

ORDER NO. 11 519

ENTERED DEC 20 2011

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1561

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

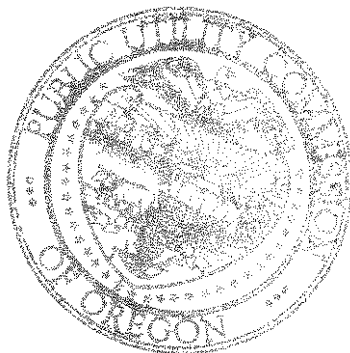
Quarterly Non-Firm Avoided Cost Rates.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its Public Meeting on December 20, 2011, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter, attached as Appendix A.

BY THE COMMISSION:



Becky L. Beier

Becky L. Beier
Commission Secretary

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

ITEM NO. CA8

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT

PUBLIC MEETING DATE: December 20, 2011

REGULAR _____ CONSENT X EFFECTIVE DATE January 1, 2012

DATE: December 12, 2011

TO: Public Utility Commission

FROM: Steve Schue *S.S.*THROUGH: *MC*
Bryan Conway and Maury GalbraithSUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1561) Updates the company's non-firm avoided cost information for the first quarter 2012.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric Company's (PGE) first quarter 2012 non-firm avoided energy costs.

DISCUSSION:

OAR 860-029-0080(4) requires electric utilities contracting to buy non-firm power from a Public Utility Regulatory Policies Act (PURPA) qualifying facility (QF) to submit quarterly filings of non-firm avoidable energy costs. PGE filed its non-firm avoided costs for the first quarter of 2012 on November 15, 2011. These rates represent the amount PGE would pay for all energy deliveries in excess of 110 percent of the delivery schedule for a QF delivering power pursuant to Schedule 201. The Covanta Marion solid waste facility in Brooks, Oregon, has received payments based on the quarterly non-firm avoided energy costs in the past when its energy delivery to PGE has exceeded 110 percent of scheduled. Covanta Marion is likely to deliver excess power during the first quarter of 2012, and throughout the remaining term of the contract, which expires in 2014.

PGE's first quarter non-firm avoidable energy costs are 3.243 cents per kWh for on-peak power and 2.721 cents per kWh for off-peak power. PGE's energy cost estimates were developed from the Company's most recent forward market price curves, and include transmission and line losses.

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In comparison, PGE's Schedule 201 standard fixed price option firm avoided costs for small Qualifying Facilities average 4.521 cents per kWh on-peak and 4.049 cents per kWh off-peak during the first quarter of 2012.

Staff has reviewed PGE's non-firm avoided energy costs for the first quarter of 2012, and finds the estimates to be consistent with current forward market price curves and recommends approval of PGE's non-firm avoided cost filing.

PROPOSED COMMISSION MOTION:

PGE's non-firm avoided energy costs for the first quarter of 2012 be approved.

PGE Q1 2012 Non-Firm Avoided Costs