

ORDER NO. 13 225

ENTERED JUN 18 2013

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1561(6)

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY,

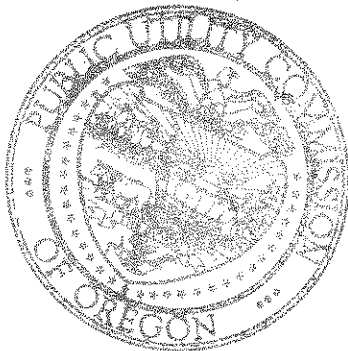
Quarterly Non-Firm Avoided Cost Rates.

ORDER

**DISPOSITION: STAFF'S RECOMMENDATION ADOPTED**

At its public meeting on June 18, 2013, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is 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.

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ITEM NO. CA1

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT

PUBLIC MEETING DATE: June 18, 2013

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE July 1, 2013

DATE: June 10, 2013

TO: Public Utility Commission

FROM: Brittany Andrus *BA*

THROUGH: *I* Jason Eisdorfer, *MG* Maury Galbraith, and *aa* Aster Adams

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1561(6)) Updates the company's non-firm avoided cost information for the third quarter 2013.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission approve Portland General Electric's (PGE) third quarter 2013 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 2013 on May 15, 2013. These avoided costs represent the amount PGE will pay for energy deliveries in excess of 110 percent of the delivery schedule for a QF. 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 the scheduled amounts. Covanta Marion is likely to deliver excess power during the third quarter of 2013 and throughout the remaining term of the contract, which expires in 2014.

PGE's third quarter non-firm avoidable energy costs are 4.80 cents per kWh for on-peak power and 3.58 cents per kWh for off-peak power. These costs were developed from the Company's forward market price curves at the time of the filing, and include transmission costs and line losses.

In comparison, PGE's fixed price option firm avoided costs for small QFs are 3.93 cents per kWh on-peak and 2.65 cents per kWh off-peak for the third quarter of 2013. The

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avoided energy costs in this quarterly update are higher because the firm avoided costs were set in January 2013 when Mid-C forward prices were lower.

Staff has reviewed PGE's non-firm avoided energy costs for the third quarter of 2013, and finds the estimates consistent with current forward market price curves.

**PROPOSED COMMISSION MOTION:**

PGE's non-firm avoided energy costs for the third quarter of 2013 be approved.

UM 1561 PGE Q2 2013 Non Firm AvoidedCost Q3.docx