



# Oregon

Tina Kotek, Governor

**Public Utility Commission**

201 High St SE Suite 100

Salem, OR 97301-3398

**Mailing Address:** PO Box 1088

Salem, OR 97308-1088

503-373-7394

March 19, 2024



BY EMAIL

Portland General Electric Company

pge.opuc.filings@pgn.com

RE: Advice No. 24-02

At the public meeting on March 19, 2024, the Commission adopted Staff's recommendation in this matter docketed as ADV 1589. 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

(503) 378-3098

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: March 19, 2024**

**REGULAR**  **CONSENT**  **EFFECTIVE DATE** March 20, 2024

**DATE:** March 11, 2024

**TO:** Public Utility Commission

**FROM:** Eric Shierman

**THROUGH:** JP Batmale and Sarah Hall **SIGNED**

**SUBJECT:** PORTLAND GENERAL ELECTRIC:  
(Docket No. ADV 1589/Advice No. 24-02)  
Update to Schedules 7 and 32 Portfolio Option resource mix.

**STAFF RECOMMENDATION:**

Approve Portland General Electric's Advice No. 24-02.

**DISCUSSION:**

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve changes to Portland General Electric's (PGE or the Company) Schedules 7 and 32.

Applicable Rule or Law

ORS 757.603 requires electric utilities to provide a portfolio of rate options to residential customers. The Commission regulates portfolio options so that the rates reflect the costs and risks of serving each option.

OAR 860-038-0220 sets forth the Commission's requirements for electric companies to provide a portfolio of products and pricing options. OAR 860-038-0220(6) requires that the utility offering rate options "acquire the renewable supply resources necessary to provide the renewable energy resources duct through a Commission-approved bidding process or other Commission approved means."

ORS 469A.057(1)(e) establishes the renewable portfolio compliance standard for large electric utilities during the 2025-2029 period as “at least 27 percent.”

## Analysis

### *Background*

PGE’s voluntary green power programs are an opportunity for the Company’s customers to have lower attributable emissions than PGE’s generation system. These portfolio options for Schedule 7 residential customers and Schedule 32 small commercial customers have been procuring renewable energy credits (REC) or funding grants to cover 100 percent of a participating customer’s energy usage. As of the end of January 2024, Schedule 7 has 224,811 participants, and Schedule 32 has 3,913 participants.<sup>1</sup>

Over the past several years, the escalation of REC prices has put upward pressure on portfolio option prices.<sup>2</sup> Both PGE and PacifiCorp have been adapting portfolio option product design and pricing to adjust to higher REC prices.<sup>3</sup>

### *PGE’s Proposal*

The Company proposes to change the Renewable Usage product from one that matches renewable energy equal to 100 percent of a participant’s monthly electricity usage to a product that matches renewable energy equal to 73 percent of a participant’s monthly electricity usage.<sup>4</sup> The 27 percent reduction reflects the renewable energy portfolio of PGE’s generation mix in compliance with Oregon’s renewable portfolio standard. When viewed in aggregate, the Renewable Usage product along with the renewable portfolio standard match 100 percent of Schedule 7 and 32 participants’ energy usage with renewable energy.

### *Reason for Staff Recommendation*

Staff recommends the Commission approve this change to Schedule 7 and Schedule 32’s Renewable Usage portfolio option. Given the transition to non-emitting resources underway in Oregon and the volume of RECs being retired for all customers and covered by general rates, the customers seeking 100 percent renewable energy need not pay for a 100 percent allocation of additional RECs. PGE has found a reasonable means of restraining this product’s price escalation while maintaining its customer value proposition.

---

<sup>1</sup> Data provided from Casey Manley to Eric Shierman on February 28, 2024.

<sup>2</sup> See e.g. Docket No. ADV 1309, OPUC Staff Report, p. 2, December 20, 2021.

<sup>3</sup> See e.g. Docket No. UM 1020, OPUC, Order No. 21-308, Appendix A, p. 3, Sept. 22, 2021.

<sup>4</sup> Docket No. ADV 1589, Advice No. 24-02, p. 1, Jan. 29, 2024.

Docket No. ADV 1589  
March 11, 2024  
Page 3

*Stakeholder Feedback*

No stakeholders have filed comments.

Conclusion

Staff Recommends the Commission approve PGE's proposed changes to Schedules 7 and 32. The Company seeks to avoid the over procurement of RECs when providing residential and small commercial customers the opportunity to consume 100 percent renewable energy.

**PROPOSED COMMISSION MOTION:**

Approve Portland General Electric's Advice No. 24-02.

CA1 – ADV 1589.

**SCHEDULE 7 (Continued)**

RENEWABLE FIXED OPTION

The Company will use funds received under this option to cover program costs and purchase 200 kWh of RECs and/or renewable energy per block enrolled in the renewable fixed option. All RECs purchased under this option will come from new renewable resources.

The Company will also place any funds not spent after covering program and REC costs received from Customers enrolled in this option in a renewable resources development and demonstration fund ("Renewable Development Fund" or "RDF"). See Special Conditions for additional details on the RDF.

**Monthly Rate**

Renewable Fixed Option                      \$1.88                      per month per block

RENEWABLE USAGE OPTION

Amounts received from Customers under the renewable usage option will be used to cover program costs and acquire RECs and/or Energy, all of which will come from new renewable resources.

The Company will place any funds received from Customers enrolled in this option that are not spent after covering program and REC costs in a renewable resources development and demonstration fund ("Renewable Development Fund" or "RDF"). See Special Conditions for additional details on the RDF.

Effective January 1, 2025, the Renewable Usage option will match 73% of a customer's electricity usage with RECs. Upon each future Renewable Portfolio Standard (RPS) benchmark year, the program will reduce the percentage matched through Renewable Usage to the difference between the RPS and what it would take to be 100% renewable.

(N)  
|  
(N)

**Monthly Rate**

Renewable Usage Option                      0.940                      ¢ per kWh in addition to Energy Charge

**SCHEDULE 32 (Continued)**

MONTHLY RATE (Continued)

Renewable Portfolio Options

(available upon enrollment in either Energy Charge option)

Renewable Usage	0.940	¢ per kWh in addition to Energy Charge
Renewable Fixed	\$1.88	per month per block
Renewable Habitat Adder <sup>(*)</sup>	\$2.50	per month

\* Only Customers who are enrolled in a Renewable Portfolio Option (Renewable Usage or Renewable Fixed 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 use funds received under this option to cover program costs and purchase 200 kWhs of Renewable Energy Certificates (RECs) and/or renewable energy per block enrolled in the Renewable Fixed Option. All RECs purchased under this option will come from new renewable resources.

The Company will also place any funds not spent after covering program and REC costs received from Customers enrolled in this option in a renewable resources development and demonstration fund ("Renewable Development Fund" or "RDF". See Special Conditions for additional details on the RDF.

RENEWABLE USAGE OPTION

Amounts received from Customers under the Renewable Usage Option will be used to cover program costs and acquire RECs and/or renewable energy, all of which will come from new renewable resources.

The Company will also place any funds received from Customers enrolled in this option not spent after covering program and REC costs in a renewable resources development and demonstration fund ("Renewable Development Fund" or "RDF"). See Special Conditions for additional details on the RDF.

Effective January 1, 2025, the Renewable Usage option will match 73% of a customer's electricity usage with RECs. Upon each future Renewable Portfolio Standard (RPS) benchmark year, the program will reduce the percentage matched through Renewable Usage to the difference between the RPS and what it would take to be 100% renewable.

(N)  
|  
(N)