



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

August 31, 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. 20-27, 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 **October 1, 2020**:

First Revision of Sheet No. 25-1
Second Revision of Sheet No. 25-2
Third Revision of Sheet No. 25-3
Fourth Revision of Sheet No. 25-4

The Nonresidential Direct Load Control Pilot (Schedule 25) is set to expire on September 30, 2020. The purpose of this filing is to extend Schedule 25 through December 31, 2020 to align the tariff term with the deferral reauthorization application, docketed as UM 1514, which will be filed in November 2020. In doing so, the pilot's performance and learning objectives will be directly tied to the approval of the pilot's budget and forecast moving forward. Additional adjustments have been proposed throughout the body of the tariff as housekeeping measures and are not intended to impact the integrity of the pilot design or PGE's ability to operate the pilot. Housekeeping items are intended to streamline language and to ensure definitions of key concepts are consistently leveraged throughout.

Background

Schedules 25 and 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, 2017.¹

¹ 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>

Energy Partner replaced both PGE's Schedule 77 Firm Load Reduction Program and the Automated Demand Response Pilot. Like other demand response offerings PGE recovers Energy Partner through Schedule 135 (Demand Response Cost Recovery Mechanism). Energy Partner 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 peak load reduction by 2021; Energy Partner's goal is to meet 27 MW of nonresidential peak load.² 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 will file combined evaluations (for Schedules 25 and 26) for the Summer 2019 and Winter 2019/2020 seasons in October 2020; whereas the Summer 2020 evaluation will be filed as early as January 2021.

Schedule 25 Term Extension

Although the Nonresidential Demand Response Pilot (Schedule 26) will be transitioning into a program, details will be addressed through a concurrent tariff update and filing, PGE plans for Schedule 25 to remain in pilot status. This tariff update is to extend the term to align with the deferral period, which ends on December 31, 2020, and contains housekeeping changes. Therefore, when PGE files to extend the term again this November to expand the pilot beyond 2020, PGE will also file to reauthorize the deferral application for future cost recovery and include a memo of planned pilot activities, pilot-to-program progress, and opportunities and challenges.

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.

² See OPUC Docket No. UM 1514, PGE's Application for Reauthorization of Deferral of Incremental Costs Associated with Non-Residential Demand Response filed on September 21, 2017, page 2. Retrieved from: <https://edocs.puc.state.or.us/efdocs/HAQ/um1514haq142830.pdf>

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@pgn.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 December 31, 2020. (T)
(T)
(C)
(T)
(C)

DEFINITIONS

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

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. (T)
(C)

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

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

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

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. (T)
(C)

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

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. (C)
(C)

SCHEDULE 25 (Continued)

DEFINITIONS (Continued)

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

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

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

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 10,000 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. (C)

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. (T)
(C)
(C)
(C)

SCHEDULE 25 (Continued)

ENROLLMENT

The Customer may enroll at any time but must participate for the minimum number of hours described in the incentive section.

INCENTIVE

Participating Customers receive a Qualified Thermostat for signing up for the Direct Load Control Pilot. A Customer may receive multiple Qualified Thermostats for separate spaces subject to verification by the Company. In addition, Customers receive up to \$60 per Qualified Thermostat for each Event Season they participate. A Customer participating in all Event Seasons receives up to \$120 per Qualified Thermostat per Pilot year. Incentives are paid to the Customer with an automated clearing house (ACH,) check, bill credit, or generic gift card. To receive payment for an Event Season, the Customer must participate in at least 50% of the event hours for which the Customer is eligible to participate in that Event Season. (T)
(T)
(T)
(T)
(C)

SPECIAL CONDITIONS

1. Customers that reenroll in the program are not eligible for a second Qualified Thermostat for signing up. A Customer continuing service at a new location is not considered a new enrollment.
2. If the participating Customer moves to a different location, the Customer may continue participation if the new location meets the eligibility requirements.
3. The Company will defer and seek recovery of all pilot costs not otherwise included in rates.
4. The Company is not responsible for any direct, consequential, incidental, punitive, exemplary, or indirect damages to the participating Customer or third parties that result from Air Conditioning Cycling or changing the thermostat set point. (T)
5. The Company shall have the right to select the cycling schedule and the percentage of the Customer's heating or cooling systems to cycle at any one time, up to 100%, at its sole discretion.
6. The provisions of this schedule do not apply for any period that the Company interrupts the Customer's load for a system emergency or any other time that a Customer's service is interrupted by events outside the control of the Company. The provisions of this schedule will not affect the calculation or rate of the regular service schedule and associated charges.

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 December 31, 2020.

(C)