

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: June 2, 2020

REGULAR  CONSENT  EFFECTIVE DATE June 2, 2020

DATE: May 26, 2020

TO: Public Utility Commission

FROM: Jill Goatcher

THROUGH: Bryan Conway, Michael Dougherty, JP Batmale, and Sarah Hall **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:  
(Docket No. UM 1020)  
Requests for an Extension of Contracts for Retail Marketing Services for Residential and Small Commercial Voluntary Renewable Energy Program and Acquisition of Renewable Energy Certificates to Offset Participant Usage.

**STAFF RECOMMENDATION:**

Approve Portland General Electric's (PGE) Request for an Extension of Contracts for Retail Marketing Services for Residential and Small Commercial Voluntary Renewable Energy Program and Acquisition of Renewable Energy Certificates to Offset Participant Usage for twelve months, through December 31, 2021.

**DISCUSSION:**

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve PGE's Request for an Extension of Contracts for the Retail Marketing Services for Residential and Small Commercial Voluntary Renewable Energy Program and Acquisition of Renewable Energy Certificates to Offset Participant Usage through December 31, 2021.

Applicable Rule or Law

Electric utilities are required under ORS 757.603 to offer a portfolio of rate options, including an option that offers significant new renewable energy resources. The

Commission regulates portfolio options so that the rates reflect the costs and risks of serving each option.<sup>1</sup>

The Commission, in OAR 860-038-0220, provides a process for the development of portfolio options and rates, including review of the recommendations of the Portfolio Options Committee (POC). The POC historically has made its recommendations annually on July 1, for options effective January 1 of the following year.

Per its Order No. 16-469, the Commission approved the most recent Charter for the POC. This Charter authorized the POC to include recommendations on marketer and provider contracts for approval in its annual recommendations to the Commission.<sup>2</sup>

In Commission Order No. 20-063, the Commission put the meetings of the POC on hold pending an investigation of its continued scope.<sup>3</sup>

OAR 860-038-0220(6) requires that the utility offering rate options “acquire the renewable supply resources necessary to provide the renewable energy resources product through a Commission-approved bidding process or other Commission-approved means.”

### Analysis

PGE submitted a filing in Docket No. UM 1020, the Portfolio Options Committee (POC), requesting approval to extend two contracts for an additional twelve months, through December 31, 2021. These contracts are for retail marketing services for PGE’s Residential and Small Commercial Voluntary Renewable Energy Program, as well as for the acquisition of renewable energy certificates (RECs) to serve the program.

PGE brought its contract extension requests to the POC at its most recent meeting on February 26, 2020. The POC reviewed the proposal and unanimously recommended it to the Commission for approval.<sup>4</sup> In a typical year, support for a proposal to extend the term of a marketing or provider contract is a topic the POC could include in its annual July 1 report with program recommendations for the Commission. However, the meetings of the POC are currently suspended. PGE has therefore directly requested

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<sup>1</sup> ORS 757.603(3).

<sup>2</sup> Docket UM 1020, Portfolio Options, Commission Order No. 16-469, Appendix A at 17, December 7, 2016.

<sup>3</sup> Docket UM 1020, Portfolio Options, Commission Order No. 20-063, Appendix A at 7, March 3, 2020.

<sup>4</sup> Portfolio Options Committee, Agenda, February 26, 2020 Meeting, available at <https://www.oregon.gov/puc/utilities/Documents/POC-Agenda-02262020.pdf>. Staff notes that minutes were not taken during this meeting.

that the Commission approve contract extensions through December 31, 2021. PGE filed a letter in Docket No. UM 1020 to this effect.

Staff supports PGE's request for the following reasons. First, the POC voted unanimously to approve the contract extensions at its last meeting held on February 26, 2020. Second, the current contracts result from an underlying competitive process. Third, given the pending investigation of the scope of the POC, Staff supports maintaining the programs in their current iteration. Finally, as PGE notes in its request, it suspended marketing operations following the Oregon Governor's Executive Orders addressing the COVID-19 pandemic. Marketing activity in 2020 may be significantly limited. To the extent Commission action is required under OAR 860-038-0220(6) to authorize extension of the contract for acquisition of RECs for program participation through 2021, Staff supports the 12 month extension as an appropriate short-term alternative to the RFP process while the process for developing portfolio options is under investigation.

#### Conclusion

Staff recommends that the Commission approve the extension of these contracts through December 31, 2021, based on the POC's unanimous approval of this extension and the need to continue the status quo for the short-term while future processes for development and review of portfolio options are under investigation.

#### **PROPOSED COMMISSION MOTION:**

Approve PGE's Request for an Extension of Contracts for Retail Marketing Services for Residential and Small Commercial Voluntary Renewable Energy Program and Acquisition of Renewable Energy Certificates to Offset Participant Usage for twelve months through December 31, 2021.