

ORDER NO. 20-482

ENTERED Dec 22 2020

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2133

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Wheatridge REC Monetization Proposal.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on December 15, 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. RA1

PUBLIC UTILITY COMMISSION OF OREGON
REDACTED STAFF REPORT
PUBLIC MEETING DATE: December 15, 2020

REGULAR X CONSENT _____ EFFECTIVE DATE _____ N/A _____

DATE: December 7, 2020

TO: Public Utility Commission

FROM: Caroline Moore

THROUGH: Bryan Conway and JP Batmale **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2133)
Wheatridge REC Monetization Proposal.

STAFF RECOMMENDATION:

The Public Utility Commission of Oregon (Commission or PUC) should approve the Memorandum of Understanding (MOU) on the Renewable Energy Certificate (REC) price to be used in Portland General Electric's (PGE or Company) Wheatridge REC monetization proposal.

DISCUSSION:

Issue

Whether the Commission should approve the MOU on the price that will be used to return the value of some of the RECs generated by Wheatridge Renewable Energy Facility (Wheatridge) to PGE customers.

Applicable Law

OAR 8860-038-0220 governs renewable resource portfolio options for electric companies. Under OAR 860-038-0220(6), “Each electric company must acquire the renewable supply resources necessary to provide the renewable energy resources product through a Commission-approved bidding process or other Commission-approved means.”

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The Commission issued Order No. 20-321 in Docket Nos. UE 370 and UE 372 on September 29, 2020. In this order, the Commission directed the parties to review and negotiate a modified REC value for the sale of certain RECs generated by the Wheatridge facility to supply the voluntary programs, consistent with the proposal presented by Oregon Citizens' Utility Board (CUB) in that docket. The Commission further noted this order was not intended to approve this particular treatment as a precedent or template.

Analysis

Background

Wheatridge is a 300 MW wind generation facility, a 50 MW solar facility, and a 30 MW 4-hour duration energy storage facility located in Morrow County, Oregon. On December 3, 2019, PGE requested cost recovery of Wheatridge through the Renewable Resource Automatic Adjustment Clause (RAC), which the Commission assigned Docket No. UE 370, and later consolidated for hearing with Docket No. UE 372.

PGE's RAC filing included a REC monetization proposal to reduce the near-term cost of Wheatridge. Under this proposal, PGE would sell the RECs generated prior to 2025 to participants in PGE's voluntary unbundled REC programs and credit cost of service customers for the value of that sale. On September 29, 2020, the Commission issued Order No. 20-321 in Docket No. UE 370, which adopted a modified version of PGE's Wheatridge REC monetization proposal recommended by CUB in testimony. The Commission order also directed parties to review and negotiate a modified REC value consistent with CUB's proposal.

The parties to UE 370 subsequently reviewed updated confidential regional REC pricing information that PGE obtained from third-party experts and met to discuss and negotiate a REC value on October 29, 2020. As a result of that discussion, the parties reached agreement on a REC sale price (value) as described in the Attached MOU (Attachment A).

The MOU was executed by PGE, Staff of the Public Utility Commission of Oregon (Staff), and CUB. The Alliance of Western Energy Consumers (AWEC) was also a party in Docket No. UE 370 and formally takes no position on this matter.

MOU

Major features of the MOU include:

- Sets the sale price for Wheatridge RECs at **[Begin Confidential]** [REDACTED] **[End Confidential]** per REC through December 31, 2024.

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- PGE commits to provide a disclosure notice to all voluntary program customers about the use of RECs in the voluntary program that are associated with resources in PGE's resource portfolio.
- Requires pre-approval of the disclosure notice by Staff and CUB.
- The negotiated REC sale price applies only to the sale of Wheatridge RECs to voluntary portfolio options customers and does not create a precedent for the sale of any other RECs.

The parties to the MOU request that the Commission acknowledge the MOU as an appropriate and reasonable resolution of the Wheatridge REC sale price issue. Staff appreciates parties' efforts to identify a REC price that fairly balances the interests of all cost of service customers with the interests of the large subset of customers who participate in the Company's voluntary unbundled REC programs. Staff further notes that well-crafted disclosure language is an important mechanism to ensure a fairly priced and supplied voluntary renewable program.

Conclusion

Staff finds the MOU is consistent with the requirements of Commission Order No. 20-321 in Docket No. UE 370 and recommends that the Commission approve its terms.

PROPOSED COMMISSION MOTION:

Approve the Memorandum of Understanding on REC price to be used in implementing PGE's Wheatridge REC monetization proposal.

UM 2133

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 370

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Renewable Resource Automatic Adjustment
Clause (Schedule 122) (Wheatridge
Renewable Energy Farm) (UE 370).

Memorandum of Understanding

This Memorandum of Understanding (“MOU”) is among Portland General Electric Company (“PGE”), Staff of the Public Utility Commission of Oregon (“Staff”), and Oregon Citizens' Utility Board (“CUB”) (collectively, the “Parties”). The Alliance of Western Energy Consumers is also a party in this docket, and formally takes no position on this matter.

I. INTRODUCTION

Commission Order No. 20-321 in Docket No. UE 370 adopted CUB’s proposed modification to PGE’s REC monetization proposal put forward in direct testimony. Additionally, Parties were directed to review and negotiate a modified REC value consistent with CUB’s proposal.

The Parties subsequently reviewed confidential pricing information and held a pricing discussion on October 29, 2020. As a result of this discussion, and a review of testimony, confidential pricing information supplied in the docket, and the language within Commission Order No. 20-321, the Parties have reached agreement setting a REC value as described below. The Parties request that the Commission acknowledge this MOU and the agreement set forth below:

II. MOU TERMS

1. The price set for Wheatridge RECs to be sold to the voluntary portfolio options program is [REDACTED] per REC.
2. This price will remain through the UE 370 identified time period of monetizing Wheatridge RECs on the behalf of customers, which is through December 31, 2024.
3. Parties agree this price is consistent with CUB's proposal as established in Docket UE 370 and aligns with Commission guidance in Order No 20-321.
4. PGE shall provide a disclosure notice to all voluntary program customers about the use of RECs in the voluntary program that are associated with resources in PGE's resource portfolio following pre-approval of the notice by Commission Staff and CUB.
5. The Parties recommend and request that the Commission acknowledge this MOU as an appropriate and reasonable resolution of the Wheatridge REC sale price.
6. Parties agree the negotiated REC sale price addressed herein applies only to the sale of Wheatridge RECs to voluntary portfolio options customers and does not create a precedent for the sale of any other RECs.
7. This Memorandum of Understanding represents the complete agreement among the Parties and it may not be modified or amended except by written agreement among all Parties.

This Memorandum of Understanding is entered into by each Party on the date entered below
such Party's signature.

PORTLAND GENERAL ELECTRIC
COMPANY

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

By: /s/ Doug Tingey
Doug Tingey

By: /s/ Johanna Riemenschneider
Johanna Riemenschneider

Date: November 12, 2020

Date: November 12, 2020

OREGON CITIZENS' UTILITY BOARD

By: /s/ Michael Goetz
Michael Goetz

Date: November 12, 2020