

ORDER NO. 12 225

ENTERED JUN 19 2012

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1561(2)

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

ORDER

Quarterly Non-Firm Avoided Cost Rates.

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its Public Meeting on June 19, 2012, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter, attached as Appendix A.

BY THE COMMISSION:



Becky L. Beier

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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.

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: June 19, 2012

REGULAR _____ CONSENT X EFFECTIVE DATE July 1, 2012

DATE: June 7, 2012

TO: Public Utility Commission

FROM: Adam Bless *AB*

THROUGH: Jason Eisdorfer and Maury Galbraith *MG*

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1561(2)) Updates
the company's non-firm avoided cost information for the third quarter
2012.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric Company's (PGE) third 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 third quarter of 2012 on May 15, 2012. 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 third quarter of 2012 and throughout the remaining term of the contract, which expires in 2014.

PGE's third quarter non-firm avoidable energy costs are 2.98 cents per kWh for on-peak power and 2.07 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 5.018 cents per kWh on-peak and 3.648 cents per kWh off-peak during the third quarter of 2012.

Staff has reviewed PGE's non-firm avoided energy costs for the third 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 third quarter of 2012 be approved.

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