



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

March 18, 2019

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

RE: Advice No. 19-08, Updating Schedule 5, Direct Load Control Pilot

Portland General Electric Company (PGE) submits this filing pursuant to Oregon Revised Statute 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 **April 10, 2019**:

Third Revision of Sheet No. 5-1
Second Revision of Sheet No. 5-2
Second Revision of Sheet No. 5-3
Third Revision of Sheet No. 5-4
Original Sheet No. 5-5

The purpose of this filing is to correct some unintended errors in the existing tariff and earlier filing: 1) extend the term (as PGE noticed it had inadvertently expired), 2) update the participant cap (as the program has exceeded existing participation cap level) to align with the Testbed pilot¹ and PGE's 2019 Integrated Resource Planning goals, and 3) incorporate the direct installation of a thermostat option as proposed in Public Utility Commission of Oregon (OPUC or Commission) Docket No. UM 1708 PGE's 2018 Deferral Reauthorization application.

The Direct Load Control (DLC) pilot will play an important role in the Testbed by allowing PGE to better understand customer's acceptance of PGE's offerings, build summer and winter demand response capacity; successfully operationalize, through dispatch and control, the enrolled thermostats; and minimize customer drop-outs from the DLC pilot to increase customer retention. Further, as part of the Testbed pilot, PGE will be testing how Peak Time Rebate incentives can be used to move customers to DLC options, such as, Schedule 4 (Multifamily Water Heater) and Schedule 5. PGE is extending the term for the DLC pilot to June 30, 2022, which coincides with the term of proposed in Schedule 13 (i.e. Testbed pilot). In addition, PGE is updating the participant cap for this pilot from 12,000 Schedule 7 customers in just the "bring-your-own" program to 60,000 for both.

¹ Portland General Electric Company. Initial Utility Filing. OPUC Docket ADV 859. 25 Oct 2018.

In accordance with Commission Order No. 17-244², PGE proposed a turnkey residential thermostat direct installation option where PGE would install the thermostats for PGE residential customers, who, after five to six years' program participation, keep the thermostat.³ This incentive is in lieu of the seasonal incentives customers would receive under the "bring-your-own-thermostat" option in the DLC pilot. This proposal was approved in Commission Order No. 18-381.

Per earlier discussions with Staff, PGE is hopeful to get this filing on the April 9, 2019 public meeting.

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

The proposed revisions to Schedule 5, Direct Load Control Pilot, do not increase, decrease, otherwise change existing rates, or impact revenues. PGE has approximately 14,300 customers who participate in this pilot.

Due to the requested effective date and the less than 30-day notice, PGE is also submitting an application requesting a waiver of legal statutory notice, pursuant to ORS 757.220 and OAR 860-022-0020.

Should you have any questions or comments regarding this filing, please contact Kalia Savage at (503) 464-7432.

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pge.com

Sincerely,



Karla Wenzel
Manager, Pricing and Tariffs

Enclosures

² Public Utility Commission of Oregon. Order 17-244. OPUC Docket UM 1708. 11 Jul 2017.

³ Portland General Electric Company. Supplemental Application. OPUC Docket UM 1708. 4 May 2018.

**SCHEDULE 5
DIRECT LOAD CONTROL PILOT**

PURPOSE

This direct load control pilot is a demand response option for eligible Residential 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 Customers for Direct Load Control Events. The pilot is expected to be conducted from December 1, 2015 through June 30, 2022.

(C)

AVAILABLE

In all territory served by the Company.

(M)

APPLICABLE

This program is available to up to 60,000 eligible Residential (Schedule 7) Customers that elect to enroll and participate in the pilot. Customers will remain on Schedule 7 and will be eligible for the incentives described in this schedule.

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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 Customer's heating or cooling through the Customer's Qualified Thermostat to reduce the Customer's energy demand.

Direct Load Control Event – A period 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 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.

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SCHEDULE 5 (Continued)

DEFINITIONS (Continued)

Holidays – The following are holidays for purposes of the pilot: New Year’s Day (January 1), Memorial Day (last Monday in May), 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.

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Qualified Thermostat – Thermostats that are Company-approved and listed on PortlandGeneral.com.

Summer Event Season – The summer event season includes the successive calendar months June through September.

Winter Event Season – The winter event season includes the successive calendar months December through February.

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ELIGIBILITY

Eligible Customers must have a Network Meter and connectivity to the internet. To participate in the Winter Event Season, the Customer must have a Ducted Heat Pump or Electric Forced Air Heating. To participate in the Summer Event Season, the Customer must have Central Air Conditioning or a Ducted Heat Pump.

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DELIVERY CHANNEL

BRING YOUR OWN THERMOSTAT

This delivery channel allows the Customer to use their Qualified Thermostat, which must be connected to the internet and the heating or cooling system, all at the Customers’ expense, to participate in Direct Load Control Events and receive incentives. Participating Customers receive a one-time payment of \$25 for signing up for this delivery channel. In addition, Customers receive \$25 for each Event Season they participate. A Customer participating in all Event Seasons receive \$75 for the first participating year and \$50 for additional years. Incentives are paid to the Customer with a 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.

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SCHEDULE 5 (Continued)

DELIVERY CHANNEL (Continued)

(N)

RESIDENTIAL THERMOSTAT DIRECT INSTALLATION

This delivery channel allows Customers who own a qualifying Ducted Heat Pump, Electric Forced Air Heating, and/or Central Air Conditioner but do not own a Qualified Thermostat to participate by receiving one from the Company. The Company will provide the following to Eligible Customers within the participation cap:

- For those Customers with a Ducted Heat Pump or Electric Forced Air, with or without Central Air Conditioner system, a connected thermostat that is installed, provisioned, and enrolled into PGE's demand response platform at no additional charge; or
- For those Customers with a Central Air Conditioner, for a fee up to \$150, a connected thermostat that is installed, provisioned, and enrolled into PGE's demand response platform.

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. If the Customer opts-out of more than 50% of the event hours or the Customer moves out of the residence with the enrolled thermostat, the Customer will be charged up to the following:

Participation Year Customer Opts- Out	Customer Payback of Thermostat Labor & Materials
1	100%
2	80%
3	60%
4	40%
5	20%
6	0%

If, a Customer returns the working qualified thermostat within 90 days of installation, they are not charged for the cost of the thermostat and are only charged for the labor associated with installing the thermostat.

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SCHEDULE 5 (Continued)

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 in the following months: December, January, February, June, July, August, and September. 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.

SPECIAL CONDITIONS

1. The Customer may enroll at any time but must participate for the minimum number of hours described in the delivery channel section.
2. The Customer may terminate participation in the pilot at the next regularly scheduled meter reading provided the Customer has provided the Company two weeks' notice prior to the meter read date. Absent the two-week notice, the termination will occur with the subsequent meter reading date. The Customer may be charged additional costs described in the participating Customers enrolled delivery channel section.
3. The Customer may opt-out of any Direct Load Control Event; however, if the Customer does not participate in at least 50% of Direct Load Control Events in an Event Season, the Customer may be charged additional costs described in the participating Customer's enrolled delivery channel section.
4. If a participating Customer is eligible for an incentive, it will be provided by check at the next billing statement after the event season ends.
5. The Company will defer and seek recovery of all pilot costs not otherwise included in rates.
6. Customers on Schedule 6 are not eligible to participate in the direct load control pilot.
7. 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 AC Cycling or changing the thermostat set point.
8. 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.

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SCHEDULE 5 (Concluded)

SPECIAL CONDITIONS (Continued)

9. 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 associated with the Customer's Schedule 7 charges and associated charges.

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10. 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.

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PERTAINING TO BRING YOUR OWN THERMOSTAT

(N)

1. Customers that reenroll in the program are not eligible for a second payment for signing up. A Customer continuing service at a new residence is not considered a new enrollment.

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2. If the participating Customer moves to a different residence, the Customer may continue participation if the new residence meets the eligibility requirements.

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PERTAINING TO RESIDENTIAL THERMOSTAT DIRECT INSTALLATION

(N)

1. Customers in the residential thermostat direct installation delivery channel are excluded from receiving thermostat incentives by the Energy Trust.

2. Customers may be eligible for seasonal incentives after completion of at least five to six years of successful participation, as described in the delivery channel section, in Direct Load Control Events.

(N)

TERM

This pilot began December 1, 2015 and ends June 30, 2022.

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LESS THAN STATUTORY NOTICE APPLICATION

This document may be electronically filed by sending it as an attachment to an electronic mail message addressed to the Commission's Filing Center at puc.filingcenter@state.or.us.

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF THE APPLICATION OF <u>Portland General Electric Company</u> (UTILITY COMPANY) TO WAIVE STATUTORY NOTICE.)))))	UTILITY L.S.N. APPLICATION NO. _____ (LEAVE BLANK)
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NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.

1. GENERAL DESCRIPTION OF THE PROPOSED SCHEDULE(S) ADDITION, DELETION, OR CHANGE. (SCHEDULE INCLUDES ALL RATES, TOLLS AND CHARGES FOR SERVICE AND ALL RULES AND REGULATIONS AFFECTING THE SAME)
 The purpose of this filing is to correct some unintended errors in the existing tariff and earlier filing: 1) extend the term (as PGE noticed it had inadvertently expired), 2) update the participant cap (as the program has exceeded existing participation cap level) to align with the Testbed pilot and PGE's 2019 Integrated Resource Planning goals, and 3) incorporate the direct installation of a thermostat option as proposed in Public Utility Commission of Oregon (OPUC or Commission) Docket No. UM 1708 PGE's 2018 Deferral Reauthorization application.

2. APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)

Second Revision of Sheet No. 5-1
 First Revision of Sheet No. 5-2
 First Revision of Sheet No. 5-3
 Second Revision of Sheet No. 5-4

3. THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)

Third Revision of Sheet No. 5-1
 Second Revision of Sheet No. 5-2
 Second Revision of Sheet No. 5-3
 Third Revision of Sheet No. 5-4
 Original Sheet No. 5-5

4. REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:

A Waiver of Statutory Notice is requested due to the requested effective date of April 10, 2019

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S): April 10, 2019

AUTHORIZED SIGNATURE 	TITLE Manager, Pricing & Tariffs	DATE March 18, 2019
PUC USE ONLY		
<input type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE	
AUTHORIZED SIGNATURE	DATE	