

OAR 860-038-0300(3) requires that Portland General Electric and Pacific Power provide information to customers about portfolio options pursuant to Commission direction.

OAR 860-038-0005(45) defines “unspecified market purchase mix” as determined by the Oregon Department of Energy.

In Order No. 14-067, the Commission revised rules related to Portfolio Options Labeling Requirements and directed Staff and parties to develop a label template for portfolio options power mix disclosures.

Analysis

Background

Earlier this year, Pacific Power reached out to Staff, seeking guidance in the wake of the Oregon Department of Energy’s change in method for estimating the emissions from unspecified market purchases. Pacific Power filed a notice of this change to the UM 1020 docket.¹ Staff thanks Pacific Power for proactively identifying the issue.

Division 38 provides the administrative rules related to portfolio options for residential customers, including how electric companies depict emissions and how portfolio options are labeled for customer choice (see OAR 860-038-0300).² In Order No. 14-067 the Commission directed the development of templates for communicating, among other things, emissions associated with the portfolio options. Significant changes to the templates, including major modification to the components of the power source or environmental impact information, requires engagement of Staff and stakeholders.³ In light of the inability for the utilities to raise changes to the portfolio options label template with the Portfolio Options Committee, Staff brings this memo to update the Commission on required changes to emissions information in the template and explain how communication of environmental impacts of portfolio options is impacted.

Oregon Department of Energy (ODOE) has changed the reporting of market purchases from an estimate based on the region’s resource mix to the California Air Resources Board method of establishing a default emissions factor. This is consistent with how the Oregon Department of Environmental Quality calculates emissions from unspecified market purchases. Pursuant to OAR 860-038-0005(45), electric companies are required to use ODOE as the source for this emissions data.

¹ Docket No. UM 1020, Pacific Power, Notice of Amendment of Annual Fuel Mix Report, August 1, 2024.

² Docket No. AR 555, OPUC, Order No. 16-095, p.1, March 10, 2016.

³ Docket No. AR 555, OPUC Staff, Staff Report, pp. 2-3, February 26, 2016.

Impact on Portfolio Options Reporting

One component of an electric company's resource mix, and related emissions, is the purchase of wholesale electricity from unspecified sources. Pacific Power reports unspecified market purchases by generation type while Portland General Electric reports market purchases as "other." While electric companies are required to use the "unspecified market purchase mix" emissions information determined by ODOE, the recent changes in the resource mix calculation significantly impacts how portfolio options emissions and environmental impacts are communicated to customers.

Pacific Power and Portland General Electric provided environmental impact information to customers via charts in their power mix disclosure labels, which compared the portfolio option product's emissions to the average generation profile of the Northwest with respect to key air pollutants, toxins, and greenhouse gases. The change in ODOE's emissions calculation method means that the utilities will no longer be able to provide these comparisons. This results in a lack of environmental impact information being available to portfolio options customers and impacts customers' ability to make an informed choice.

Conclusion

The update to ODOE's unspecified market purchase emission calculations significantly alters the way environmental impacts of portfolio options are communicated to customers. Nevertheless, this is a noncontroversial change, and Staff has no knowledge of stakeholders that oppose it. Since this is a substantive change to the power mix disclosure tables which would have required engagement and involvement of the portfolio options committee, Staff brings it to the Commission to ensure transparency.

PROPOSED COMMISSION MOTION:

No Commission motion is proposed.