

ORDER NO.

13 483

ENTERED

DEC 19 2013

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1561(8)

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY;

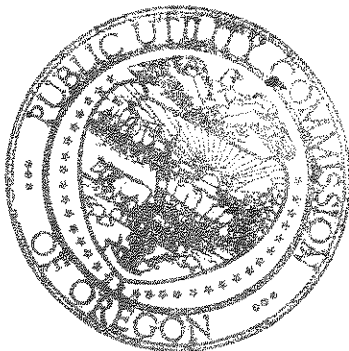
Quarterly Non-Firm Avoided Cost Rates.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on December 19, 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. CA2

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT**

PUBLIC MEETING DATE: December 19, 2013

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** January 1, 2014

DATE: December 9, 2013

TO: Public Utility Commission

FROM: Brittany Andrus *BA*

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

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1561(8)) Updates the company's non-firm avoided cost information for the first quarter 2014.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric's (PGE or Company) first quarter 2014 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 2014 on November 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 when its energy delivery to PGE has exceeded 110 percent of the scheduled amounts. Covanta Marion is likely to deliver excess power during the first quarter of 2014 and throughout the remaining term of the contract, which expires June 30, 2014. A new contract between PGE and Covanta Marion is currently under discussion.

For the first quarter of 2014, PGE's proposed non-firm avoidable energy costs are \$37.74 per MWh on-peak, and \$31.95 per MWh off-peak. According to the Company, these costs include transmission and line losses. Staff reviewed the proposed costs by calculating a quarterly weighted average of monthly on- and off-peak forward prices from the Argus U.S. Electricity report for Mid-Columbia. Staff then added 1.9 percent

APPENDIX A

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for lines losses over the Bonneville Power Administration (BPA) system, and the applicable BPA Point-to-Point (PTP) transmission rates.¹ The results of these calculations are consistent with the on- and off-peak avoided costs proposed by PGE.

PROPOSED COMMISSION MOTION:

PGE's non-firm avoided energy costs for the first quarter of 2014 be approved.

PGE UM 1561 NF Avoided Cost 2014 Q1.docx

¹ BPA 2014 Transmission, Ancillary and Control Area Service Rate Summary, Effective 10/1/13.