

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**
3 **UE 435**

4 In the Matter of

 PORTLAND GENERAL ELECTRIC
 COMPANY,

 VERDE’S POSITION STATEMENT

 Request for a General Rate Revision.

5 Pursuant to the Administrative Law Judge (“ALJ”) Ruling issued on September 27, 2024,
6 Verde submits the following Position Statement and response regarding the Joint Issues List of
7 outstanding issues to be determined by the Commission. Verde limits its response to the
8 following Joint Issues Statement numbered issues and may not have taken a position on the other
9 issue presented in testimony but may take a position in briefing after further consideration.
10 Thus, Verde’s silence on other issues should not be taken as support or opposition and Verde
11 reserves the right to address all issues later in this proceeding.

12 **1 & 55 Return on Equity.** What should be PGE’s authorized return on equity?
13 Should PGE’s rate filing be rejected due to a failure to provide sufficient evidence that the
14 proposed rates are just, reasonable and in the public interest or because it presents a collateral
15 challenge to the resolution in UE 416?

16 Verde styled the number-one issue as: Should the Commission adopt the lowest possible
17 reasonable rate of return on equity (ROE)? According to testimony submitted by staff that
18 would be 8.96 percent; adopting the lowest ROE should provide lower rates and help mitigate

1 the impact of capital expenditure bias in the long run. Moreover, Verde's position is that PGE
2 has not met its burden of proof for an increase in its ROE since it received an increase in UE 416
3 in October 2023, and that its request for a 9.75 ROE in this case is a collateral objection to its
4 failure to obtain its 9.8 requested ROE in that case.

5 **34, 49 Residential Basic Charge.** What changes, if any, should be adopted in this
6 docket to PGE's bill due date for residential customers? Should there be a rate design change
7 related to any increase in basic charge?

8 Verde styled the related issue it raised as: Should the Company be required to exclude
9 IQBD enrollees from any increase in the basic charge resulting from this case? The company's
10 Energy Burden Assessment (EBA) posits that the current design of the basic charge is
11 questionable, in part, because of a misalignment with customers' ability to pay. Verde takes the
12 position that any increase in the basic charge resulting from this rate case should not be imposed
13 on those customers enrolled or eligible for the Income Qualifying Bill Discount (IQBD)
14 program, at least until a stakeholder-involved redesigned basic charge that is informed by
15 affordability and the ability to pay is explored. The company did not respond.

16 **40, 63, 64, 65. Proposals related to bill design;**

17 40. What other party proposals, if any, related to bill design, and sharing of information
18 with customers should the Commission require? If so, should the Commission adopt CUB's
19 proposed disallowance related to billing information?

1 63. Should the Commission require PGE to file a public version of its rate increase
2 forecasts, including forecasts contained in Monet updates and bench request, that has been
3 designated as confidential.

4 64. Should the Commission require PGE to provide information on customer bills
5 showing average cost of electricity in a cents/kwh basis?

6 65. Should the Commission require PGE, when PGE seeks to increase a residential rate
7 schedule, to file a plan for how it intends to communicate the rate change to residential customers?

8 Verde takes the position that the added basic charge costs related to this case should be
9 separately stated on customers' bills. While this may just add to the already too- numerous lines
10 on a bill, the purpose is to communicate the incremental rate change to that charge resulting from
11 this proceeding. Verde support's CUB's proposals to design bills so that they provide sufficient
12 information to inform residential customers' expectations from month to month and make energy
13 choices and to identify the size of rate increases.

14 **43. IQBD Discount Revisions:** What changes, if any, in response to the company's
15 Energy Burden Assessment should be adopted in this docket to PGE's Schedule 18 Income
16 Qualified Bill Discount Program discount levels, structure standards?

17 Verde styled the IQBD program discount revision issues:

18 1) Should the Commission require PGE to adopt a monetary cap on bills as a percentage
19 of income - a percentage of payment income plan?

1 2) Should the Commission require PGE to increase the discount rates (as recommended
2 by the EBA) for IQBD customers, including adding in the Oregon Self Sufficiency
3 Standard as the lowest measure of income rather than the current 60 percent SMI?

4 3) Should the Commission require PGE to adopt the recommendations made in its June
5 2, 2024 Energy Burden Assessment?

6 Verde's position is that the current IQBD program is not working and to avoid the continual
7 weakening of the benefits of a bill discount program with every rate increase, the company
8 should adopt a percentage of payment income plan which caps low-income customers bills at a
9 percentage of gross monthly income. The company did not respond, specifically.

10 Verde's alternative position is that the company should adopt higher discounts for
11 discount tiers related to 0–30% SMI which the EBA describes as the average need of high-
12 burdened households as a percentage of bill, and identifies its consideration as a priority to be
13 completed in Q3 2024.¹ Verde also argued and continues to take the position that the Oregon
14 Self-Sufficiency Standard should be considered as the maximum income for those in tier E - the
15 60% of SMI tier. The EBA did not recommend the Self-Sufficiency Standard but did
16 acknowledge that even those in the 60-100 % of SMI tier are not eligible but also need assistance
17 and suggested a grant program to mitigate that need.

18 Verde also urges the adoption of other EBA recommendations as discussed below in the
19 context of other issues that could be included in the Schedule 18 program or stand alone.

20 **44. Post-Enrollment Verification:** What changes, if any, should be adopted regarding
21 post-enrollment verification or income verification?

¹ Verde's position is to amend the discounts as follows: 90% for Tier A; 70% for Tier B; 50% for Tier C; 23% for Tier D and 16% for Tier E based upon the EBA.

1 Verde styled the issue it raised as: Should the Commission require PGE to eliminate
2 post-enrollment verification, at least temporarily?² Verde's position is that post-enrollment
3 verification should be suspended until a full and open examination is had and a reasonable
4 program is designed and implemented. The EBA recommends implementation of a targeted
5 enrollment/verification program in 2025.

6 **45, 47 Disconnections:** What changes, if any, should be adopted in this docket to PGE's
7 disconnection policies, generally or as related to IQBD customers specifically? What changes, if
8 any, should be adopted in this docket to PGE's bill due date for residential customers?

9 Verde styled the question related to the issue it raised as: Should the Commission require
10 PGE to suspend IQBD disconnections and adopt a moratorium on residential disconnections
11 using summer months at least until disconnections are addressed utility wide?

12 Verde's position is that IQBD enrollees and those eligible should not be disconnected
13 until a disconnection and arrearage management plan is adopted and implemented, whether by
14 utility-wide rule or voluntary plan adopted by the company. Verde also believe that until a
15 utility-wide rule is in place to mitigate the impacts of disconnections during summer months, the
16 company should adopt a voluntary moratorium on disconnection of residential customers during
17 those months.

18 Verde also supports other proposals related to disconnection, including: 1) extending the
19 actual bill due date for residential customers before the disconnection process can trigger from a
20 20-day notice to 30 days; 2) and the EBA's recommendation for enhanced outreach to customers
21 at risk of disconnection about the numerous programs, including IQBD, to help mitigate the risk.

² Verde/100 Segovia Rodriguez/3; Verde/200 Segovia Rodriguez/2, 10-11

1 **46. Arrearage Management:** What changes, if any, should be adopted in this docket to
2 PGE's arrearage policy and fees generally or as related to IQBD customers, specifically?

3 Verde styled the question it raised as: Should the Company be required to implement an
4 arrearage management plan targeted to IQBD eligible customers by January 1, 2025, which may
5 include:

6 1) an uncapped arrearage forgiveness for those in or eligible for the IQBD program since
7 April 2022, in an amount equal to the applicable discount adopted in the revised IQBD program;

8 2) a cessation of the accumulation of additional debt and of referrals to collection
9 agencies for anyone enrolled in the IQBD program since April 2022 and eligible for enrollment;

10 3) a widespread effort utilizing CAP agencies/Program Navigators to help identify those
11 eligible for this forgiveness and eligible for other opportunities to reduce the debts; and

12 4) an ongoing Program Navigator project that targets future IQBD customers with
13 arrearage exceeding a 6-month average bill for outreach and opportunities (offered by PGE or
14 otherwise) to forgive or manage the arrearages?

15 Verde's position is that an arrearage management program targeted to IQBD enrolled and
16 eligible customers should include all four mechanisms and should be implemented by January 1,
17 2025. The EBA recommends enhanced communication about the IQBD program, examining a
18 capped budget arrearage relief program, and forgiveness equivalent to a capped retroactive
19 application of the discount tier. Verde alternatively supports adoption of the EBA recommended
20 proposals (but with an immediate cessation of the accumulation of debt and referral to collection
21 for IQBD customers while we wait for examination of the issues). Verde also supports, as an
22 alternative, Staff's prior positions that the company halt the accumulation of debt and pause
23 referral to collection agency of any IQBD customer with a past-due balance six times the

1 monthly average bill for the account and eliminate late fees for any customers in arrears in the
2 prior 5 years.

3 **48. Reporting and Stakeholder Engagement – Company or Staff Led.** What
4 proposals by parties for additional reporting, stakeholder engagement, or customer engagement
5 should PGE be directed in this docket for the Company’s IQBD program, disconnections,
6 arrearage or related issues? If required, what should be included and the parameters?

7 Verde’s position is that the company should:

- 8 1) Be required to immediately convene a stakeholder process (open to all, including
9 Staff), with funded Community Action Partners (CAAs or CAP agencies), Program
10 Navigator participation and its Community Benefits and Impacts Advisory Group
11 members to identify enrollment, re-enrollment and post enrollment verification
12 barriers and solutions related to the company’s specific customer base and implement
13 a robust plan to enroll and re-enroll those eligible as soon as possible.
- 14 2) Be required to meet with Staff and stakeholders to discuss the EBA and the IQBD,
15 arrearage management, adjustments to the definition of high usage customers for
16 energy efficiency and weatherization reporting; and additional opportunities for
17 refinement identified by Staff and stakeholders.
- 18 3) Be required to continue its IQBD Program Update stakeholder meetings and, in
19 addition to providing engagement, dialogue and workshops about the IQBD program,
20 the meetings should include the same process regarding disconnections and arrearage
21 programs whether tied to the IQBD program structurally or not; the discussions

1 should also address/resolve/identify the Company’s concerns about such discussions
2 interfering with its interest in GRCs.

3 4) Be required to monitor, track, and report to the Commission a list of IQBD customers
4 with a monthly usage of 2000 kWh or more, refer such customers to CAPs, and
5 follow up with customers after referral.

6 5) Be required to further engage stakeholders to determine more effective community
7 partnerships to better encourage broader engagement with no-cost energy efficiency
8 and weatherization resources from qualified households.

9 **50. IQBD Recovery Allocation.** What, if any, proposed adjustments to Schedule 118
10 allocation methodology should be adopted? (IQBD Recovery).

11 Verde does not support AWEC’s proposals to adjust Schedule 118.

12 **51 & 53 Energy Efficiency.** Should the Company convert its ductless heat pump
13 program pilot program into a fully funded program and increase coordination with ETO? Should
14 the Commission require PGE to center energy efficiency for low-income households in its rate
15 scheme as a condition of any rate increase?

16 Verde strongly supports the Commission requiring the Company to make the Company’s
17 ductless heat pump pilot program a fully funded program with the necessary coordination and
18 enhanced investment. This is imperative to help low-income and environmental justice
19 customers mitigate rate increases, save money and better manage energy use. The Company is
20 failing to take sufficient actions to connect income-qualifying customers with available
21 resources, including weatherization resources. Verde supports Staff’s proposals to require the

1 Company to enhance its outreach to and targeting of customers both enrolled in or not-eligible
2 for the IQBD program who need efficiency and weatherization support. The EBA recommends
3 similar targeting and outreach work to reach the 47,000 customers who are good candidates for
4 energy efficiency measures.

5 Moreover, Verde strongly supports the Commission imposing a mechanism that will
6 require the Company to emphasize the long-term cost-effective value of investments in energy
7 efficiency subject to performance-based allowance or disallowance as a condition of approving
8 any rate increase in this case.

9 **52 & 53 Weatherization.** Should the Company expand weatherization efforts and
10 services, amend its schedules to recognize the long term, system-wide cost-efficiencies and
11 implement targeted outreach to IQBD customers? Should the Commission require PGE to center
12 energy efficiency for low-income households in its rate scheme as a condition of any rate
13 increase?

14 Verde's position is that weatherization is a known tool for reducing energy bills and
15 increasing resilience in the face of increasingly-common extreme weather events and as a result,
16 the Company must increase investments, leveraging data for targeted outreach, and greater
17 coordination with CAP agencies to better deliver such resources to customers. As stated above,
18 Verde supports Staff's proposals to require the Company to enhance its outreach to and targeting
19 of customers both enrolled in or not-eligible for the IQBD program who need efficiency and
20 weatherization support. The EBA notes that low-income weatherization is cost-effective to
21 reduce IQBD discounts and that the Company's low-income efficiency and weatherization
22 programs are reaching only 1% of the eligible population. It states that the Company is scaling

1 the programs with federal funds. Verde believes the Commission, should, at minimum, require
2 those further investments as a condition subsequent of any rate increase in this case, or otherwise
3 impose a mechanism to ensure it happens starting in 2025.

4 **54. Procedural Equity** Should the Commission require PGE to implement neutral (i.e.,
5 third-party) technical support related to rate case “walk-throughs” and other quasi-technical
6 stakeholder engagement, in order to appropriately bolster PGE’s procedural equity efforts,
7 prioritizing this for CBIAG most immediately?

8 Verde supports requiring the Company to provide this type of technical assistance to
9 further procedural justice in rate cases.

10 **55. Rejection of the Case.** Should PGE’s rate filing be rejected due to the following: a.
11 Failure to meet requirements of ORS 757.210(1)(a) by not providing sufficient evidence that
12 proposed rates are just, reasonable and in the public interest; or b. A collateral attack of issues
13 resolved in Docket UE 416?

14 Verde supports an outright rejection of this case. Moreover, Verde does not waive any
15 argument that any one of its positions stated above is not a reasonable basis to deny the rate case
16 because the rates are not just, reasonable or in the public interest or otherwise present an
17 unreasonable collateral challenge on the resolution of UE 416.

18 **56. Effective Date of Rate Increase, if any.** Should the Commission adopt CUB’s
19 proposed tracker to delay the rate effective date of PGE’s rate request?

20 Verde’s position is that any rate increase on the residential class should not be
21 implemented until April and Verde supports CUB’s position on this.

1 **57. Rate Cap in this Case.** Should the Commission apply an overall or residential rate
2 cap to address rate shock? If so, what parameters should there be for the rate cap?

3 Verde supports Staff's 3% rate cap proposal applicable to this rate case.

4 **58. Rate Cap Mechanism.** Should the Commission adopt CUB's rate shock proposal.

5 Verde's position is that the Commission should adopt CUB's rate shock proposal or some
6 similar mechanism that will similarly mitigate rate shock and provide a measure of IQBD
7 program benefit erosion with every rate increase.

8 Dated this 8th day of October, 2024.

9 /s/ Tonia Moro

10 Tonia Moro

11 Of Counsel for Verde

12