



# Oregon

Kate Brown, Governor

**Public Utility Commission**

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September 7, 2021



BY EMAIL

Portland General Electric Company

pge.opuc.filings@pgn.com

RE: Advice No. 21-21

At the public meeting on September 7, 2021, the Commission adopted Staff's recommendation in this matter docketed as ADV 1303. The Staff Report, LSN, and a receipted copy of the sheets in your advice filing are attached.

A handwritten signature in blue ink, appearing to read "Nolan Moser".

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: September 7, 2021**

**REGULAR**  **CONSENT**  **EFFECTIVE DATE**  September 1, 2021

**DATE:** September 1, 2021

**TO:** Public Utility Commission

**FROM:** Bret Farrell

**THROUGH:** Bryan Conway, Caroline Moore, and Scott Gibbens **SIGNED**

**SUBJECT:** PORTLAND GENERAL ELECTRIC:  
(Docket No. ADV 1303/Advice No. 21-21)  
Schedule 54 Large Nonresidential Renewable Energy Certificates Rider  
Temporary Suspension of RECs.

**STAFF RECOMMENDATION:**

Approve Portland General Electric's (PGE or Company) update to Schedule 54 to suspend PGE's Green Product Mix product offering for Renewable Energy Certificates (RECs) sales beyond those already committed under existing contracts for a period of ninety (90) days.

**DISCUSSION:**

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve PGE's update to Schedule 54 to suspend PGE's Green Product Mix product offering for RECs for a period of ninety (90) days.

Applicable Law

The Commission may approve tariff changes if they are deemed to be fair, just, and reasonable. See ORS 757.210. Tariff revisions may be made by filing revised sheets with the information required under the Commission's administrative rules, including OAR 860-022-0025. Filings that propose any change in rates, tolls, charges, rules, or regulations must be filed with the Commission at least 30 days before the effective date of the change. See ORS 757.220; OAR 860-022-0020. OAR 860-022-0025(2)

specifically requires that each energy utility changing existing tariffs or schedules must include in its filing a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change. OAR 860-022-0030(1) further requires that for tariff or schedule filings proposing increased rates, the utility must for each separate schedule, identify the total number of customers affected, the total annual revenue derived under the existing schedule, and the amount of estimated revenue which will be derived from applying the proposed schedule, the average monthly use and resulting bills under both the existing rates and the proposed rates that will fairly represent the application of the proposed tariff or schedules, and the reasons or grounds relied upon in support of the proposed increase.

ORS 757.600 to 757.689 authorize and regulate the provision of the “direct access” (Direct Access) option in Oregon. The Commission’s rules implementing these statutes are set forth in OAR Chapter 860, Division 038. OAR 860-038-0160 concerns Direct Access transition charges and credits. OAR 860-038-0275 sets forth election timing windows for when the electric consumer may elect to purchase electricity under the Direct Access option.

## Analysis

### *Background*

Schedule 54 offers Nonresidential Customers the option to purchase RECs from PGE at a stated price. Currently, a customer may purchase RECs through the PGE Green Resource Mix offering at 0.3¢ per kWh. A minimum REC purchase of 1,000 kWh times 0.3¢ (\$3.00) per month, or annual equivalent, is required. While the REC market has been stable for several years, the market is experiencing significant price and supply volatility, exceeding PGE’s stated price of \$3.00 per REC.

The preference has been for local Western Electricity Coordinating Council (WECC)-based supply of RECs, however PGE has tended towards resourcing this REC supply with national RECs as those were more affordable than RECs in the WECC. Now prices in the national and WECC market are similar.

PGE is requesting a ninety (90) day suspension of its obligation to execute new contracts in order to respond to changing market conditions, offer greater pricing flexibility, and also meet customer demand for a Clean Fuels Program compliant REC.

New customers seeking to make REC purchases during the ninety (90) day suspension could make REC purchase through Schedule 54 Option II. Specified Resource. This option would likely be at market prices. Customers may also purchase Green-E Certified RECs from providers throughout the United States.

PGE indicated to Staff that ten (10) customers have expressed interest in REC purchases through the fixed price portion of Schedule 54. These customers represent a potential REC purchase of 32,000 to 110,000 RECs.

PGE has stated that they will honor all existing contracts. In addition, PGE is currently reaching out to customers to provide information about its request to temporarily suspend new contracts, educate them about the reasoning (to address price volatility in the REC market), inform them about their alternatives which include the specified resources option and other sources for Green-e certified RECs, and let them know that PGE is tracking their interest via its Customer Relationship Management Database to let them know when the fixed priced option becomes available again.

At this time, PGE is not aware of any parties who may object to the suspension of this provision in its Schedule 54.

#### *Effect on Ratepayers*

This filing does not increase, decrease, or otherwise change existing retail rates. This filing is temporarily suspending for ninety (90) days the PGE Green Resource Mix offering for new contracts as the REC market is experiencing price and supply volatility.

#### *Conclusion*

Staff finds that PGE's update to Schedule 54 to suspend PGE's Green Product Mix product offering for REC sales beyond those already committed under existing contracts for a period of ninety (90) days is reasonable. Staff believes temporarily suspending the PGE Green Resource Mix offering for new contracts will reasonably allow PGE to respond to changing market conditions in the REC market, and propose updates to Schedule 54 to address its concerns.

#### **PROPOSED COMMISSION MOTION:**

Approve the Company's update to Schedule 54 to suspend PGE's Green Product Mix product offering for Renewable Energy Certificates sales beyond those already committed under existing contracts for a period of ninety (90) days.

**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](mailto:puc.filingcenter@state.or.us).

**BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON**

IN THE MATTER OF THE APPLICATION OF ) UTILITY L.S.N. APPLICATION  
Portland General Electric )  
 (UTILITY COMPANY) ) NO. 2285  
 TO WAIVE STATUTORY NOTICE. ) (LEAVE BLANK)


**NOTE: ATTACH EXHIBIT IF SPACE IS INSUFFICIENT.**

- 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)  
 PGE is submitting this change to one of our competitive operation tariffs, Schedule 54, to effectuate an immediate suspension of PGE's Green Product Mix product offering for Renewable Energy Certificates (RECs) sales beyond those already committed under existing contracts. Schedule 54 offers Nonresidential Customers the option to purchase RECs at a stated price. While the REC market has been stable for several years, the market is experiencing significant price and supply volatility, exceeding the PGE's stated price of \$3.00 per REC. Because of the urgency to suspend the Green Product Mix offering, PGE is asking for expedited treatment of this filing and is accompanying the filing with an LSN
- APPLICANT DESIRES TO CHANGE THE SCHEDULE(S) NOW ON FILE KNOWN AND DESIGNATED AS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE, AND ITEM)  
 Fifth Revision of Sheet No. 54-1  
 Fourth Revision of Sheet No. 54-2

- THE PROPOSED SCHEDULE(S) SHALL BE AS FOLLOWS: (INSERT SCHEDULE REFERENCE BY NUMBER, PAGE AND ITEM)  
 Sixth Revision of Sheet No. 54-1  
 Fifth Revision of Sheet No. 54-2

- REASONS FOR REQUESTING A WAIVER OF STATUTORY NOTICE:  
 An immediate suspension of PGE's Green Product Mix product offering for Renewable Energy Certificates (RECs) sales beyond those already committed under existing contracts. Schedule 54 offers Nonresidential Customers the option to purchase RECs at a stated price. While the REC market has been stable for several years, the market is experiencing significant price and supply volatility, exceeding the PGE's stated price of \$3.00 per REC.

5. REQUESTED EFFECTIVE DATE OF THE NEW SCHEDULE(S) OR CHANGE(S): August 25, 2021

AUTHORIZED SIGNATURE	TITLE \s\ Robert Macfarlane Manager, Pricing & Tariffs	DATE August 12, 2021
PUC USE ONLY		
<input checked="" type="checkbox"/> APPROVED <input type="checkbox"/> DENIED	EFFECTIVE DATE OF APPROVED SCHEDULE(S) OR CHANGE 9/8/2021	
AUTHORIZED SIGNATURE 		DATE 9/7/2021

**SCHEDULE 54  
LARGE NONRESIDENTIAL  
RENEWABLE ENERGY CERTIFICATES RIDER**

**PURPOSE**

This rider is an optional supplemental service that supports the development of New Renewable Energy Resources as defined in ORS 757.600. Under this Schedule, a Large Nonresidential Customer may purchase Renewable Energy Certificates (RECs), subject to a minimum purchase.

**AVAILABLE**

In all territory served by the Company.

**TEMPORARY SUSPENSION**

The offering of new REC sales in the PGE Green Resource Mix is temporarily suspended for ninety (90) days from the effective date of this Tariff Sheet as the REC market is experiencing price and supply volatility. Existing contracts will not be impacted.

(N)  
—  
(N)

**APPLICABLE**

To all Customers taking service under any of the following PGE schedules: 38, 49, 83, 85, 89, 90, 91, 95, 485, 489, 490, 491, 495, 583, 585, 589, 590, 591, 595, and 689. Additionally, this Schedule is available to all competitive REC providers.

**PRODUCT OFFERINGS**

I. PGE Green Resource Mix

This product allows a customer to purchase RECs, subject to minimum purchase. The product is Green-e® Energy certified, and as a result all RECs purchased on behalf of Green Resource Mix Customers will conform to the Green-e® Renewable Energy Standard for Canada and the United States and are either registered with Western Renewable Energy Generation Information System (WREGIS) or provided via third party audited Green-e attestation.

II. Specified Resource

This product allows a customer to purchase RECs from a specified facility, subject to minimum a purchase. Specified Resource provides the participating customer with RECs obtained from specified resources and derived from the following fuels:

(M)

**SCHEDULE 54 (Continued)**

**PRODUCT OFFERINGS**

Specified Resource (Continued)

1. Wind;
2. Solar;
3. Certified low-impact hydroelectric;
4. Pipeline or irrigation hydroelectric systems;
5. Wave or tidal action;
6. Low emissions biomass (from digester methane from landfills, sewage or waste treatment plants, forest or field residues).
7. Hydrogen derived from photovoltaic electrolysis or non-hydrocarbon derivation process

(M)  
—  
(M)

Upon customer request, PGE will assist the customer in identifying discrete generators matching the fuel types listed above. Any offering under Specified Resource must be 100% new renewable, which is defined as follows:

- (1) a) Placed in operation (generating electricity) on or after January 28, 2000;  
b) repowered on or after January 28, 2000 such that 80% of the fair market value of the project derives from new generation equipment installed as part of the repowering, or  
c) a separable improvement to or enhancement of an operating existing facility that was first placed in operation prior to January 28, 2000 such that the proposed incremental generation is contractually available for sale and metered separately than existing generation at the facility.
- (2) Any project that has been subject to an uprate meant solely to increase generation at a facility – without the construction of a new or repowered, separately metered generating unit – is not eligible for the specified resource offering.

Generation facilities solely owned by an investor-owned utility (or included in the rate base of an investor-owned utility) and constructed for the purpose of serving cost-of-service utility customers are not eligible for selection in the specified resource program.

**RATE**

A Customer may purchase RECs through the PGE Green Resource Mix offering at:

0.3¢ per kWh

A minimum REC purchase of 1,000 kWh times 0.3¢ (\$3.00) per month, or annual equivalent, is required. For larger purchases, volume discounts may be available, subject to negotiation, pursuant to the execution of a written contract.

If a customer chooses to participate in the Specified Resource program, price may differ and is subject to execution of a written contract.