



Portland General Electric Company
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Douglas C. Tingey
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August 21, 2020

Via Electronic Filing

Public Utility Commission of Oregon
Attention: Filing Center
201 High Street SE, Suite 100
P.O. Box 1088
Salem, OR 97308-1088

Re: UE 377 – Portland General Electric Company 2021 Annual Power Cost Update Tariff

Dear Filing Center:

Enclosed for filing today in UE 377 is the parties' Stipulation.

This document is being filed by electronic mail with the Filing Center.

Thank you for your assistance. If you have any questions, please do not hesitate to call me.

Sincerely,

/s/ Douglas C. Tingey

Douglas C. Tingey
Associate General Counsel

DCT:hp
Enclosure

**1BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 377

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY

2021 Annual Power Cost Update Tariff
(Schedule 125)

STIPULATION

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

PGE filed this Annual Power Cost Update Tariff filing on April 1, 2020, for 2021 net variable power costs ("NVPC"). The filing included the minimum filing requirements required by Schedule 125 and testimony and exhibits. PGE also provided to Staff and other parties work papers in support of its filing. Since that time, Staff and intervening parties have submitted over 150 data requests obtaining additional information. On June 8, 2020, PGE filed supplemental testimony regarding a new power purchase agreement executed between PGE and the Public Utility District No. 1 of Douglas County (Douglas PPA). On June 26, 2019, Staff, CUB and ICNU filed their opening testimony in this docket. On July 9, 2020, Staff, CUB, and AWEC filed supplemental testimony regarding the Douglas PPA. On July 13, 2019, the Stipulating Parties participated in a settlement conference. As a result of those discussions, the Stipulating Parties have reached a compromise settlement of all issues in this docket, as described in detail below.

TERMS OF STIPULATION

1. This Stipulation resolves all issues in this docket.
2. Western Energy Imbalance Market (“EIM”). The Stipulating Parties agree that for ratemaking in this docket:
 - a. CAISO flexible ramping product award savings of \$408,450 will be included in the EIM benefit forecast.
 - b. PGE will assume 4% of its 2021 forecast greenhouse gas (GHG) cost obligation can be met with ARB Offset Credits PGE has purchased since joining EIM.
 - c. With one exception, all results from PGE’s 2021 EIM Benefit Methodology will not change from PGE’s July 15, 2020 MONET update submittal in this docket. The single exception is GHG benefits. PGE will continue to update California Carbon Allowance (CCA) prices consistent with the updates used for electric and gas prices in the AUT proceeding.
 - d. PGE will hold a workshop with the other Stipulating Parties on EIM trading limit methodology prior to PGE’s initial 2022 NVPC filing. Presentation materials, including any workpapers used in developing the presentation materials, will be provided to the parties no later than two weeks prior to the date of the workshop.
 - i. PGE will address in the workshop the EIM transaction limits methodology changes proposed by Parties in their opening testimony.
 - ii. PGE will address in the workshop Parties’ questions regarding whether EIM trades in the forecast are representative of trades that occur in actual operations and the interaction between PGE’s participation in the EIM and PGE’s reserve requirements.

3. Faraday Production Tax Credits (PTCs). For ratemaking in this docket the 2021 NVPC forecast will be reduced by \$557,488 to reflect PTCs associated with eligible incremental generation at the Faraday Powerhouse expected to be generated in 2021.
4. Gas Resale Optimization. PGE will update the fuel losses assumption in the gas resale optimization modeling to be consistent with the MONET GTN fuel loss assumption used for dispatching resources in the model.
5. Variable Energy Resources Integration Update.
 - a. PGE will update the load following and regulating margin obligations included in the 2021 NVPC forecast to only reflect the addition of the Wheatridge wind facility into PGE's resource portfolio.
 - b. The language in Schedule 125 regarding updates to the costs associated with wind integration will not be changed in this proceeding.
6. Transmission Resales, Colstrip Forced Outage Rate, Port Westward (PW)/Beaver Complex Gas Supply, Gas Resale Transactions pursued during Carty and Coyote Springs generation plants forced outages, Qualifying Facilities, and any remaining NVPC issues not separately identified.
 - a. In settlement of Transmission Resales, Colstrip Forced Outage Rate, Port Westward/Beaver Complex Gas Supply, Gas Resale Transactions pursued on the GTN pipeline during Carty and Coyote forced outages, Qualifying Facilities, and any other NVPC issue not separately identified herein, NVPC in this proceeding will be reduced \$2.2 million. In addition, Parties agree to the following:
 - i. PGE will hold a workshop with Parties to discuss Transmission Resale forecast methodology and Port Westward/Beaver Complex Gas supply constraint prior

to PGE's initial 2022 NVPC filing. Presentation materials will be provided to Parties no later than two weeks prior to the date of the workshop.

7. The Stipulating Parties recommend and request that the Commission approve the adjustments and provisions described herein as appropriate and reasonable resolutions of all issues in this docket.
8. The Stipulating Parties agree that this Stipulation is in the public interest, and will contribute to rates that are fair, just and reasonable, consistent with the standard in ORS 756.040.
9. The Stipulating Parties agree that this Stipulation represents a compromise in the positions of the Stipulating Parties. Without the written consent of all of 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 the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.
10. The Stipulating Parties have negotiated this Stipulation as an integrated document. The Stipulating Parties, after consultation, may seek to obtain Commission approval of this Stipulation prior to evidentiary hearings. 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. The 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, the Stipulating Parties will meet in good faith within ten days and discuss next steps. A Party may withdraw from the Stipulation after this meeting by providing written notice to the Commission and other Parties. Nothing in this paragraph provides any Stipulating Party the right to withdraw from this Stipulation as a result of the Commission's resolution of issues that this Stipulation does not resolve.

11. This Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The Parties agree to support this Stipulation throughout this proceeding and in any appeal, and provide witnesses to support this Stipulation (if specifically required by the Commission), and recommend that the Commission issue an order adopting the settlements 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.

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12. 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 21st day of August, 2020.

/s/ Douglas C. Tingey
PORTLAND GENERAL ELECTRIC
COMPANY

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

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

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