



Portland General Electric
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August 15, 2018

Via: Electronic Mail

Public Utility Commission of Oregon
Filing Center
201 SE High Street
P.O. Box 1088
Salem, OR 97308-1088

**Re: UM 1958 - PGE 2017 Renewable Portfolio Standard Compliance Report Staff
Comments**

Portland General Electric Company (PGE) submits its reply comments to Staff of the Public Utility Commission of Oregon (OPUC) regarding PGE's 2017 Renewable Portfolio Standard Compliance Report for the 2017 compliance year (2017 RPS Compliance Report)

Respectfully Submitted this 15th day of August 2018,

A handwritten signature in blue ink that reads "Alex Tooman for". The signature is written in a cursive, flowing style.

Stefan Brown
Manager, Regulatory Affairs

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1958

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

2017 Renewable Portfolio Standard
Compliance Report

**Reply Comments of Portland
General Electric Company**

1 Introduction

2 On June 1, 2018, pursuant to ORS 469A.170 and OAR 860-083-0350, Portland
3 General Electric Company (PGE) filed its 2017 Renewable Portfolio Standard (RPS)
4 Compliance Report (Compliance Report). Subsequently Staff of the Public Utility
5 Commission of Oregon (OPUC) filed initial comments on July 16, 2019

6 Pursuant to OAR 860-038-0350(4), PGE submits its reply comments to OPUC
7 Staff (Staff) regarding PGE's 2017 Compliance Report in the sections below. PGE
8 appreciates Staff's findings that PGE has complied with the basic requirements of OAR
9 860-083-0350; PGE has not exceeded the 4% cost of compliance limit, and that PGE has
10 provided sufficient explanation, satisfactory to Staff, with regard to its deviation from the
11 compliance strategy in PGE's renewable portfolio implementation plan (RPIP). PGE
12 requests that the Commission find PGE in compliance with the RPS.

1 **PGE Reply Comments to OPUC Staff**

2 Compliance Strategy

3 The OPUC Staff provided comments on July 16, 2018 regarding the differences in
4 PGE's use of Renewable Energy Certificates (RECs) from the Biglow Canyon and
5 Tucannon River wind farms as presented in its Compliance Report compared to the
6 unbundled REC purchase scenario as provided in PGE's revised, forecasted 2016
7 Renewable Portfolio Implementation Plan (2016 RPIP). While noting that the differences
8 do not impact PGE's overall compliance strategy or exceed the cost cap, Staff requests that
9 PGE provide in these reply comments a detailed explanation of PGE's decision to deviate
10 from the 2016 RPIP scenario.

11 The RPIP represents an estimation of potential REC retirements into the future
12 based on the information available at the time. While PGE applies similar REC retirement
13 rules in the RPIP and in actual retirement in a given compliance year, evolving conditions,
14 such as changes in PGE's forecasted loads and market conditions, between the filing of the
15 RPIP and the corresponding RPS Compliance Report necessarily result in differences
16 between forecasted and actual REC retirements. As discussed in the Compliance Report
17 and PGE's responses to Staff's information requests, opportunities in the market to
18 purchase and sell RECs can be presented to PGE at various times of the year depending on
19 the liquidity of the REC market. PGE evaluates such opportunities with the intent of
20 maintaining REC bank levels as forecasted in PGE's Integrated Resource planning process
21 while providing greater Renewable Portfolio Standard (RPS) compliance flexibility (e.g.

1 purchasing infinite life RECs¹ vs. five-year RECs) in satisfying current and future RPS
2 requirements on behalf of PGE customers.

3 Additionally, PGE seeks to balance compliance costs in a given year to prevent
4 the REC bank from having too many high incremental cost RECs in the future. Thus, the
5 Biglow RECs would be used to mitigate future compliance costs as they have a higher
6 incremental cost than other evergreen RECs in the bank. By using RECs with higher
7 incremental cost, PGE helps minimize the future risk of triggering the four percent cost
8 cap. Further, as PGE stated in its response to Staff Information Request 003, an equivalent
9 number of evergreen RECs were purchased to replace the REC sales from Biglow Canyon
10 and Tucannon River.

11 Material Deviation

12 Staff also notes that the RPS rulemakings for AR 610, 616, and 617 may provide
13 more process and clarity around what constitutes a “material deviation” between
14 Compliance reports and the filed RPIPs.

15 PGE agrees that these RPS rulemakings are the appropriate forum for the concerns
16 raised and looks forward to the opportunity to participate in obtaining additional clarity
17 around this term in the rulemakings.

18 **Conclusion**

19 PGE concurs with Staff that it has met the RPS compliance target requirements of
20 ORS 469A.052(1)(a) and has met the compliance reporting requirements specified by
21 OAR 860-083-0350, as demonstrated in the 2017 RPS compliance report. PGE has done
22 so while ensuring that the cost of compliance for the current compliance period was

¹ Also known as evergreen RECs

1 under the cost cap, and thus requests the Commission make the determination that PGE is
2 in compliance with the RPS. PGE has also utilized a strategy to balance compliance
3 costs over time to help minimize the potential for exceeding the cost cap in the future.
4 PGE appreciates Staff's feedback on the 2017 RPS compliance report and looks forward
5 to continued work with Staff and other Parties to ensure Oregon's future RPS
6 requirements are achieved in the best interest of PGE customers.

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Respectfully submitted,

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for 
Stefan Brown
Manager, Regulatory Affairs