

ORDER NO. 20-135

ENTERED Apr 27 2020

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2048

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

2020 Renewable Portfolio Standard
Implementation Plan.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on April 21, 2020, 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:



Nolan Moser

Chief Administrative Law Judge



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 Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA3

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 21, 2020**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ **N/A**

DATE: April 13, 2020

TO: Public Utility Commission

FROM: Natascha Smith

THROUGH: Bryan Conway, Michael Dougherty, and JP Batmale **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2048)
Request Acknowledgement of the 2021-2025 Renewable Portfolio
Standard Implementation Plan.

STAFF RECOMMENDATION:

Acknowledge Portland General Electric's (PGE or Company) 2021-2025 Renewable Portfolio Standard Implementation Plan (RPIP).

DISCUSSION:

Issue

Whether PGE's 2021-2025 RPIP satisfies all applicable Renewable Portfolio Standard (RPS) statutes, administrative rules, such that the Commission should acknowledge it.

Applicable Rule or Law

Oregon's RPS laws are codified at ORS 469A.005 through 469A.210 and establish incremental targets for energy companies to procure qualifying renewable energy. OAR Chapter 860, Division 83, establishes guidelines for RPS compliance, including limits on the cost of compliance, requirements for planning and reporting, and standards for the use of Renewable Energy Certificates (RECs) as the primary compliance instrument. OAR 860-083-0400 requires electric companies subject to ORS 469A.052 to file an RPS implementation plan every even-numbered year, unless otherwise directed by the Commission.

Due to the broad concerns over both the content and format of the RPIP and the associated rulemakings, the Commission waived a majority of the administrative rules

Docket No. UM 2048
April 13, 2020
Page 2

that govern the 2021-2025 RPIP. In Order No. 19-447, the Commission adopted Staff's recommendation to streamline the 2021-2025 RPIP filings, waiving the requirements under OAR 860-083-0400(2)-(5) for the 2021-2025 compliance period. In compliance with the Commission's order, PGE's 2021-2025 RPIP filing includes the information required by statute and the information required by the administrative rules that were not waived, OAR 860-083-0400(1) and (6)-(10).

Analysis

Background

PGE submitted its 2021-2025 RPIP on December 31, 2019. On January 21, 2020, Staff met with PGE to review their RPIP filing. Staff submitted comments on February 13, 2020 indicating that PGE had complied with the requirements outlined OAR 860-083-0400(1) and (6)-(10) and that, based on the analysis reviewed by Staff, PGE will not exceed the 4 percent incremental cost threshold during the compliance period.¹ The Company did not file reply comments.

Staff's Assessment

Staff highlighted four ongoing RPS compliance issues in comments on the 2021-2025 RPIP. These concerns are not limited to the Company's RPIP, but rather represent broad concerns with the current RPS planning and compliance regimes. First, it is unclear whether a five-year RPIP is able to capture longer-term compliance strategies. Second, there is continued use of unbundled RECs despite their exclusion from compliance plans. PGE has stated that similar to earlier RPIPs, it does not plan to use unbundled RECs for RPS compliance going forward. The data suggest otherwise, as PGE has used unbundled RECs as a significant, very low cost part of its RPS compliance strategy over the last five years.² Third, Staff is concerned that the calculation of incremental cost occurs at the time of the retirement rather than the time of generation, which could influence the determination of the 4 percent threshold. And fourth, the timing between yearly RPIPs and 2-3 years between IRP acknowledgements limits the amount of useful information in the yearly RPIP filings. However, despite their relevance to this RPIP, Staff believes these issues are best addressed through the RPS rulemaking dockets.³

¹ See UM 2048, Staff's Initial Comments, Renewable Portfolio Standard Implementation Plan, Feb. 14, 2020, p2.

² See UM 1916, Staff's Initial Comments, 2019-2023 Renewable Portfolio Standard Implementation Plan, Mar. 5, 2018, pp. 3-4; *see also*, UM 1958, Staff Report, PGE's Revised 2017 Renewable Portfolio Standard Compliance Plan, Sept. 11, 2018, pp.5-6; *see also*, UM 2016, Staff Report, 2018 Renewable Portfolio Standard Compliance Report, Sept. 16, 2019, pp. 4-6.

³ See RPS rulemaking dockets, AR 610 In re Rulemaking Regarding the Incremental Cost of Renewable Portfolio Standard Compliance, AR 616 In re Rulemaking Regarding Renewable Portfolio Standard.

Docket No. UM 2048
April 13, 2020
Page 3

Conclusion

Staff believes that PGE has met applicable legal requirements and therefore recommends that the Commission acknowledge the Company's 2021-2025 RPIP.

PROPOSED COMMISSION MOTION:

Acknowledge PGE's 2021-2025 Renewable Portfolio Standard Implementation Plan.

UM 2048 PGE 2021-2025 RPS Implementation Plan