

ORDER NO. 14 084

ENTERED MAR 17 2014

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1561(9)

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

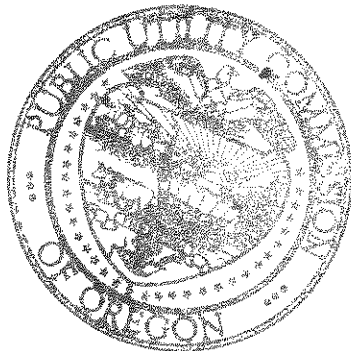
Quarterly Non-Firm Avoided Cost Rates.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on March 17, 2014, 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.

ITEM NO. 1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 17, 2014

REGULAR X CONSENT _____ EFFECTIVE DATE April 1, 2014

DATE: March 12, 2014

TO: Public Utility Commission

FROM: Brittany Andrus *BA*

THROUGH: *E* Jason Eisdorfer, *J. Galbraith* Maury Galbraith, and *AA* Aster Adams

SUBJECT: PORTLAND GENERAL ELECTRIC: (Docket No. UM 1561(9)) Updates the company's non-firm avoided cost information for the second quarter 2014.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Portland General Electric's (PGE or Company) second quarter 2014 non-firm avoided energy costs.

DISCUSSION:

Request & Applicable Rule

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 second quarter of 2014 on February 18, 2014. These avoided costs represent the amount PGE will pay for energy deliveries in excess of 110 percent of the delivery schedule for a QF.

Staff Analysis & Recommendation

For the second quarter of 2014, PGE's proposed non-firm avoidable energy costs are \$38.82 per MWh on-peak, and \$22.72 per MWh off-peak, which includes avoided costs for transmission and line losses. Staff compared PGE's proposed avoided costs for the second quarter of 2014 to forward market prices at the time of the filing, and finds that the proposed avoided cost estimates are consistent with forward market prices trend. Therefore, Staff recommends that PGE's non-firm avoided costs should be approved.

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At this time, the only existing QF that 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 is the Covanta Marion solid waste facility in Brooks, Oregon. Covanta Marion is likely to deliver excess power during the second quarter of 2014 as per the terms of the contract, which expires June 30, 2014. A new contract between PGE and Covanta Marion continues to be under discussion, as also stated in Staff's previous Docket No. UM 1561 memo, dated December 9, 2013.

This item was added to the public meeting agenda after it was finalized; therefore, it is on the regular portion of the agenda. There are no disputed issues for Commission review.

PROPOSED COMMISSION MOTION:

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

PGE UM 1561 NF Avoided Cost 2014 Q2.docx