

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

<p>In the Matter of</p> <p style="text-align: right;">UE 416</p> <p>PORTLAND GENERAL ELECTRIC COMPANY</p> <p>Request for a General Rate Revision; and <u>2024 Annual Power Cost Update.</u></p>		ORDER
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DISPOSITION: SEVENTH PARTIAL STIPULATION ADOPTED

I. SUMMARY

In Order No. 23-386, issued on October 30, 2023, we adopted five partial stipulations¹ addressing Portland General Electric Company's general rate revision request and 2024 annual power cost update. In this order we adopt a seventh partial stipulation addressing additional issues related to the 2024 power cost update. We will address in a future order the fifth partial stipulation regarding Schedule 118, Income-Qualified Bill Discount (IQBD) program cost recovery.

II. PROCEDURAL HISTORY AND BACKGROUND

On February 15, 2023, PGE filed Advice No. 23-03 to request a general rate revision and 2024 annual power cost update. In this proceeding, we investigated the propriety and reasonableness of the proposed tariffs. The general rate revision and power cost update were investigated on separate procedural schedules. Staff of the Public Utility Commission of Oregon (Staff), the Alliance of Western Energy Consumers (AWEC), Calpine Energy Solutions, LLC (Calpine Solutions), Community Action Partnership of Oregon (CAPO), Community Energy Project, Oregon Citizens' Utility Board (CUB), Fred Meyer Stores and Quality Food Centers, Divisions of The Kroger Co. (Fred Meyer), NewSun Energy LLC, (NewSun), Natural Resources Defense Council (NRDC) and the NW Energy Coalition (NVEC), Small Business Utility Advocates (SBUA), and Walmart Inc. participated as parties to this proceeding. A complete procedural history is provided in Order No. 23-386, issued on October 30, 2023.

¹ The first, second, third, fourth, and sixth stipulations were adopted in Order No. 23-386.

On October 30, 2023, PGE filed the seventh partial stipulation on behalf of Staff, AWEC, CUB, Walmart, and the company (stipulating parties).² PGE filed supporting testimony on behalf of the stipulating parties on November 1, 2023. No party opposed the seventh partial stipulation.

III. COMPANY FILING

In its initial filing, PGE's forecast of net variable power costs (NVPC) for 2024 was \$860.1 million, representing an increase of approximately \$129.8 million relative to its final 2023 NVPC forecast. PGE submitted Multi-area Optimization Network Energy Transaction (MONET) model updates on March 31, July 14, and October 2. In its October 2 MONET update, PGE provided a revised forecast of NVPC for 2024 of \$933.7 million, representing an increase of \$203.4 million over its 2023 NVPC forecast, and an increase of \$73.6 million over the 2024 forecast in its initial filing. PGE will provide two more MONET updates in November, with the final MONET update for the 2024 NVPC forecast due on November 15, 2023.

While this order resolves the additional NVPC issues raised in this proceeding, the actual increase in rates will be based on an updated 2024 power cost forecast to be filed by the company on November 15, 2023, consistent with the adjustment adopted below and those addressed in Order No. 23-386. The elements that are updated in the final 2024 NVPC forecast may result in an overall increase or decrease relative to the current projection.

IV. SEVENTH PARTIAL STIPULATION

The stipulating parties explain that the seventh partial stipulation resolves all remaining areas of concern related to the annual power cost update including capacity contracts. The stipulating parties explain that this agreement is a result of a workshop and discussions, as agreed to in the sixth partial stipulation and represents a goodwill adjustment to be reflected in the November 15 MONET update. Under the seventh partial stipulation, PGE's 2024 NVPC forecast will include a reliability contingency event (RCE) forecast of no more than \$2 million, which is inclusive of the \$1.6 million reduction in RCE costs addressed in the third partial stipulation. The stipulating parties explain that this will reduce the RCE forecast in the October 2 MONET update by an additional \$2.8 million. The stipulating parties state that this agreement applies only to the 2024 NVPC and is not considered precedential.

² On October 30, 2023, PGE filed a motion to admit the seventh partial stipulation. PGE filed supporting testimony and witness declarations on November 1, 2023. The motion is granted and the stipulation and supporting testimony (Stipulating Parties/500-501) are moved into evidence.

V. RESOLUTION

Under OAR 860-001-0350, the Commission may adopt, reject, or propose to modify a stipulation. If the Commission proposes to modify a stipulation, the Commission must explain the decision and provide the parties sufficient opportunity on the record to present evidence and argument to support the stipulation.

In reviewing a stipulation, we review to determine whether the overall result of the stipulation results in fair, reasonable, and just rates. We review settlements on a holistic basis to determine whether they serve the public interest and result in just and reasonable rates. A party may challenge a settlement by presenting evidence that the overall settlement results in something that is not compatible with a just and reasonable outcome. Where a party opposes a settlement, we will review the issues pursued by that party, and consider whether the information and argument submitted by the party (which may be technical, legal, or policy information and argument) suggests that the settlement is not in the public interest, will not produce rates that are just and reasonable, or otherwise is not in accordance with the law. To support the adoption of a settlement, the stipulating parties must present evidence that the stipulation is in accord with the public interest, and results in just and reasonable rates.

We have reviewed the seventh partial stipulation and supporting testimony submitted by the parties. We find the terms of the stipulation are supported by sufficient evidence, appropriately resolve the issues in this case, and will result in fair, just, and reasonable rates. We find that the seventh partial stipulation represents a reasonable resolution of the identified issues and contributes to an overall settlement in the public interest. Accordingly, we adopt the seventh partial stipulation.

VI. ORDER

IT IS ORDERED that:

1. The seventh partial stipulation between Portland General Electric Company, Staff of the Public Utility Commission of Oregon, Alliance of Western Energy Consumers, Oregon Citizens' Utility Board, and Walmart Inc., filed October 30, 2023, attached as Appendix A, is adopted.
2. Portland General Electric Company must file its final MONET run on or before November 15, 2023, producing the final Annual Update Tariff adjustment for 2024.
3. Portland General Electric Company must file revised rate schedules consistent with this order to be effective January 1, 2024.

Made, entered, and effective Nov 06 2023.



Megan W. Decker
Chair



Letha Tawney
Commissioner



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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PORTLAND GENERAL ELECTRIC
COMPANY

Request for 2024 General Rate Revision; and
2024 Annual Power Cost Update.

**SEVENTH PARTIAL
STIPULATION**

This Seventh Partial Stipulation (“Stipulation”) is between Portland General Electric Company (PGE), Staff of the Public Utility Commission of Oregon, the Oregon Citizens' Utility Board (CUB), the Alliance of Western Energy Consumers (AWEC), and Walmart, Inc. (jointly, the "Stipulating Parties").

PGE filed this general rate case on February 15, 2023. The filing included fourteen separate pieces of testimony and exhibits. PGE also provided to Staff and other parties voluminous work papers in support of its filing. Since that time, parties have submitted approximately 1,300 data requests obtaining additional information. PGE previously achieved settlements in this docket addressing all outstanding issues in the GRC and the 2024 Power Cost Update. Stipulations related to the 2024 Annual Power Cost Update were previously filed with the Commission on August 21, 2023 (First and Third Partial Stipulations) and on October 6 (Fourth and Sixth Partial Stipulations). The Stipulating Parties participated in discussions, and no other parties participated in the discussion. As a result of the discussions, the Stipulating Parties have reached a compromise settlement resolving additional issues related the annual power cost update, as set forth below.

TERMS OF SEVENTH PARTIAL STIPULATION

1. This Stipulation resolves all remaining issues or areas of concerns related to the annual power cost update including capacity contracts.
2. For settlement purposes in this docket, Stipulating Parties agree that inclusive of the \$1.6 million reduction in Reliability Contingency Events (RCE) cost described in the Third Partial Stipulation, PGE's 2024 NVPC forecast will include an RCE forecast of no more than \$2 million.
3. Stipulating Parties agree that this agreement is only applicable to the 2024 NVPC and will not be considered precedential.
4. Stipulating Parties agree that this Stipulation is in the public interest, and will result in rates that are fair, just, and reasonable, consistent with the standard in ORS 756.040.
5. Stipulating Parties agree that this Stipulation represents a compromise in the positions of the Stipulating Parties. Without the written consent of all the Stipulating Parties, evidence of conduct or statements, including but not limited to term sheets or other documents created solely for use in settlement conferences in this docket, are confidential and not admissible in this instance or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.
6. Stipulating Parties have negotiated this Stipulation as an integrated document. The Stipulating Parties seek to obtain Commission approval of this Stipulation after all prior issues in this docket have been resolved and submitted for Commission consideration. If the Commission rejects all or any material part of this Stipulation, or adds any material condition to any final order that is not consistent with this Stipulation, each Stipulating Party reserves its right: (i) pursuant to OAR 860-001-0350(9), to present evidence and

argument on the record in support of the Stipulation, including the right to cross-examine witnesses, introduce evidence as deemed appropriate to respond fully to issues presented, and raise issues that are incorporated in the settlements embodied in this Stipulation; and (ii) pursuant to ORS 756.561 and OAR 860-001-0720, to seek rehearing or reconsideration, or pursuant to ORS 756.610 to appeal the Commission's final order. Stipulating Parties agree that in the event the Commission rejects all or any material part of this Stipulation or adds any material condition to any final order that is not consistent with this Stipulation, Stipulating Parties will meet in good faith within ten days and discuss next steps. A Stipulating Party may withdraw from the Stipulation after this meeting by providing written notice to the Commission and other Stipulating Parties.

7. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). Stipulating Parties agree to support this Stipulation throughout this proceeding and in any appeal and provide witnesses to support this Stipulation (if required by the Commission) and recommend that the Commission issue an order adopting the settlement contained herein. By entering into this Stipulation, no Stipulating Party shall be deemed to have approved, admitted or consented to the facts, principles, methods or theories employed by any other Stipulating Party in arriving at the terms of this Stipulation. Except as provided in this Stipulation, no Stipulating Party shall be deemed to have agreed that any provision of this Stipulation is appropriate for resolving issues in any other proceeding.
8. This Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 27th day of October, 2023.

/s/ Brett Sims
PORTLAND GENERAL ELECTRIC
COMPANY

/s/ Stephanie Andrus
STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

/s/ Michael P. Goetz
OREGON CITIZENS' UTILITY
BOARD

/s/ Tyler C. Pepple
ALLIANCE OF WESTERN
ENERGY CONSUMERS

/s/ Justina Caviglia
WALMART INC.