

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: November 16, 2023**

**REGULAR** \_\_\_\_\_ **CONSENT**  X  **EFFECTIVE DATE** \_\_\_\_\_ **N/A**

**DATE:** November 6, 2023

**TO:** Public Utility Commission

**FROM:** Eric Shierman

**THROUGH:** JP Batmale and Sarah Hall **SIGNED**

**SUBJECT:** PORTLAND GENERAL ELECTRIC:  
(Docket No. UM 1020)  
Proposed extension of vendor contracts for portfolio options.

**STAFF RECOMMENDATION:**

Approve Portland General Electric's request to extend contracts by 12 months for retail Renewable Energy Certificate supply and Marketing and Outreach services for the Residential and Small Commercial Voluntary Renewable Energy Program.

**DISCUSSION:**

Issue

Whether the Oregon Public Utility Commission (Commission) should approve Portland General Electric's (PGE or the Company) request to extend contracts by 12 months for retail Renewable Energy Certificate supply and Marketing and Outreach services for the Residential and Small Commercial Voluntary Renewable Energy Program.

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 request for proposal (RFP) for PGE's retail Renewable Energy Certificate supply and Marketing and Outreach services for the Residential and Small Commercial Voluntary Renewable Energy Program was approved by the Commission on May 18, 2021, in Order No. 21-154. The services PGE contracted from that RFP are due to expire on December 31, 2024.

In the next 12 months, PGE intends to revamp the Company's Portfolio Options to adjust these products to the Company's expected lower emissions from compliance with House Bill (HB) 2021, Oregon's clean energy law. A cleaner resource mix will impact the required procurement of renewable energy certificates (REC) for Portfolio Options customers that seek lower emissions than PGE's system.

PGE seeks to delay an RFP for Portfolio Options services until the Company has completed changes to these products. Holding this bid after the changes are known "will allow for the opportunity for a more robust bidder pool and add necessary negotiation time as the programmatic changes will be established well before the RFP."<sup>1</sup>

The Commission has previously granted an extension of a Portfolio Options services bid. In Order No. 21-308, the Commission granted a similar extension to Pacific Power. In that instance, the utility sought an extension of these services due to volatile REC prices and uncertainty of customer demand due to the passage of HB 2021.

### *Reason for Staff Recommendation*

Staff finds PGE's proposal reasonable. The emissions of PGE's generation system are expected to decline for all customers. This will reduce the amount of incremental procurement of RECs for Portfolio Option customers, which is reasonably expected to be material to RFP participants bidding decisions when estimating the revenue requirement for providing these services. A delayed RFP should enable a more transparent bidding process.

## Conclusion

Staff concludes that PGE proposed delay of an RFP for Portfolio Options services by 12 months is reasonable.

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<sup>1</sup> See Docket No. UM 1020, PGE, 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, p. 1, September 29, 2023.

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**PROPOSED COMMISSION MOTION:**

Approve Portland General Electric's request to extend by 12 months contracts for retail Renewable Energy Certificate supply and Marketing and Outreach services for the Residential and Small Commercial Voluntary Renewable Energy Program.

CA4 – UM 1020.