

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 18, 2021**

REGULAR CONSENT EFFECTIVE DATE _____ N/A _____

DATE: May 10, 2021

TO: Public Utility Commission

FROM: Eric Shierman

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

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 1020)
Commission approval of RFP for portfolio options services.

STAFF RECOMMENDATION:

Staff recommends that the Oregon Public Utility Commission (Commission) approve Portland General Electric Company's (PGE or Company) request for proposal (RFP) for marketing, outreach, and renewable energy certificate (REC) acquisition for the Company's residential and small business portfolio options tariffs.

DISCUSSION:

Issue

Whether the Commission should approve PGE's RFP for portfolio options services.

Applicable Rule or Law

ORS 757.603 requires the electric utilities to provide a portfolio of rate options to residential customers. The Commission regulates portfolio options so that the rates reflect the costs and risks of serving each option. 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

Background

The most recent RFP for PGE's Portfolio Options retail marketing and REC acquisition services was approved by the Commission on December 7, 2016, in Order No. 16-469. Since then, the Portfolio Options Committee (POC) twice approved extensions of these contracts resulting from that previous RFP. Originally called the Portfolio Advisory Committee, the POC was created in Order No. 01-337 "to develop portfolio options in accordance with ORS 757.603(2) and OAR 860-038-0220."¹ On March 3, 2020, Order No. 20-063 suspended meetings of the POC, pending an investigation of its continued scope. On June 3, 2020, Order No. 20-183 adopted Staff's recommendation to approve PGE's request for an extension of the Portfolio Options service contracts through December 31, 2021. With nearly five years since these services have been competitively determined, prices may have changed.

Changes from the Prior RFP

Beyond minor changes in language, two substantive changes were made to this RFP compared to the last. First, three services are being bid on, rather than two. The previous RFP contracted out two services: marketing and REC acquisition. This RFP breaks retail marketing services into two separate services: marketing and outreach. So the new RFP seeks bids for marketing, outreach and REC acquisition.

The second substantive change from the previous RFP is to explicitly flag for bidders that the brokerage service that acquires RECs will need to audit RECs acquired from the Wheatridge Renewable Energy Facility. Wheatridge co-locates wind, solar, and storage resources. The proposed RFP requires bidders for the REC acquisition service to itemize any additional costs the Wheatridge RECs adds to their bid. While the costs associated with the Wheatridge REC supply are unknown, all bidders will be required to assess costs based on information from Order No. 20-482. So Staff asked PGE to add specific language providing more context for bidders. PGE agreed to add this language.

Staff has reviewed this RFP as shared via email on March 30, 2021, and later filed to the UM 1020 docket on April 30, 2021. Staff met with PGE on April 19, 2021, to seek clarification on changes from the previous RFP. The focus of our review was to read the new documents and compared them to the previous RFP. Staff finds no problems with PGE's language or bidding process. Staff also reached out to the UM 1020 service list,

¹ See Docket No. UM 1020, OPUC, Order No. 01-337, April 27, 2001, p 1.

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notifying parties of our review of this RFP. No stakeholders have voiced a concern or filed comments.

Conclusion

Staff concludes PGE seeks these marketing, outreach, and REC acquisition services through a valid bidding process.

PROPOSED COMMISSION MOTION:

Approve PGE's RFP for marketing, outreach, and REC acquisition for the Company's residential and small business portfolio options tariffs.

CA4 – UM 1020.