar Option | \$5.00 | per unit in addition to Energy Charge |
| Renewable Habitat Adder ^(*) | \$2.50 | per month |

* Only Customers who are enrolled in a Renewable Portfolio Option (Renewable Usage, Renewable Fixed or Renewable Solar Options described herein) may choose the Renewable Habitat Adder.

RENEWABLE PORTFOLIO OPTIONS

The Customer will be charged for the Renewable Portfolio Option in addition to all other charges under this schedule for the term of enrollment in the Renewable Portfolio Option.

Renewable Fixed Option

The Company will purchase 200 kWhs of Renewable Energy Certificates (RECs) and/or renewable energy per block enrolled in the Fixed Renewable Option. All RECs purchased under this option will come from new renewable resources.

The Company will also place \$1.50 of the amount received from Customers enrolled in the Fixed Renewable Option in a new renewable resources development and demonstration fund (Renewable Development Fund or "RDF").

Amounts in the fund will be disbursed by the Company to public renewable resource demonstration projects or projects which commit to supply energy according to a contractually established timetable. The Company will report to the Commission annually by March 15th, pursuant to Order No. 16-156 on collections and disbursements for the preceding calendar year. The annual report will include a list of projects that received or were allocated RDF funding.

Amounts placed in the fund prior to July 6, 2016 will accrue interest at the Commission-authorized cost of capital until disbursed. Amounts placed in the fund on and after July 6, 2016 will accrue interest at the Commission-authorized rate for deferred accounts in amortization until disbursed. Amounts within the fund will be disbursed on a first-in-first-out basis. Once funds have been committed to projects, following the required OPUC review, they will be deemed disbursed. Funds deemed disbursed and still held by the Company, will accrue interest at the Commission authorized rate for deferred accounts in amortization.

(C)

(C)

(C)
(M)

SCHEDULE 7 (Continued)

RENEWABLE PORTFOLIO OPTIONS (Continued)

Renewable Usage Option

All amounts received from the Customer under the Renewable Usage Option less administrative fees will be used to acquire RECs and/or renewable energy all of which will come from new renewable resources.

(M)

(M)

Renewable Solar Option

The Renewable Solar Option allows participating Customers, on a monthly basis, to support a PGE sponsored utility-scale solar power plant and its renewable attributes. The company will purchase 1 kW of the output and RECs from new solar facilities connected to the Company's electric grid per unit enrolled in the Renewable Solar Option.

In exchange for the Customer's payment of \$5.00 per unit per month, the Customer receives the environmental attributes from a local utility-scale solar project and the utility-scale solar project produces 1kW of energy which flows into the grid. Typical purchases may range to the equivalent of a 1, 2, or 3-kW solar panel array. At the end of each year, PGE will provide individual results to the Customer, reporting how much the Customer's energy usage was offset by solar power and the carbon footprint reduction benefit received. The RECs purchased by the Customer will be retired on behalf of the Customer.

Renewable Habitat Option Adder

The Company will distribute \$2.50 per month as received from each Customer enrolled in the Habitat Option to a nonprofit agency chosen by the Company who will use the funds for habitat restoration.

Energy or RECs supporting the Renewable Portfolio Options will be acquired by the Company such that by March 31 of the succeeding year, the Company will have received sufficient RECs or renewable energy to meet the purchases by Customers. For the Renewable Fixed and Renewable Usage Options, the Company is not required to own renewables or to acquire energy from renewable resources simultaneously with Customer usage.

For purposes of these options, renewable resources include wind generation, solar, biomass, low impact hydro (as certified by the Low Impact Hydro Institute) and geothermal energy sources used to produce electric power. All RECs will be Green-e certified by the Western Renewable Energy Generation Information System (WREGIS) beginning January 1, 2009.

SCHEDULE 32 (Continued)

MONTHLY RATE (Continued)

Renewable Portfolio Options

(available upon enrollment in either Energy Charge option)

| | | |
|--|--------|--|
| Renewable Usage | 0.800 | ¢ per kWh in addition to Energy Charge |
| Renewable Fixed | \$2.50 | per month per block |
| Renewable Solar | \$5.00 | per unit in addition to Energy Charge |
| Renewable Habitat Adder ^(*) | \$2.50 | per month |

* Only Customers who are enrolled in a Renewable Portfolio Option (Renewable Usage or Renewable Fixed or Renewable Solar Portfolio Options described herein) may choose the Renewable Habitat Portfolio Option Adder.

RENEWABLE PORTFOLIO OPTIONS

The Customer will be charged for the Renewable Portfolio Option in addition to all other charges under this schedule for the term of enrollment in the Renewable Portfolio Option.

Renewable Fixed Option

The Company will purchase 200 kWhs of Renewable Energy Certificates (RECs) and/or renewable energy per block enrolled in the Fixed Renewable Option. All RECs purchased under this option will come from new renewable resources.

The Company will also place \$1.50 of the amount received from Customers enrolled in the Fixed Renewable Option in a new renewable resources development and demonstration fund (Renewable Development Fund or "RDF").

Amounts in the fund will be disbursed by the Company to public renewable resource demonstration projects or projects which commit to supply energy according to a contractually established timetable. The Company will report to the Commission annually by March 15th, pursuant to Order No. 16-156 on collections and disbursements for the preceding calendar year. The annual report will include a list of projects that received or were allocated RDF funding.

Amounts placed in the fund prior to July 6, 2016 will accrue interest at the Commission-authorized cost of capital until disbursed. Amounts placed in the fund on and after July 6, 2016 will accrue interest at the Commission-authorized rate for deferred accounts in amortization until disbursed. Amounts within the fund will be disbursed on a first-in-first-out basis. Once funds have been committed to projects, following the required OPUC review, they will be deemed disbursed. Funds deemed disbursed and still held by the Company, will accrue interest at the Commission authorized rate for deferred accounts in amortization.

(C)

(C)

(C)
(M)

SCHEDULE 32 (Continued)

RENEWABLE PORTFOLIO OPTIONS (Continued)

Renewable Usage Option

All amounts received from the Customer under the Renewable Usage Option less administrative fees will be used to acquire RECs and/or renewable energy all of which will come from new renewable resources.

Renewable Solar Option

The Renewable Solar Option allows participating Customers, on a monthly basis, to support a PGE sponsored utility-scale solar power plant and its renewable attributes. The company will purchase 1 kW of the output and RECs from new solar facilities connected to the Company's electric grid per unit enrolled in the Renewable Solar Option.

In exchange for the Customer's payment of \$5.00 per unit per month, the Customer receives the environmental attributes from a local utility-scale solar project and the utility-scale solar project produces 1kW of energy which flows into the grid. Typical purchases may range to the equivalent of a 1, 2, or 3-kW solar panel array. At the end of each year, PGE will provide individual results to the Customer, reporting how much the Customer's energy usage was offset by solar power and the carbon footprint reduction benefit received. The RECs purchased by the Customer will be retired on behalf of the Customer.

Renewable Habitat Adder

The Company will distribute \$2.50 per month as received from each Customer enrolled in the Habitat Option to a nonprofit agency chosen by the Company who will use the funds for habitat restoration.

Energy or RECs supporting the Renewable Portfolio Options will be acquired by the Company such that by March 31 of the succeeding year, the Company will have received sufficient RECs or renewable energy to meet the purchases by Customers. For Renewable Fixed Option and Renewable Usage Option, the Company is not required to own renewables or to acquire energy from renewable resources simultaneously with Customer usage.

For purposes of these options, renewable resources include wind generation, solar, biomass, low impact hydro (as certified by the Low Impact Hydro Institute) and geothermal energy sources used to produce electric power. All RECs will be Green-e certified by the Western Renewable Energy Generation Information System (WREGIS) beginning January 1, 2009.

(M)
—
(M)