

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: Sept 24, 2019**

REGULAR X CONSENT _____ EFFECTIVE DATE September 24, 2019

DATE: September 16, 2019

TO: Public Utility Commission

FROM: Natascha Smith

THROUGH: Jason Eisdorfer and JP Batmale **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 1020) Portfolio Options Committee Annual Report and
Member Appointments.

STAFF RECOMMENDATION:

Staff of the Public Utility Commission (Staff) recommends the Commission:

- 1) Approve the continuation of the portfolio options products offered by PacifiCorp (PAC), Northwest Natural Gas Company (NW Natural), and Portland General Electric (PGE).
 - a. PAC- Blue Sky Habitat, Blue Sky Block, and Blue Sky Usage, and time-of-use
 - b. NW Natural- Smart Energy
 - c. PGE- Clean Wind, Green Source, Habitat Support, the Renewable Solar Option, and Time of Use.
- 2) Approve the continuation of the delivery of services using existing Commission approved third parties by PGE and PAC.
- 3) Appoint the individuals nominated by the Portfolio Options Committee (POC) to serve the September 2019 through June 2020 term.
- 4) Approve the POC 2019 - 2020 Work Plan

DISCUSSION:

Issue

Whether the Commission should accept Staff's recommendation to approve the 2019-2020 Portfolio of Options products, POC membership and the most recent POC work plan.

Applicable Law

Under ORS 756.515(1), the Commission may open an investigation when it "believes that any rate may be unreasonable or unjustly discriminatory, or that any service is unsafe or inadequate, or is not afforded, or that an investigation of any matter relating to any public utility or telecommunications utility or other person shall be made, or relating to any person to determine if such person is subject to the commission's regulatory jurisdiction."

Under ORS 757.603(2), each electric company is required to offer residential customers a portfolio of rate options that, at minimum, includes a rate that reflects significant new renewable energy resources, a market-based rate, and, when demand is found to be sufficient to justify the rate, a rate option associated with a specific renewable energy source.

OAR 860-038-0220 sets forth the Commission's requirements for electric companies to provide a portfolio of products and pricing options (Portfolio Options) to residential and, in some instances, small nonresidential customers. OAR 860-038-0005(2) outlines the formation of the POC-an advisory committee that makes recommendations about the Portfolio Options to the Commission. The Commission approves POC membership, which includes representatives of Oregon Department of Energy, electric companies, residential and small nonresidential customers, local governments, public or regional interest groups, and Staff.

OAR 860-038-0220(3) states that by July 1 of each year, the POC will recommend the Portfolio Options that will be effective January 1 of the following year to the Commission. Due to Committee staff needing additional dialog, as well as scheduling difficulties, a deadline extension was approved to submit the POC annual recommendations by October 1, 2019.¹ Staff received the current-year annual POC recommendations memo on September 9, 2019 (Attachment A). OAR 860-038-0220(6) outlines the processes that electric companies must follow to acquire renewable supply

¹ Oregon Public Utility Commission, Order No. 19-214, Request to Extend the Deadline to Submit the Portfolio Options Committee's Annual Recommendations, UM 1020, June 20 ,2019.

resources to provide the renewable energy resources rate option. A Commission-approved bidding process, or other Commission-approved means must be implemented to acquire the renewable supply resources.

Analysis

Update on Work over the Past Twelve Months

Over the past twelve months the POC has been implementing Its Commission approved work plan for 2018 – 2019.² This work included updates and clarifications to the definition of marketing and administration cost metrics, evaluation of the interaction of the RPS and voluntary green power programs, and investigation into existing time-of-use portfolio options. Much of this work will be continued and expanded on during the 2019-2020 term.

Overview of 2018-2019 Work Plan and Progress		
Category	Items	Accomplished
High Priority Items	Evaluation of Program Metrics and Program Goals that inform POC recommendations on portfolio options. (The Commission modified the workplan to include a Staff report out on how the POC could characterize “reasonable cost” in the context of the POC’s goal of “growth at reasonable cost.”)	Continuing work <ul style="list-style-type: none"> • Oct 2018 mtg entirely devoted to goals discussion; • Discussed at Dec 2018 mtg; • PUC Staff presented work on reasonable costs at March 2019 mtg. • POC concluded that reasonable cost should be defined by consumers. (i.e., providing consumers with the program spending information and allowing them to decide if the utility use of program revenues is reasonable.)
	Access to confidential materials before and after executive sessions.	Continuing work <ul style="list-style-type: none"> • ODOE’s DOJ attorneys looking at opportunities to meet requirements of IOU NDAs without compromising agency public disclosure requirements.

² Oregon Public Utility Commission, Order No. 18-281, Portfolio Options Committee Annual Report, UM 1020, August 1, 2018.

Priority Items	Guidelines on the Interaction of the RPS and Utility Green Power Programs.	Continuing work <ul style="list-style-type: none"> Discussed at March meeting – POC members feel like there is an RPS slice at which point overlap between that and voluntary programs becomes an issue, but don't have enough consumer insight to know where that point is. Consumer awareness and attitudes are important, but POC does not have budget to do a follow-up survey similar to what PGE did several years ago. Without a decision in early 2019, IOUs were not be able to make program adjustments around RPS interaction to coincide with 2020 RPS target step-up.
	Investigation of Existing Time-of-Use Portfolio Options.	Continuing work <ul style="list-style-type: none"> Linked to discussion of role/authority of POC; PGE presentation on TOU pilot at Dec 2018 mtg.
	Understanding Long-Term Interactions Between Existing Portfolio Options and New and Emerging Programs.	No progress
	Investigation of New Non-REC-Based renewable energy resource Portfolio Options.	No progress

POC Recommendations for Portfolio Options

The POC makes the following portfolio option recommendations to the Commission as listed for each company. Staff finds them comprehensive and so agrees with them.

1. PAC

- a. Continuation of current Commission-approved voluntary market-based and renewable energy options for residential and small nonresidential customers. For PacifiCorp, this includes the Time-of-Use and Blue Sky options (Blue Sky Habitat, Blue Sky Block, and Blue Sky Usage).

- b. Continuation of the delivery of the Blue Sky options using services offered through existing Commission-approved third-party contracts, which provide the following services: retail marketing, renewable energy certificate (REC) supply, and funds administration.
 - c. PacifiCorp will issue a request for proposal (RFP) in 2021 for third-party program services, to commence on January 1, 2022.
 - d. Continuation of the delivery of the Blue Sky Habitat option using services offered through existing third-party contracts.
 - e. PacifiCorp will issue an RFP in 2021 for third-party Environmental Mitigation Fund administrator services for the Blue Sky Habitat product, to commence on January 1, 2022.
2. NW Natural
- a. Continuation of current Commission-approved "Smart Energy" greenhouse gas emissions offset program and procurement of offsets through The Climate Trust.
3. PGE
- a. Continuation of current Commission-approved customer options: Time-of-Use (market-based rate option), Green Source, Clean Wind (renewable energy resource options), Green Future Solar, and Habitat Support (collection of passed-through funds for environmental mitigation measures of salmon recovery).
 - b. Extension of program delivery using existing Commission-approved third-party marketing/education, supply, and habitat contracts for one year beyond existing contract.
 - i. 2019 is the final year of PGE's contract with its current provider of green marketer services. Instead of issuing an RFP in 2019 for a new contract, commencing on January 1, 2020, PGE requested an extension of the existing contract for the following reasons:
 - 1. Allow for incorporation of any suggestions from POC members resulting from information requests and the 2019 executive session review of program data.
 - 2. Allow all three of PGE's POC-related RFPs to sync up.
 - ii. The POC approved this extension by vote at the February 2019 meeting.

POC Recommendations for Membership

The POC recommends the following membership roster for Commission approval for the September 2019 to June 2020 term. Currently, there are two small non-residential consumer representative seats and two residential consumer representative seats open. The POC will recruit new members to fill those seats in 2019-2020 and recommend appointment of new POC members to the Commission. Staff is concerned

about the number of vacancies and will provide support the POC in their development of a member recruitment plan, included as part of the 2019-2010 work plan.

Portfolio Options Committee Membership Roster September 2019		
Member Name	Company	Representing
TBD	TBD	Small nonresidential consumers
TBD	TBD	Small nonresidential consumers
TBD	Unaffiliated	Residential consumers
Mike Goetz	Oregon Citizens' Utility Board – Vice Chair	Residential consumers
TBD	Unaffiliated	Residential consumers
Sven Gatchev	Unaffiliated	Residential consumers
Josh Halley	Portland General Electric	Electric companies
Kalia Savage	Portland General Electric – Alternate	Electric companies
Berit Kling	PacifiCorp	Electric companies
Cathie Allen*	PacifiCorp – Alternate	Electric companies
Brian Harney	Northwest Natural	Gas companies
TBD	Northwest Natural – Alternate	Gas companies
Danny Grady	City of Portland	Local governments
Andria Jacob	City of Portland – Alternate	Local governments
Tim Lynch	Multnomah County	Local governments
John Wasiutynski	Multnomah County - Alternate	Local governments
Natascha Smith*	Oregon Public Utility Commission	Commission Staff
Caroline Moore	Oregon Public Utility Commission - Alternate	Commission Staff
Rebecca Smith	Oregon Department of Energy – Chair	Oregon Department of Energy
TBD	Oregon Department of Energy – Alternate	Oregon Department of Energy
Silvia Tanner	Renewable Northwest	Public or regional interest groups
Michael O'Brien	Renewable Northwest – Alternate	Public or regional interest groups

POC Recommendation for Investigating the Scope of the POC

The POC memo includes a recommendation that the Commission “open an investigation or otherwise consider whether changes to the scope of the POC are required.” The POC has been acting as an advisory body for nearly 20 years, during which Oregon’s voluntary options have grown into the best voluntary programs in the country.³ Staff supports the POCs recommendation to ensure that the POC’s scope will allow the Committee to continue its record of success. The Commission should consider whether changes to the scope of the POC are warranted because 1) today’s utility regulatory landscape is significantly different from the one in which the POC was developed and 2) the POC’s role has not evolved with the changing landscape and additional customer options.

The electric utility regulatory landscape is substantially different from the one that existed when the POC was envisioned.⁴ Technology changes effecting electric utilities have become more rapid in the last ten years.⁵ The existence of new and affordable technologies has led to the desire for more customer choice, specifically surrounding ownership and access to renewable energy. While the regulatory environment is different, the portfolio of options that the POC recommends has remained primarily the same since 2015 when PGE introduced its Renewable Solar program. Staff recognized that these changes might indicate a need for a change in the POCs scope in 2017.

The concept of new responsibilities for the POC grew out of the recognition that the energy service options faced by utility customers are growing rapidly. The POC noted that there could be many other areas overseen by the OPUC where a consumer-based, advisory body could add both value and insight to the work the Commission does.

At the same time, the Commission has recognized that it should structure “the regulatory process itself to allow opportunities for community-based organizations, members of the public, and stakeholders new to our process to expand participation.”⁶

While the electric utility environment has changed drastically, the primary objective of the POC remains the same. The POC’s primary responsibility is to provide the Commission an annual recommendation on portfolio options. As outlined in the POC’s

³ Both PGE and PAC have been in the top 10 Utility Green Pricing Programs since 2008 (note most current data ends Dec. 2017). NREL, *Top Ten Utility Green Power Programs*, <https://www.nrel.gov/analysis/assets/pdfs/utility-green-power-ranking.pdf>.

⁴ When the POC was first formed there were not conversations or test pilots surrounding green tariffs, community choice aggregation, customer and community distributed generation (including solar and/or storage), customer microgrids, time-varying rate designs, or expanded demand response programs.

⁵ Oregon Public Utility Commission, SB 978 Legislative Report, SB 978- Actively Adapting to the Changing Electricity Sector, p. 9 ,September 2018.

⁶ *Id.*, at p. 19.

charter, portfolio options are established to “provide customers with access to renewable resource generation and carbon offset markets.” Today the POC is not the only vehicle for providing customers access to voluntary programs and renewable energy. While PAC and PGE’s green power programs continue to rank as the best in the nation, customers now have additional options, some of which have their own advisory committees.

Despite the success of its programs, the POC has struggled to evolve its scope, purpose, and goals as the market and consumer options have changed. This lack of clarity has led to confusion surrounding the role of the Committee and its members.⁷ In three out of the last five annual memos, the POC and Staff have sought clarification around the POC’s scope and/or objectives.⁸

The recommendation to examine the scope of the POC allows the Commission an opportunity to ensure the Committee’s continued success. The Commission should consider if this is an appropriate opportunity to better align the capabilities of stakeholders and encourage additional participation while meeting the needs of the POC.

Prior to opening a new investigatory docket, Staff proposes engaging Stakeholders and returning to the Commission with recommendation on whether an investigation is required, and the suggested scope of such an investigation if applicable. The participation should be sought from Stakeholders mentioned in the POC’s charter, such as the Oregon Department of Energy, local governments, participating utilities, residential consumers, public or regional interest groups, and small nonresidential customers, as well as the POC’s current membership.⁹ Staff recommends eliciting opinions from these Stakeholders by providing a list of questions for their input. Such questions could include:

⁷ As way of example the POC has been working on establishing marketing and advertising spending metrics for voluntary programs since 2014 and will continue its discussion of appropriate spending for marketing and advertising in the coming work year.

⁸ In the 2014 Annual Report the POC and Staff asked for the Commission’s assistance in defining shared roles and responsibilities. Staff Report, Recommended Portfolio Options and Portfolio Options Committee Members, pp. 7 & 15, Docket No. UM 1020, July 15, 2014; In 2015 the POC and Staff sought clarification on the roles and expectations of POC members through proposed Governance Guidelines. Staff Report, Recommended Portfolio Options and Portfolio Options Committee Members, p. 7, Docket No. UM 1020, August 4, 2015; In 2017 the POC and Staff proposed a plan through which the POC would explore potential new responsibilities and Staff would bring the a report to the Commission on what new areas of responsibilities were most aligned with the POC’s structure. Staff Report, Recommended Portfolio Options and Portfolio Options Committee Members, Docket No. UM 1020, pp. 5-6, July 6, 2017.

⁹ Portfolio Options Committee, Charter, Docket No. UM 1020, May 8, 2013.

- Given the growth in sophistication of both customers and the voluntary renewable energy market, does the role POC as currently outlined in the charter need to be altered?
- If the Commission were to continue an advisory body on specific customer products, what should the focus be? What types of things should be addressed by Staff versus an advisory body?
- Does the current scope of the POC allow for meaningful engagement and input by consumer representatives? What actions might allow consumers to be more meaningfully engaged in the POC?
- What type of feedback and information is helpful to the Commission from the general public?
- Does the POC have appropriate resources to undertake its duties?
- What type or change in membership or expertise might be required to meet a change in the POC's responsibilities?

POC Recommendations for This Year's Work Plan

In addition to its recommendations for actions through the Commission involving the scope of the POC, the POC annual memo also made recommendations for work the Committee plans to undertake itself. Every year the POC proposes a work plan for the coming year. The 2019-2020 work plan has five items the POC will attempt to address:

1. Investigate how to best provide consumers with adequate transparency on program costs to determine whether those costs are reasonable.
2. Determine whether cross-promotion of POC programs with other utility programs creates opportunity to take advantage of efficiencies and provide better consumer education.
3. Investigation of interaction of the RPS and utility green power programs.
4. Development of POC member recruitment plan.
5. Continuation of Executive Session review.

Staff believes POC's work plan is properly focused for this year. Much of the work plan is continuing work from previous years. Staff notes that the POC's development of a member recruitment plan is significant to the longevity of the POC and the Committee's

ability to continue its work. Staff supports the POCs plan to make membership a priority by starting work on the membership plan at its September meeting.

Staff acknowledges that the POC work plan for this year is complete and comprehensive. Staff recommends approval.

Conclusion

The POC's 2019-2020 recommendations are thoughtful and raise important questions about the scope and the role of the POC. Overall, Staff is supportive of the POC's recommendations and will work with POC to advance the work plan, as outlined above.

PROPOSED COMMISSION MOTION:

1. Approve the continuation of the portfolio options products offered by PacifiCorp (PAC), Northwest Natural Gas Company (NW Natural), and Portland General Electric (PGE).
2. Approve the continuation of the delivery of services using existing Commission approved, third-parties by PAC and PGE.
3. Appoint the individuals nominated by the Portfolio Options Committee (POC) to serve the September 2019 through June 2020 term.
4. Accept the POCs recommendation to consider whether changes to the scope of the POC are required.
5. Approve the POC 2019-2020 Work Plan.

MEMORANDUM

Date: September 24, 2019
From: Rebecca Smith, Chair, Portfolio Options Committee
To: Natascha Smith, Oregon Public Utility Commission Staff
RE: 2019 Recommendations to the Commission from the Portfolio Options Committee

Pursuant to OAR 860-038-0220(3) and (9), by July 1 of each year, the Portfolio Options Committee (POC) recommends portfolio options for residential and small nonresidential customers to the Commission that will be effective on January 1 of the following year. On June 10, 2019, Oregon Public Utility Commission (PUC) Staff requested a waiver to extend the memo deadline to October 1, 2019, which the Commission granted in Order No. 19-214.

Per OAR 860-038-0220(4), the portfolio must include at least one product and rate that reflects renewable energy resources and one market-based rate. Each utility administers its options, including marketing and billing. For administrative simplicity, the POC also includes in this memo recommendations concerning membership and other subjects under its purview.

Summary of Recommendations

The POC recommends that the Commission approve the:

- Continuation of the current Portfolio Options;
- Appointment of new POC members;
- Opening of an investigation as to whether changes to the scope of the POC are required; and
- POC 2019-2020 Work Plan – Attachment A.

Portfolio Option Recommendations

The POC makes the following portfolio option recommendations to the Commission:

PacifiCorp

- Continuation of current Commission-approved voluntary market-based and renewable energy options for residential and small nonresidential customers. For PacifiCorp, this includes the Time-of-Use and Blue Sky options (Blue Sky Habitat, Blue Sky Block, and Blue Sky Usage).
- Continuation of the delivery of the Blue Sky options using services offered through existing Commission-approved third-party contracts, which provide the following services: retail marketing, renewable energy certificate (REC) supply, and funds administration.

- PacifiCorp will issue a request for proposal (RFP) in 2021 for third-party program services, to commence on January 1, 2022.
- Continuation of the delivery of the Blue Sky Habitat option using services offered through existing third-party contracts.
 - PacifiCorp will issue an RFP in 2021 for third-party Environmental Mitigation Fund administrator services for the Blue Sky Habitat product, to commence on January 1, 2022.

Northwest Natural

- Continuation of current Commission-approved “Smart Energy” carbon offset program and procurement of offsets through The Climate Trust.

Portland General Electric (PGE)

- Continuation of current Commission-approved customer options: Time-of-Use (market-based rate option), Green Source, Clean Wind (renewable energy resource options), Green Future Solar, and Habitat Support (collection of passed-through funds for environmental mitigation measures of salmon recovery).
- Extension of program delivery using existing Commission-approved third-party marketing/education, supply, and habitat contracts for one year beyond existing contract.
 - 2019 is the final year of PGE’s contract with its current provider of green marketer services. Instead of issuing an RFP in 2019 for a new contract, commencing on January 1, 2020, PGE requested an extension of the existing contract for the following reasons:
 - Allow for incorporation of any suggestions from POC members resulting from information requests and the 2019 executive session review of program data.
 - Allow all three of PGE’s POC-related RFPs to sync up.
 - The POC approved this extension by vote at the February 2019 meeting.

POC Membership Recommendations

Pursuant to OAR 860-038-0005(2), the POC is “a group appointed by the Commission, consisting of representatives from Commission Staff, the Oregon Department of Energy, and the following:

- | | |
|----------------------------|---|
| (a) Local governments; | (d) Public or regional interest groups; and |
| (b) Electric companies; | (e) Small nonresidential consumers.” |
| (c) Residential consumers; | |

Currently there are two seats open for small nonresidential consumer representatives and two for residential consumer representatives. The POC will recruit new members to fill these openings in 2019-2020 and recommend appointment of those new members to the Commission (see 2019-2020 work plan for further details on recruitment).

The POC recommends the following membership roster for Commission approval for the October 2019 to June 2020 term.

Portfolio Options Committee Membership Roster June 2018		
Member Name	Company	Representing
TBD	TBD	Small nonresidential consumers
TBD	TBD	Small nonresidential consumers
TBD	Unaffiliated	Residential consumers
Mike Goetz	Oregon Citizens' Utility Board – Vice Chair	Residential consumers
TBD	Unaffiliated	Residential consumers
Sven Gatchev	Unaffiliated	Residential consumers
Josh Halley	Portland General Electric	Electric companies
Kalia Savage	Portland General Electric – Alternate	Electric companies
Berit Kling	PacifiCorp	Electric companies
Cathie Allen*	PacifiCorp – Alternate	Electric companies
Brian Harney	Northwest Natural	Gas companies
TBD	Northwest Natural – Alternate	Gas companies
Danny Grady	City of Portland	Local governments
Andria Jacob	City of Portland – Alternate	Local governments
Tim Lynch	Multnomah County	Local governments
John Wasitynski	Multnomah County - Alternate	Local governments
Natascha Smith*	Oregon Public Utility Commission	Commission Staff
Caroline Moore	Oregon Public Utility Commission - Alternate	Commission Staff
Rebecca Smith	Oregon Department of Energy – Chair	Oregon Department of Energy
TBD	Oregon Department of Energy – Alternate	Oregon Department of Energy
Silvia Tanner	Renewable Northwest	Public or regional interest groups
Michael O'Brien	Renewable Northwest – Alternate	Public or regional interest groups

**Indicates prospective members or changes to the Committee to be approved by the Commission.*

Recommendation that the Commission Open an Investigation or Otherwise Consider Whether Changes to the Scope of the POC are Required

The POC recommends that the Commission consider the scope of the POC within a changing landscape. Voluntary programs do not operate in a vacuum and there are now several voluntary options for consumers, ranging from electric vehicle offerings to demand response pilots. Some, such as those from Energy Trust, have their own advisory committees while competing options from non-utilities remain unregulated. Regardless, growing majorities of the most salient and impactful ratepayer options are not within the purview of the POC. This arena will continue to evolve and become more complex, as exemplified by the reexamination of stakeholder engagement, environmental policy, and customer choice required for the

implementation of SB 978, and the state legislature's focus on addressing climate change through implementation of transformative energy policies.

The Commission has recognized that changes in demands on and regulation of electric utilities require updates to longstanding PUC programs and has undertaken the redesign of PURPA and DSP. The POC recommends that the Commission consider whether the scope and responsibility of the POC warrants the same consideration to meet changing needs. Consideration of the scope of the POC should include a review of the POC's membership and its resources. For example, would a change or enlargement of focus of the POC require new and/or new kinds of individual or organizational members, with different areas of expertise? Additionally, the POC currently does not offer any remuneration to its volunteer Consumer Representatives and it does not have any resources to undertake in-depth investigations, customer surveys, etc.

Recommendation to Adopt 2019-2020 Work Plan

The POC proposes the Commission formally adopt the POC's 2019-2020 Work Plan outlined in Attachment A and described in detail here. In creating the 2019-2020 work plan, the POC revisited its 2018-2019 work plan, reviewed what was accomplished, and considered which unaccomplished items should be carried forward in the plan for this year. See Attachment B for a listing of the work plan items from last year and notes if they were accomplished.

The POC drafted its work plan for the upcoming year during the June 2019 POC meeting and adopted it on August 28, 2019. It focuses on the following areas:

- 1. Investigate how to best provide consumers with adequate transparency on program costs to determine whether those costs are reasonable.**

As utility voluntary green power programs continue to grow, the POC has revisited long-standing questions around program goals and how those goals relate to and inform what the POC should consider as appropriate program costs and spending. In compliance with Commission Order No. 18-281, PUC Staff provided the POC with a report on reasonable costs in the context of the POC's charter goal of "growth in participation rates at reasonable costs." Staff presented its review of the status of Portfolio Option performance and the allocation of funds collected from participating customers between direct renewable energy costs and non-renewable energy costs to the POC members and utilities during an executive session on March 20, 2019.

Based on the POC's review of Staff's report and annual review of program financials, the POC determined that the definition of reasonable should be determined by the consumers who choose to participate in these programs. Therefore, the POC decided that further discussion of marketing and advertising at the POC should focus on ensuring consumers have transparency into the utilities' marketing and advertising spending so that they can make informed decisions about whether the spending is appropriate.

These conversations evolved to include a look at the importance of education in general and the POC's desire to focus on reviewing not just utility spending, but also what the funds are spent on, to determine if utilities are making the best use of their funds. Through that discussion, the POC arrived at the following topics for discussion in 2019–2020, which the POC felt were previously overshadowed by the marketing and advertising cap discussions:

- Investigation into how the utilities can provide transparency to consumers about how program revenues are spent – allowing them to make an informed determination of whether these costs are reasonable.
- Performing a review within the POC of what the utilities are spending revenue on – to determine if the design and operation of the program benefits consumers and includes:
 - Marketing/education expenses: are utilities spending revenue on the best suite of marketing and advertising options?
 - Supply-side expenses: are utilities providing the best supply for consumers?
- How are utilities accounting for the RPS in terms of both consumer transparency and supply/product design decisions?

The goal of this work plan item is to come to an agreement on:

- The appropriate level of information that consumers need to understand the Portfolio options they're being offered;
- Effective methods for providing that information;
- How to measure education with respect to materials and delivery; and
- How often to measure consumer education.

2. Determine whether cross-promotion of POC programs with other utility programs creates opportunity to take advantage of efficiencies and provide better consumer education.

In 2018, the POC had discussions on cross-promotion of POC programs with other utility programs but did not reach any conclusions. Examples of cross-promotion include allowing a utility representative speaking to a customer interested in, for example, the PGE demand response pilot or paperless billing to also mention portfolio programs in the same conversation, and vice versa.

As part of the 2019-2020 work plan, the POC plans to continue these discussions and reach a determination allowing the POC to make recommendations to the Commission surrounding opportunities to take advantage of cross-promotion of POC and other utility programs to increase and improve consumer education.

The utilities expend considerable effort and funds to ensure customers are aware of their portfolio options. These promotional activities include direct conversations with customers on the doorstep, at community events, and over the phone, as well as emails, advertisements, and other indirect channels. As utilities continue to expand customer offerings outside of their

portfolio options, customers may desire information not just about the portfolio options but others as well. Consideration of cross-promotion relies on existing guidelines for portfolio program costs. Funds collected from portfolio option participants can only be used to cover costs associated with the portfolio option, and the costs associated with the portfolio option can only be borne by the participants in that portfolio option.

The POC proposes to begin its investigation to provide guidance to the utilities in light of the increasing opportunity for cross-promotion of portfolio and non-portfolio customer programs. The investigation goals are:

- Review marketer best practices currently in place regarding cross-promotion and determine whether the POC has any concerns and/or whether there are any opportunities for improvement;
- Establish a list of questions to determine whether cross-promotion for a specific product is in the consumer's interest, including a review of the specifics of the product and the channels and tactics used to market it; and
- If appropriate, make a recommendation to the Commission regarding guidance on cross-promotion to ensure promotional costs are allocated appropriately across the various ratepayer and participant types.

3. Investigation of interaction of the RPS and utility green power programs.

Under the current renewable resource portfolio options, participants have a choice to a purchase renewable energy certificates at a fixed kWh amount per month (fixed option) or equal to 100 percent of their monthly usage (volumetric option). The Renewable Portfolio Standard (RPS) did not exist when the volumetric option was defined as a 100 percent match.¹ At present, the RPS obligation requires electric companies to supply Oregon retail customers with 15 percent renewable energy. This amount will increase to 20 percent in 2020 and continue to increase incrementally until reaching 50 percent in 2040. Electric company customers, including those participating in the portfolio options, are paying for the cost of renewable energy used for RPS compliance. Consequently, the increasing RPS obligation raises questions about participants' overlap with the RPS and the appropriate description of the level of RPS compliance in the volumetric option.

As part of the 2018-2019 work plan, the POC discussed the interactions between the RPS and the Portfolio Option programs but reached no actionable conclusions. The POC agrees that at some point the overlap between the RPS program and voluntary programs and the associated costs will be important to program participants, but that the POC currently does not have an indication of when this overlap would become material. Utilities have done customer outreach in the past to determine attitudes towards the interaction of these programs, but that

¹ Commission Order No. 06-350, page 1, July 6, 2006.

information is now dated. However, the POC does not have the financial resources to conduct consumer focus groups or surveys to determine current attitudes towards this issue.

Should the POC determine that program participants are sensitive to this overlap, the timing of any program changes will need to consider not only the scheduled step ups in the RPS level but also the utilities' RFP and contracting cycles.

The goals of this 2019-2020 work plan item are:

- Determine whether utilities currently have the permission to reduce the volumetric product level by the current RPS slice;
- Consideration of renewable definitions used by the Oregon RPS and Green-e and the necessary changes for educational materials (e.g., If RPS was used to achieve 100%, Green-E would require clarification to customers that only 80% of the product was Green-E certified (assuming 2020 20% RPS level);
- Identify pathways to gain greater insight into consumer preferences with respect to voluntary program and RPS overlap (e.g., Can these questions be incorporated into other utility research efforts? Are there financial resources the POC could allocate to the creation, dissemination, and analysis of a consumer survey or focus group?); and
- If appropriate, develop recommendations to the Commission on any necessary program changes and a reasonable timeline for implementation.

4. Development of POC member recruitment plan.

With recent vacancies for Consumer Representative POC members, the POC has flagged as an issue the need to determine how best to recruit for these positions to ensure that the POC not only finds committed members but also achieves greater inclusivity.

Previous recruitment efforts have been largely ad hoc and based on a loose set of criteria for what would make a good candidate. However, this process has led to a membership that underrepresents communities within the program participant pool, including economic and geographic considerations. The POC will seek to collaborate with community-based organizations in Oregon to develop an explicit list of candidate criteria with an eye towards increasing inclusivity. Additionally, the POC will continue to explore options for remuneration of Consumer Representatives. By requiring that these members donate their time to attend several meetings a year that fall during working hours on week days, the POC has essentially limited its Consumer Representative membership to those with the free time, resources, and proximity to Portland to easily participate.

Finally, the POC will make recommendations regarding relevant organizations with a community and/or equity focus to consider adding as POC members.

The goals of this 2019-2020 work plan item are:

- Develop a list of criteria for identifying and recruiting new Consumer Representative members, including criteria to ensure that candidates increase the inclusivity of the POC;
- Make recommendations to the Commission on remuneration options for the volunteer Consumer Representatives; and
- Make recommendations to the Commission on addition of organizations with a community and/or equity focus to the POC membership.

5. Continuation of Executive Session review.

To fulfill its role of recommending portfolio options to the Commission, the POC will continue to conduct reviews of program metrics including utility marketing and administration costs for the programs. Given that the programs' marketing and administration costs are subject to competitive bidding and the cost information is confidential, the POC conducts these reviews in Executive Session. The program metrics are intended to help the POC confirm that the use of portfolio revenues (collected from participating customers) for these purposes is reasonable.

See Attachment B for details on the 2019 Executive Session.

ATTACHMENT A

Portfolio Options Committee | Work Plan 2019-2020

Proposed Meeting Schedule

- September 25, 2019
- October 23, 2019
- November 20, 2019
- December 18, 2019
- Feb 2020
- March 2020
- April 2020 Executive Session
- May 2020

Annual POC Oversight Activities

- General program updates and reviews take place at the February and September meetings.
- Executive Session reviews specific program costs in April.
- Prepare the upcoming year's POC Work Plan and Annual Commission recommendations, with final discussion at the May POC meeting and final documents due by July 1.
- Items that must be reviewed by the POC in advance of PUC submission:
 - Utility RFPs for green marketers;
 - Any significant changes to selected contractors, including extensions;
 - Changes to POC-related tariffs;
 - Significant and/or non-standard deployment of funds; and
 - New programs or offerings.

Special Projects and Issues for 2019-2020

- Continued evaluation of portfolio program and overall POC goals, with focus on how to best provide customers with adequate transparency on program costs to allow them to determine whether they find these costs reasonable.
- Continued evaluation of opportunities and concerns related to cross-promotion of portfolio and non-portfolio customer programs and development of guidelines.
- Continued evaluation of the interaction of the RPS and voluntary green power programs and program participant preferences related to the overlap.
- Development of POC Consumer Representative member recruitment plan.
- Monitor and engage with utilities during the program RFP and contracting process, per OAR 860-038-0220 and the POC charter. PGE will have an RFP for POC review in 2020.
- Continued evaluation of the current and potential future role of the POC in a changing regulatory landscape, with guidance from the Commission.

ATTACHMENT B

Review of 2018-2019 Work Plan and Progress

The 2018-2019 work plan included high priority items, which were the core of the POCs efforts, and priority items. The table below lists the high priority and priority items from last year and notes on actions taken.

Category	Items	Accomplished
High Priority Items	Evaluation of Program Metrics and Program Goals that inform POC recommendations on portfolio options. (The Commission modified the workplan to include a Staff report out on how the POC could characterize “reasonable cost” in the context of the POC’s goal of “growth at reasonable cost.”)	Continuing work <ul style="list-style-type: none"> Oct 2018 mtg entirely devoted to goals discussion; Discussed at Dec 2018 mtg; PUC Staff presented work on reasonable costs at March 2019 mtg. POC concluded that reasonable cost should be defined by consumers. (i.e., providing consumers with the program spending information and allowing them to decide if the utility use of program revenues is reasonable.)
	Access to confidential materials before and after executive sessions.	Continuing work <ul style="list-style-type: none"> ODOE’s DOJ attorneys looking at opportunities to meet requirements of IOU NDAs without compromising agency public disclosure requirements.
Priority Items	Guidelines on the Interaction of the RPS and Utility Green Power Programs.	Continuing work <ul style="list-style-type: none"> Discussed at March meeting – POC members feel like there is an RPS slice at which point overlap between that and voluntary programs becomes an issue, but don’t have enough consumer insight to know where that point is. Consumer awareness and attitudes are important, but POC does not have budget to do a follow-up survey similar to what PGE did several years ago. Without a decision in early 2019, IOUs were not be able to make program adjustments around RPS interaction to coincide with 2020 RPS target step-up.

	Investigation of Existing Time-of-Use Portfolio Options.	Continuing work <ul style="list-style-type: none"> • Linked to discussion of role/authority of POC; • PGE presentation on TOU pilot at Dec 2018 mtg.
	Understanding Long-Term Interactions Between Existing Portfolio Options and New and Emerging Programs.	No progress
	Investigation of New Non-REC-Based renewable energy resource Portfolio Options.	No progress

Ongoing Item: Annual Executive Review of Program Metrics

The POC held its annual Executive Session on April 2, 2019. In its Executive Session, the POC reviewed data from PacifiCorp's Blue Sky, PGE's Green Source and Clean Wind, and NW Natural's Smart Energy program. During this year's Executive Sessions and in subsequent meetings this year, the discussion has centered on:

Supply

- While a focus on keeping costs low for participants is valuable, the POC agrees that programs should also focus on continuing to ensure marketing costs are efficient or find another avenue to spend more on renewable energy in a meaningful way.

Metrics

- Overall, the POC did not recommend any specific changes to the metrics at this time, though a few ideas for new metrics were discussed:
 - Committee members discussed whether a metric showing the cost per conversion (not cost per enrollment) could yield better insight into marketing costs; and
 - A possible metric showing marketing and administrative costs per MWh was discussed, as was a possible new metric illustrating program churn.
- POC members also discussed how to further refine the metrics template for the Executive Session to ensure that the data needed to determine program goals is presented. Possible refinements include incorporating some of the data points from the annual marketer updates into the template, such as total participants, percent change in participants from previous year, total MWhs, percent change in MWhs from previous year; whether and how to include inflation when comparing program stats over long periods of time.