

ORDER NO.

12 377

ENTERED

OCT 08 2012

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1561(3)

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

ORDER

Quarterly Non-Firm Avoided Cost Rates.

DISPOSITION: STAFF'S RECOMMENDATIONS ADOPTED

This order memorializes the decision of the Public Utility Commission of Oregon in this matter made and effective at a public meeting held on September 25, 2012. The Staff Report, detailing the recommendations adopted, is attached as Appendix A.

Dated this 8th day of Oct., 2012, at Salem, Oregon.



Susan K. Ackerman
Chair



John Savage
Commissioner



Stephen M. Bloom
Commissioner

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: Sep ember 25, 2012

REGULAR _____ CONSENT X EFFECTIVE DATE October 1, 2012

DATE: September 21, 2012

TO: Public Utility Commission

FROM: Adam Bless *AB*

THROUGH: Jason Eisdorfer and Maury Galbraith *ME*

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1561(3)) Updates the company's non-firm avoided cost information for the fourth quarter 2012.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric Company's (PGE) fourth 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 fourth quarter of 2012 on August 15, 2012. These rates represent the amount PGE will pay for 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 fourth quarter of 2012 and throughout the remaining term of the contract, which expires in 2014.

PGE's fourth quarter non-firm avoidable energy costs are 3.27 cents per kWh for on-peak power and 2.85 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 5.35 cents per kWh on-peak and 4.67 cents per kWh off-peak during the fourth quarter of 2012.

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

Ca8 PGE UM 1561 Avoided Cost 2012 Q4.docx