



Oregon

Kate Brown, Governor

Public Utility Commission

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June 7, 2019



By Email:
Karla Wenzel
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RE: Advice No. 19-12

At the public meeting on June 6, 2019, the Commission adopted Staff's recommendation in this matter docketed as ADV 958. 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: June 6, 2019

REGULAR _____ CONSENT X EFFECTIVE DATE June 7, 2019

DATE: May 28, 2019

TO: Public Utility Commission

FROM: Marianne Gardner *MB*

THROUGH: *epk* Jason Eisdorfer and John Crider *Jc*

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 958/Advice No. 19-12) Establishes new Schedule 136, Oregon Community Solar Program Start-Up Cost Recovery Mechanism, to recover costs incurred during and for the development and/or modification of the Oregon Community Solar Program that are not otherwise included in rates.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Portland General Electric's (PGE or Company) Advice No. 19-12, effective for service rendered on and after June 7, 2019.

DISCUSSION:

Issue

Whether the Public Utility Commission of Oregon (OPUC or Commission) should approve PGE's Advice No. 19-12, which establishes new Schedule 136, Oregon Community Solar Program (CSP) Start-Up Cost Recovery Mechanism, to recover costs incurred during and for the development and/or modification of the Oregon CSP that are not otherwise included in rates. Specifically, these are start-up costs for Program Administration (PA) costs and Low-Income Facilitator (LIF) costs due to the program administrator.

Applicable Law

- ORS 757.205 requires that public utilities file all rates, rules, and charges with the Commission.

- ORS 757.210 establishes a hearing process to address utility filings and requires rates be fair, just and reasonable.
- OAR 860-022-0025 requires that new tariff filings include statements showing the new rates, the number of customers affected, the impact on annual revenue, and the reasons supporting the proposed tariff.
- OAR 860-022-0030 requires that tariff filings that name increased rates include additional requirements to OAR 860-022-0025 and necessitate statements for each separate schedule.
- ORS 757.386(7) specifies different treatment for the start-up and ongoing costs of the CSP.
 - Start-up costs: Utilities may recover prudently incurred program start-up costs as well as costs of energy purchased from CSP projects (Projects) from all ratepayers.
 - Ongoing costs: Owners and subscribers (i.e., program participants) shall bear all ongoing costs incurred for the cost to construct and operate community solar projects.
- OAR 860-088-0160(1) states that start-up costs must be reviewed and approved by Commission order and clarifies that start-up PA and LIF costs are recoverable in rates of all ratepayers. Further, the rules specify that utilities' prudently incurred start-up costs recoverable from ratepayers exclude any costs associated with the electric company developing a CSP project.¹

Analysis

Background

In UM 1930², Order No. 19-122, the Commission approved Staff's recommendation in its April 9, 2019, public meeting memo (Staff's April Report, Appendix A) proposing the "following processes associated with CSP start-up costs:

- Review monthly invoices from Energy Solutions for PA and LIF services and approve invoices for services that fall within terms of contract and Program requirements,
- Allocate approved start-up costs between IPC, PAC, and PGE,
- Direct IPC, PAC, and PGE to remit payment to Energy Solutions, and
- Utilities' cost recovery and remittance to the PA through tariff filings."³

Appendix A to the order categorized CSP costs as PA/LIF start-up costs, non-capital utility startup costs, and capital start-up costs and outlined the agreed upon rate

¹ OAR 860-088-0160(1)(b).

² Docket No. UM 1930, In the Matter of PUBLIC UTILITY COMMISSION OF OREGON, Community Solar Program Implementation. [Docket Opened at 1/25/18 Public Meeting].

³ Ibid/Appendix A/7.

recovery methodology by category. In its memo, Staff further explained that, on March 5, 2019, the State of Oregon executed a contract with Energy Solutions for PA/LIF services. This created a need to expeditiously establish a process for remittance of PA/LIF funds from the electric utilities to Energy Solutions and set up tariffs for cost recovery from customers.⁴

Parties to the docket agreed that PGE would recover PA/LIF forward-forecasted costs contemporaneously through an automatic adjustment clause and file a deferral to recover any variance at year-end.

Tariff Filing

Pursuant to Order No. 19-122, PGE filed Advice No. 19-12, to establish Schedule 136. According to its application, Schedule 136 is a cost recovery mechanism that seeks to recover costs incurred during and for the development and/or modification of the Oregon CSP including the PA and LIF costs associated with the State of Oregon, and the company's prudently incurred costs associated with implementing the CSP that are otherwise included in rates.

Consistent with Appendix A, PGE's Schedule 136 will collect the Company's allocated 59.22 percent of the maximum \$1.706M total start-up costs of the PA and LIF or \$1.010M on a PGE allocated basis. Likewise, PGE commits to remitting payment to Energy Solutions within 15 days of receiving Staff's approval of an Energy Solution's invoice.

Compliance with OAR 860-022-0025 and 860-022-0030

According to PGE's estimations, during 2019, approximately 895,000 customers will be impacted by Schedule 136. A typical Schedule 7 residential customer consuming 800 kWh monthly will see a \$0.05 increase or 0.05 percent increase in their bill because of the proposed approximately \$1.010M collected.

Analysis

Staff reviewed PGE's work papers filed contemporaneously with its application. These work papers include the estimated revenues calculated by schedule. Staff finds the work papers are consistent with the requirements in Staff's April Report. Additionally, Staff spoke to the Company to confirm that the only costs to be collected through Schedule 136 are PA and LIF costs; that the Company is not seeking the recovery of any other costs including capital costs through this mechanism. The Company replied in the affirmative.

⁴ Ibid/2-3.

Conclusions

Order No. 19-22 approved Staff's recommendation regarding specific processes associated with the utilities' recovery of CSP start-up costs. On March 5, 2019, the State of Oregon executed a contract for PA/LIF services with Energy Solutions. PA/LIF start-up activities are now underway and PA/LIF start-up costs are being incurred. According to the terms agreed to by parties, PGE filed Advice 19-12, a tariff application to establish a new Schedule 136. The purpose of Schedule 136 is to implement cost recovery from customers and remittance to the program administrator for PA and LIF start-up costs.

PROPOSED COMMISSION MOTION:

Approve Portland General Electric's Advice No. 19-12, effective for service rendered on and after June 7, 2019.

CA4 PGE ADV 958 Schedule 136 UM 1930 mg

PORTLAND GENERAL ELECTRIC COMPANY
TABLE OF CONTENTS
RATE SCHEDULES

Schedule **Description**

Standard Service Schedules (Continued)

- 88 Load Reduction Program
- 89 Large Nonresidential Standard Service (>4,000 kW)
- 90 Large Nonresidential Standard Service (>4,000 kW and Aggregate to >100 MWa)
- 91 Street and Highway Lighting Standard Service (Cost of Service)
- 92 Traffic Signals (No New Service) Standard Service (Cost of Service)
- 95 Street and Highway Lighting New Technology (Cost of Service)
- 99 Special Contracts

Adjustment Schedules

- 100 Summary of Applicable Adjustments
- 102 Regional Power Act Exchange Credit
- 105 Regulatory Adjustments
- 106 Multnomah County Business Income Tax Recovery
- 108 Public Purpose Charge
- 109 Energy Efficiency Funding Adjustment
- 110 Energy Efficiency Customer Service
- 112 Customer Engagement Transformation Adjustment
- 115 Low Income Assistance
- 122 Renewable Resources Automatic Adjustment Clause
- 123 Decoupling Adjustment
- 125 Annual Power Cost Update
- 126 Annual Power Cost Variance Mechanism
- 128 Short-Term Transition Adjustment
- 129 Long-Term Transition Cost Adjustment

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Advice No. 19-12

Issued April 18, 2019

James F. Lobdell, Senior Vice President
Received by OPUC
Utility Division
4/18/2019

Effective for service
on and after June 7, 2019

PORTLAND GENERAL ELECTRIC COMPANY
TABLE OF CONTENTS
RATE SCHEDULES

Schedule **Description**

Adjustment Schedules (Continued)

- 132 Federal Tax Reform Credit
- 134 Gresham Retroactive Privilege Tax Payment Adjustment
- 135 Demand Response Cost Recovery Mechanism
- 136 Oregon Community Solar Program Start-Up Cost Recovery Mechanism
- 137 Customer-Owned Solar Payment Option Cost Recovery Mechanism
- 142 Underground Conversion Cost Recovery Adjustment
- 143 Spent Fuel Adjustment
- 145 Boardman Power Plant Decommissioning Adjustment
- 146 Colstrip Power Plant Operating Life Adjustment
- 149 Environmental Remediation Cost Recovery Adjustment,
Automatic Adjustment Clause

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Small Power Production

- 200 Dispatchable Standby Generation
- 203 Net Metering Service
- 215 Solar Payment Option Pilot Small Systems (10 kW or Less)
- 216 Solar Payment Option Pilot Medium Systems (Greater Than 10 kW to 100 kW)
- 217 Solar Payment Option Pilot Large Systems (Greater Than 100 kW to 500 kW)

Schedules Summarizing Other Charges

- 300 Charges as defined by the Rules and Regulations and Miscellaneous Charges
- 310 Deposits for Residential Service
- 338 On-Bill Loan Repayment Service Pilot – Portland Clean Energy Fund Program
(No New Service)
- 339 On-Bill Loan Repayment Service – Clean Energy Works of Oregon Program
- 340 On-Bill Repayment Service - Energy Efficiency and Sustainable Technologies
(EEAST)
- 341 Energy Efficiency Upgrade Voluntary On-Bill Repayment Service

Promotional Concessions

- 402 Promotional Concessions Residential Products and Services

**SCHEDULE 100
SUMMARY OF APPLICABLE ADJUSTMENTS**

The following summarizes the applicability of the Company's adjustment schedules.

Schs.	102 ⁽¹⁾	105	106 ⁽¹⁾	108 ⁽³⁾	109 ⁽¹⁾	110 ⁽¹⁾	112	115	122	123 ⁽¹⁾	125 ⁽¹⁾	126	128 ⁽⁴⁾	129 ⁽¹⁾
7	X	X	X	X	X	X	X	X	X	X	X	X		
15	X	X	X	X	X	X	X	X	X	X	X	X		
32	X	X	X	X	X	X	X	X	X	X	X	X	X	
38	X	X	X	X	X	X	X	X	X	X	X	X	X	
47	X	X	X	X	X	X	X	X	X	X	X	X		
49	X	X	X	X	X	X	X	X	X	X	X	X		
75	X ⁽²⁾	X ⁽²⁾	X	X	X ⁽²⁾	X ⁽²⁾	X	X	X ⁽²⁾	X	X ⁽²⁾	X ⁽²⁾	X	
76	X		X	X			X	X						
83	X	X	X	X	X	X	X	X	X	X	X	X	X	
85	X	X	X	X	X	X	X	X	X	X	X	X	X	
89	X	X	X	X	X	X	X	X	X	X	X	X	X	
90	X	X	X	X	X	X	X	X	X	X	X	X	X	
91		X	X	X	X	X	X	X	X	X	X	X	X	
92		X	X	X	X	X	X	X	X	X	X	X		
95		X	X	X	X	X	X	X	X	X	X	X	X	
485	X	X	X	X	X	X	X	X		X		X ⁽⁵⁾		X
489	X	X	X	X	X	X	X	X		X		X ⁽⁵⁾		X
490	X	X	X	X	X	X	X	X		X		X		X
491		X	X	X	X	X	X	X		X		X		X
492		X	X	X	X	X	X	X		X		X		X
495		X	X	X	X	X	X	X		X		X		X
515	X	X	X	X	X	X	X	X		X		X ⁽⁵⁾	X	
532	X	X	X	X	X	X	X	X		X		X ⁽⁵⁾	X	
538	X	X	X	X	X	X	X	X		X		X ⁽⁵⁾	X	
549	X	X	X	X	X	X	X	X		X		X ⁽⁵⁾	X	
575	X ⁽²⁾	X ⁽²⁾	X	X	X	X	X	X		X		X ⁽²⁾	X	
576	X		X	X			X	X						
583	X	X	X	X	X	X	X	X		X		X ⁽⁵⁾	X	
585	X	X	X	X	X	X	X	X		X		X ⁽⁵⁾	X	
589	X	X	X	X	X	X	X	X		X		X ⁽⁵⁾	X	
590	X	X	X	X	X	X	X	X		X		X	X	
591		X	X	X	X	X	X	X		X		X ⁽⁵⁾	X	
592		X	X	X	X	X	X	X		X		X ⁽⁵⁾	X	
595		X	X	X	X	X	X	X		X		X ⁽⁵⁾	X	

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(M)

1. Where applicable.
2. These adjustments are applicable only to the Baseline and Scheduled Maintenance Energy.
3. Schedule 108 applies to the sum of all charges less taxes, Schedule 109 and 115 charges and one-time charges such as deposits.
4. Applicable to Nonresidential Customer who receive service at Daily pricing (other than Cost of Service) or Direct Access (excluding service on Schedules 485, 489, 490, 491, 492 and 495).
5. Not applicable to Customers where service was received for the entire calendar year that the Annual Power Cost Variance accrued.

SCHEDULE 100 (Concluded)

SUMMARY OF APPLICABLE ADJUSTMENTS (Continued)

Schs.	132	134	135	136	137	142	143	145	146	149
7	x	x	x	x	x	x	x	x	x	x
15	x	x	x	x	x	x	x	x	x	x
32	x	x	x	x	x	x	x	x	x	x
38	x	x	x	x	x	x	x	x	x	x
47	x	x	x	x	x	x	x	x	x	x
49	x	x	x	x	x	x	x	x	x	x
75	x	x	x	x	x	x	x	x	x	x
76	x	x				x				x
83	x	x	x	x	x	x	x	x	x	x
85	x	x	x	x	x	x	x	x	x	x
89	x	x	x	x	x	x	x	x	x	x
90	x	x	x	x	x	x	x	x	x	x
91	x	x	x	x	x	x	x	x	x	x
92	x	x	x	x	x	x	x	x	x	x
95	x	x	x	x	x	x	x	x	x	x
485	x	x				x	x			x
489	x	x				x	x			x
490	x	x				x	x			x
491	x	x				x	x			x
492	x	x				x	x			x
495	x	x				x	x			x
515	x	x	x	x	x	x	x	x	x	x
532	x	x	x	x	x	x	x	x	x	x
538	x	x	x	x	x	x	x	x	x	x
549	x	x	x	x	x	x	x	x	x	x
575	x	x	x	x	x	x	x	x	x	x
576	x	x				x				x
583	x	x	x	x	x	x	x	x	x	x
585	x	x	x	x	x	x	x	x	x	x
589	x	x	x	x	x	x	x	x	x	x
590	x	x	x	x	x	x	x	x	x	x
591	x	x	x	x	x	x	x	x	x	x
592	x	x	x	x	x	x	x	x	x	x
595	x	x	x	x	x	x	x	x	x	x

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1. Where applicable.
2. These adjustments are applicable only to the Baseline and Scheduled Maintenance Energy.
3. Schedule 108 applies to the sum of all charges less taxes, Schedule 109 and 115 charges and one-time charges such as deposits.
4. Applicable to Nonresidential Customer who receive service at Daily pricing (other than Cost of Service) or Direct Access (excluding service on Schedules 485, 489, 490, 491, 492 and 495).
5. Not applicable to Customers where service was received for the entire calendar year that the Annual Power Cost Variance accrued.

Received by OPUC

Advice No. 19-12
Issued April 18, 2019
James F. Lobdell, Senior Vice President

Utility Division
4-18-2019

Effective for service
on and after June 7, 2019

**SCHEDULE 136
OREGON COMMUNITY SOLAR PROGRAM START-UP
COST RECOVERY MECHANISM**

PURPOSE

The purpose of this Schedule is to recover costs incurred during and for the development (or modification) of the Oregon Community Solar Program (Oregon CSP) including the costs associated with the State of Oregon's Program Administrator, Low Income Facilitator, and the company's prudently incurred costs associated with implementing the Community Solar Program that are not otherwise included in rates. Company incurred costs to implement the state program do not include costs associated with the company developing a community solar project. This cost recovery mechanism is authorized by ORS 757.386 (7)(c) and OAR 860-088-0160. The Oregon CSP is an optional program that will provide PGE customers the opportunity to voluntarily subscribe to the generation output of eligible community solar projects. This adjustment schedule is implemented as an automatic adjustment clause as provided under ORS 757.210 to allow recovery of operations and maintenance start-up costs as soon as the cost data is approved by the Commission.

AVAILABLE

In all territory served by the Company.

APPLICABLE

To all bills for Electricity Service except Schedules 76R, 485, 489, 490, 491, 492, 495, and 576R.

ADJUSTMENT RATE

The Adjustment Rate, applicable for service on and after the effective date of this schedule are:

<u>Schedule</u>	<u>Adjustment Rate</u>
7	0.006 ¢ per kWh
15/515	0.005 ¢ per kWh
32/532	0.006 ¢ per kWh
38/538	0.005 ¢ per kWh
47	0.007 ¢ per kWh
49/549	0.007 ¢ per kWh
83/583	0.006 ¢ per kWh

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SCHEDULE 136 (Concluded)

ADJUSTMENT RATE (Continued)

85/585			
Secondary	0.006	¢ per kWh	
Primary	0.005	¢ per kWh	
89/589			
Secondary	0.005	¢ per kWh	
Primary	0.005	¢ per kWh	
Subtransmission	0.005	¢ per kWh	
90/590	0.005	¢ per kWh	
91/591	0.005	¢ per kWh	
92/592	0.005	¢ per kWh	
95/595	0.005	¢ per kWh	

BALANCING ACCOUNT

The Company will maintain a balancing account to accrue differences between incremental costs associated with the Oregon CSP 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 to defer the incremental start-up costs associated with the Oregon CSP. The deferral will be amortized over one year in this schedule unless otherwise approved by the OPUC.

SPECIAL CONDITION

1. Pursuant to OAR 860-088-0160 (1), Oregon CSP start-up costs are:
 - Costs associated with the Program Administrator and Low-Income Facilitator; and
 - Each utility's prudently incurred start-up costs associated with implementing the Community Solar Program. These costs include, but are not limited to, costs associated with customer account information transfer and on-bill crediting and payment, but exclude any costs associated with the electric utility developing a project.
2. PGE will remit payments to the Program Administrator on a monthly basis for program costs including performing work as provided in OAR 860-088-0020 and OAR 860-088-0030 within 15 days receipt of the Commission's approval of eligible costs.