



Oregon

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Public Utility Commission

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December 28, 2023



BY EMAIL

Portland General Electric Company

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RE: Advice No. 23-36

At the public meeting on December 28, 2023, the Commission adopted Staff's recommendation in this matter docketed as ADV 1572. The Staff Report and a receipted copy of the sheets in your advice filing are attached.

Nolan Moser

Chief Administrative Law Judge

Public Utility Commission of Oregon

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**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 28, 2023**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** January 1, 2024

DATE: December 18, 2023

TO: Public Utility Commission

FROM: Scott Gibbens

THROUGH: Caroline Moore **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1572/Advice No. 23-36)
Schedule 137 – Customer-owned Solar Payment Option

STAFF RECOMMENDATION:

Approve Portland General Electric's (PGE or Company) Advice No. 23-36 filing and allow the associated tariff to go into effect on January 1, 2024.

DISCUSSION:

Issue

Whether the Commission should approve PGE's proposed updates to update Schedule 137 prices consistent with the existing balance and projections of costs for Schedule 137 and projected 2024 applicable loads.

Applicable Rule or Law

Under ORS 757.205(1):

Every public utility shall file with the Public Utility Commission, within a time to be fixed by the commission, schedules which shall be open to public inspection, showing all rates, tolls and charges which it has established and which are in force at the time for any service performed by it within the state, or for any service in connection therewith or performed by any public utility controlled or operated by it.

The Commission may approve tariff changes if they are deemed to be fair, just and reasonable. 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.

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.

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. ORS 757.220; OAR 860-022-0015.

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.

Analysis

Background

In 2010, the Commission implemented a statutorily mandated Volumetric Incentive Rate (VIR) Pilot Program for all three investor-owned electric utilities operating in Oregon. PGE recovers costs associated with the VIR Pilot Program under an automatic adjustment clause in PGE Schedule 137 (the Customer-Owned Solar Payment Option (SPO) Cost Recovery Mechanism).¹

¹ See *In the Matter of the Public Utility Commission of Oregon Investigation into Pilot Programs to Demonstrate the use and effectiveness of Volumetric Incentive Rates for Solar Photovoltaic Energy Systems*, Docket No. UM 1452, Order No. 10-198, May 28, 2010.

Schedule 137 prices were most recently updated as part of PGE's previous general rate revision, UE 394.² The most recent deferral of program costs is effective for the 12-month period beginning May 27, 2022.³

Current Filing

PGE's application states the following:

Schedule 137 has had a consistently decreasing balance since the last pricing update in 2022. To provide stable Schedule 137 prices, PGE is updating the existing prices such that the balance of the account will be amortized down to \$0 at the end of 2024.

To satisfy the requirements of OAR 860-022-0025, PGE provides the following responses:

As a result of this proposed price change, 940,000 Cost of Service (COS) customers will be impacted by this overall \$2.9 million or 0.1% increase in COS revenues. A typical Schedule 7 Residential Customer consuming 795 kWh monthly will see a bill increase of approximately \$0.15 or 0.1%.

Staff Review

Staff reviewed the filing, checking the billing determinants for accuracy, ensuring the appropriate rate spread, the revenue recovery matches the target revenue to zero out the balance of the account, and the resulting tariff resulted in proper charges to rate payers. Staff did not ask any information requests as the Company provided all relevant workpapers. Staff found no issues with the calculation and recommends approval as filed.

Conclusion

After a review of PGE's accompanying work papers, Staff finds that PGE's proposed rate is fair, just, and reasonable. As this filing meets the requirements of ORS 757.205, ORS 757.210, OAR 860-022-0025, and OAR 860-022-0030, Staff recommends the Commission approve PGE's filing.

² See *PGE ADVICE 22-08*, UE 394 General Rate Case Compliance Filing, April 29, 2022.

³ See In the Matter of PORTLAND GENERAL ELECTRIC COMPANY Application for Deferral of Expenses Associated with a Photovoltaic Volumetric Incentive Rate Pilot, Docket No. UM 1482(12), Order No. 22-452, November 18, 2022.

Docket No. ADV 1572/Advice No. 23-36
December 18, 2023
Page 4

PROPOSED COMMISSION MOTION:

Approve PGE's filing to adjust the rate of Schedule 137, Customer-Owned Solar Payment Option Cost Recovery Mechanism, and the associated tariff be allowed to take effect for service on and after January 1, 2024.

ADV 1572 PGE Schedule 137, Customer-Owned Solar Payment Option Cost Recovery Mechanism

**SCHEDULE 137
CUSTOMER-OWNED SOLAR PAYMENT OPTION
COST RECOVERY MECHANISM**

PURPOSE

This Schedule recovers the costs associated with the Solar Payment Option pilot not otherwise included in rates. This adjustment schedule is implemented as an “automatic adjustment clause” as provided for under ORS 757.210, and defined in Renewable Portfolio Standards.

AVAILABLE

In all territory served by the Company.

APPLICABLE

To all bills for Electricity Service except Schedules 76R and 576R.

ADJUSTMENT RATES

The Adjustment Rates, applicable for service on and after the effective date of this schedule will be:

<u>Schedule</u>	<u>Adjustment Rate</u>	
7	0.024 ¢ per kWh	(I)
15/515	0.018 ¢ per kWh	(C)
32/532	0.021 ¢ per kWh	
38/538	0.023 ¢ per kWh	(C)
47	0.033 ¢ per kWh	
49/549	0.029 ¢ per kWh	(C)
75/575		(C)
Secondary	0.011 ¢ per kWh ⁽¹⁾	
Primary	0.011 ¢ per kWh ⁽¹⁾	
Subtransmission	0.010 ¢ per kWh ⁽¹⁾	
83/583	0.017 ¢ per kWh	(C)
85/485/585		(C)
Secondary	0.014 ¢ per kWh	
Primary	0.012 ¢ per kWh	(I)

(1) Applicable only to the Baseline and Scheduled Maintenance Energy.

SCHEDULE 137 (Concluded)

(T)

ADJUSTMENT RATES (Continued)

<u>Schedule</u>	<u>Adjustment Rate</u>
89/489/589	
Secondary	0.011 ¢ per kWh
Primary	0.011 ¢ per kWh
Subtransmission	0.010 ¢ per kWh
90/490/590	
Primary	0.010 ¢ per kWh
Subtransmission	0.010 ¢ per kWh
91/491/591	0.018 ¢ per kWh
92/492/592	0.012 ¢ per kWh
95/495/595	0.018 ¢ per kWh
689	
Secondary	0.011 ¢ per kWh
Primary	0.011 ¢ per kWh
Subtransmission	0.010 ¢ per kWh

(C)

(I)

(C)

(C)

(C)

(C)(I)

(M)(D)

(I)

(I)

BALANCING ACCOUNT

The Company will maintain a balancing account to accrue differences between the incremental costs associated with the Solar Payment Option pilot and the revenues collected under this schedule. This balancing account will accrue interest at the Commission-authorized rate for deferred accounts.

DEFERRAL MECHANISM

Each year the Company may file a deferral request. The deferral will be amortized over one year in this schedule unless otherwise directed by the Oregon Public Utility Commission.

SPECIAL CONDITION

1. Costs recovered through this schedule will be allocated to each schedule using the applicable schedule's forecasted energy on the basis of an equal percent of revenue applied on a cents per kWh basis to each applicable rate schedule, with long-term opt out and new load direct access customers priced at the equivalent cost of service rate schedule.

(M)(D)