

**BEFORE THE PUBLIC UTILITY  
COMMISSION OF OREGON**

**UE 416**

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY,

Request for a General Rate Revision;  
and 2024 Annual Power Cost Update.

Docket No. UE 416

**Portland General Electric Company's Opening Brief  
in Support of Annual Power Cost Update**

August 28, 2023

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## I. Introduction

On February 15, 2023,<sup>1</sup> Portland General Electric Company (PGE or “the Company”) submitted testimony and supporting material for the forecast of the Company’s initial 2024 Net Variable Power Costs (NVPC). The initial power cost forecast was submitted as part of the Company’s General Rate Case in Docket UE 416 rather than a separate Annual Update Tariff (AUT) filing.<sup>2</sup> Similar to the typical annual AUT filing, the purpose of the NVPC forecast is to establish the amount of PGE’s projected power costs in 2024 that will allow PGE to recover its prudently incurred costs in 2024. While PGE and many parties amicably resolved the majority of issues pertaining to the 2024 power costs forecast during various settlement discussions, a few items brought solely by the Alliance of Western Energy Consumers (AWEC) remain. Uniquely, AWEC is the only party proposing to lower the Company’s 2024 power cost forecast through three adjustments relating to flexibility reserves and three additional adjustments, which were only proposed after PGE’s July 14 modeling update.

Related to flexibility reserves, AWEC seeks to: (1) remove downward flexibility reserves – despite the reliability and cost risks that would result; (2) include diversity reserve benefits from the Western Energy Imbalance Market (EIM) in the modeling of flexibility reserve requirements – even though it would result in a double counting of benefits from diversity capacity credits already included in PGE’s historical generation dispatch modeling; and (3) remove the

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<sup>1</sup> All referenced dates are to 2023 unless indicated otherwise.

<sup>2</sup> UE 416/PGE/300, Schwartz-Outama-Cristea/1 at 17.

modeling of costs for unmet ancillary services capacity - based on a misapplication of the naming convention referencing 'hydro spill.'

AWEC's positions raise several concerns. First, AWEC fails to recognize costs and reliability risks associated with their proposals. The proposed adjustments are unreasonable, as evidenced by inconsistencies with historical power cost variance results. Furthermore, AWEC's proposed adjustments are based on erroneous assumptions. Moreover, AWEC fails to factor in the cost for holding reserves with thermal resources, as explained by PGE's expert witnesses in the Company's Reply Testimony, Exhibit 1500. Finally, adopting AWEC's proposed reduction in the forecasted power costs results in the double counting of EIM benefits already recognized in the NVPC forecast.

AWEC also challenges items in PGE's July 14 power cost updates that are contrary to long-standing Schedule 125 practices regarding modeling corrections and guidelines for maintenance update. As the record demonstrates, because their arguments are neither compelling nor supported by the record, the Commission should reject AWEC's proposed adjustments.

## **II. Background**

### **A. NVPC Procedural Background**

In addition to the Staff of the Oregon Public Utility Commission, intervenors in Docket No. UE 416 include the following: AWEC, the Citizens' Utility Board (CUB), Fred Meyer Stores and Quality Food Centers, Divisions of The Kroger Co. (Kroger), Natural Resources Defense Council (NRDC) and the NW Energy Coalition

(NWECC), Walmart Inc., Calpine Energy Solutions, LLC (Calpine), Small Business Utility Advocates (SBUA), NewSun Energy, LLC, Community Action Partnership Oregon (CAPO), and Community Energy Project (CEP). On March 13, the administrative law judge issued a Prehearing Conference Memorandum establishing a procedural schedule for PGE's annual power cost update tariff (Schedule 125) separate from the procedural schedule for the Company's request for a general rate revision, within Docket No. UE 416.

In addition to a workshop and a settlement conference, the annual power cost procedural schedule established dates for PGE's MONET updates on July 14, October 2, November 7 and November 15.<sup>3</sup> Staff, CUB and AWEC filed separate opening testimony on May 24<sup>4</sup> and PGE submitted reply testimony on June 21.<sup>5</sup> Settlement conferences concerning power cost issue were held on June 14 and July 11, after which Staff and AWEC filed rebuttal testimony on July 21. Although CUB indicated it was not submitting rebuttal testimony, they would reserve the right to address any remaining issues during hearing and briefing. PGE then submitted surrebuttal testimony on August 10.<sup>6</sup>

On August 21, PGE filed a motion on behalf of the stipulating parties to admit the first and third partial stipulations and the joint testimony supporting the partial stipulations, which will resolve many of the annual power cost update issues. While not signatories to the agreement, other parties participated in the

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<sup>3</sup> PGE also submitted a MONET update on March 31 that included contracts and electric and gas forward curves as of February 28, along with revised plant performance factors for forced outage rates based on 2019-2022 data.

<sup>4</sup> See Staff/100-204, Jent; AWEC/100-106, Mullins; CUB/100-105, Gehrke.

<sup>5</sup> PGE/1500-1501, Outama-Pederson-Cristea.

<sup>6</sup> PGE/3000-3003, Vhora-Pederson-Cristea.

settlement discussions and as of August 28, no party has submitted a written objection to the first and third partial stipulations.<sup>7</sup>

## **B. Summary of Facts**

In February, PGE submitted an initial forecast of the Company's 2024 Net Variable Power Costs (NVPC) of \$860.1 million, which was based on contracts and forward curves as of December 31, 2022.<sup>8</sup> NVPC includes wholesale (physical and financial) power purchases and sales (purchased power and sales for resale), fuel costs, and other costs that generally change as power output changes. The "net" in net variable power cost refers to the net of forecasted wholesale sales of electricity, transmission, natural gas, fuel, and associated financial instruments.<sup>9</sup>

The NVPC establishes the basis for the amount of PGE's 2024 test year AUT to be collected beginning on January 1, 2024, in Schedule 125. The AUT forecast amount will then be compared to the 2024 actual NVPC that is subject to the recovery provisions in the Power Cost Adjustment Mechanism, Schedule 126.<sup>10</sup>

PGE's initial NVPC forecast represented an increase of approximately \$129.8 million, or approximately \$5.0 per Megawatt hour (MWh) per-unit, when compared to the final 2023 NVPC forecast.<sup>11</sup> Primary drivers of the change are increased forward energy price curves and a projected load increase compared to the final 2023 NVPC forecast. At the time of the initial filing, PGE's 2024 retail load forecast

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<sup>7</sup> See OAR 860-001-0350(8), within 15 days of the filing of a stipulation, a party may file written objections to the stipulation or request a hearing.

<sup>8</sup> PGE/300, Schwartz-Outama-Cristea and minimum filing requirements (MFRs).

<sup>9</sup> PGE/300, Schwartz-Outama-Cristea/6-7.

<sup>10</sup> Id. at 1.

<sup>11</sup> Id.

was approximately 21,063 thousand MWh of cost-of-service energy; an increase of approximately 72 MWa from the final 2023 test year forecast in Docket No. UE 402.<sup>12</sup>

PGE calculates the NVPC by using its power cost forecasting model, MONET (Multi-area Optimization Network Energy Transaction model), which was built in the 1990s, but has since incorporated several refinements.<sup>13</sup> By using data inputs, such as hourly load forecast and forward electric curves, the MONET model minimizes power costs under “normal” conditions by economically dispatching generating plants and making market purchases and sales. The MONET model employs various data inputs, including the following:

- Retail load forecasts, on an hourly basis;
- Physical and financial contract and market fuel commodity and transportation costs;
- Hydroelectric plants, with outputs reflecting current non-power operating constraints and peak, annual, seasonal, and hourly maximum usage capabilities;
- Wind and solar power plants, with peak capacities, annual capacity factors, and monthly and hourly shaping factors;
- Transmission (wheeling costs);
- Physical and financial electric contract purchases and sales; and
- Forward market curves for gas and electric power purchases and sales.

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<sup>12</sup> PGE/300, Schwartz-Outama-Cristea/10.

<sup>13</sup> Id. at 5.

By using the various inputs, MONET simulates the dispatch of PGE resources to meet customer load based on the principle of economic dispatch; meaning that a plant is dispatched when it is available, and its dispatch cost is below the market electric price. MONET fills in any resulting gap between total resource output and PGE's retail load with hypothetical market purchases priced at the forward market price curve.<sup>14</sup>

PGE's March 31 MONET update showed an NVPC total of \$867.1 million, an increase of approximately \$7.1 million from the Company's initial February 15 filing.<sup>15</sup> PGE's July 14 MONET update included contracts, electric and gas forward curves as of May 31 and decreased the NVPC forecast for 2024 to approximately \$865.7 million, a decrease of approximately \$1.4 million from the May 31 update.

### **III. Legal Standard**

In contested cases such as this one, the Commission must base its decision on the evidence in the record in the proceeding. PGE carries the burden to demonstrate the proposed rate or schedule is fair, just and reasonable.<sup>16</sup> To reach a determination on whether proposed rates are just and reasonable, the Commission considers the record as a whole and makes a determination based on a preponderance of the evidence.<sup>17</sup> Once a utility has met the initial burden of presenting evidence to support its request, "the burden of going forward then shifts

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<sup>14</sup> PGE/300, Schwartz-Outama-Cristea/5-6.

<sup>15</sup> See UE 416-MONET Update (for March 31, 2023).

<sup>16</sup> See ORS 757.210 and *In the Matter of Portland General Electric Co. Proposal to Reprice Service in Accordance with the Provisions of SB 1149*, Docket No. UE 115, Order No., 01-777 (Aug. 31, 2001).

<sup>17</sup> *In the Matter of Portland Gen. Elec. Co., 2012 Annual Power Cost Update Tariff*, Docket No. UE 228, Order No. 11-432 at 3 (Nov. 02, 2011) (internal citations omitted).



to the party or parties who oppose including the costs.”<sup>18</sup> When considering the reasonableness of this schedule it is prudent to note, the Commission first adopted PGE’s AUT mechanism in Order No. 08-505 in Docket No. UE 180.

## IV. Argument

### A. AWEC’s Proposed Adjustments for Flexibility Reserves

AWEC makes three recommendations to modify the treatment of flexibility reserves in PGE’s 2024 NVPC forecasts: (1) the removal of downward flexibility reserves, (2) the removal of residual voluntary hydro spill from MONET as an out of model adjustment, and (3) the inclusion of EIM flexibility reserve diversity benefits into the MONET reserve requirement modeling. Before discussing each of AWEC’s proposals, PGE will provide a brief summary of how flexibility reserves are considered in the power cost modeling.

Operators of power grids use a set of tools known as Ancillary Services (AS) to maintain a system that is precisely balanced between supply and demand in real time.<sup>19</sup> PGE’s power cost modeling system MONET incorporates various types of operating reserves as part of its AS modeling, such as Regulating Margin Reserves,<sup>20</sup> Load Following Reserves, Contingency Reserves,<sup>21</sup> and Day-Ahead Forecast Error (DAFE).<sup>22</sup> In the existing Docket No. UE 416, Regulating Margin

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<sup>18</sup> *In the Matter of Portland Gen. Elec. Co., 2012 Annual Power Cost Update Tariff*, Docket No. UE 228, Order No. 11-432 at 3 (Nov. 02, 2011) (internal citations omitted).

<sup>19</sup> PGE/3003, Pedersen-Vhora-Cristea/1.

<sup>20</sup> RM Reserves is capacity that must react to load changes every few second. The capacity may be ramped up or down every few seconds to essentially follow the noise in moment-to-moment load.

<sup>21</sup> Contingency Reserves are reserves responding to generation or transmission outages (contingencies).

<sup>22</sup> DAFE-wind is capacity set aside in actual operations to account for the forecast error between the wind forecasts used to balance in the day-ahead timeframe and the wind forecasts used to balance in the hour-ahead timeframe.

Reserves, Load Following Reserves and DAFE are consolidated into the same MONET AS modeling.

The purpose of the MONET modeling is to forecast annual NVPC as accurately as possible.<sup>23</sup> MONET is a deterministic, energy-focused single stage model.<sup>24</sup> To address MONET's limited ability to contemplate the friction of transitioning between different trading and operating horizons, certain modeling simplifications, such as using symmetrical up and down flexibility reserves, are needed to represent complex sub-hourly operations.<sup>25</sup> Modeling symmetrical up and down flexibility reserves simplifies the MONET model and eliminates the need to model complexities and additional costs associated with asymmetrical energy generation with minimal impact to the accurateness of the NVPC forecast.<sup>26</sup>

Since PGE prioritizes customer reliability ahead of portfolio optimization, PGE's power operations would not follow the MONET dispatch logic during times of projected capacity shortages and extreme events. For example, if following the MONET model in actual operations would sell power forward during summer months (thereby removing cost-based dispatchable peaking resources) it would increase exposure to run-away market prices, create system reliability risks and further increase actual NVPC.<sup>27</sup>

PGE anticipates increased capacity needs associated with emission reduction requirements and the need for more flexible and dispatchable capacity due to

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<sup>23</sup> PGE/300, Schwartz-Outama-Cristea/26 at 19.

<sup>24</sup> Id./21.

<sup>25</sup> PGE/3000, Vhora-Pedersen-Cristea/18-19.

<sup>26</sup> Id.

<sup>27</sup> PGE/300, Schwartz-Outama-Cristea/22.

portfolio/regional growth in variable energy resources (e.g., wind and solar). Unlike the existing MONET model, PGE power operations is generally able to capture economic margins based on the timing and frequency of normal weather days in the week or day-ahead planning horizon; information that is not known or knowable at the time of the AUT. At the Day-Ahead planning window, variability of load, and wind and resource availability are better known, thereby allowing power operations to commit to these forward markets.

**1. AWEC's suggested downward reserves are based on inaccurate calculations**

Since at least 2014, PGE's NVPC forecast calculation has included symmetrical upward and downward flexibility reserve modeling. In opening testimony, AWEC proposed a \$48.6 million reduction in the 2024 NVPC through the allocation of flexibility down reserves to PGE's thermal resources at zero cost prior to being allocated to hydro resources.<sup>28</sup> AWEC claims that an adjustment that allocates downward flexibility reserves to thermal resources prior to allocating to hydro resources results in not only more hydro dispatch but a more accurate forecast of PGE's cost of reserves.<sup>29</sup> PGE explained in reply testimony how AWEC incorrectly modeled the removal of flexibility down reserves in MONET in a manner that also removed all flexibility up reserves, resulting in a grossly overstated impact.<sup>30</sup>

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<sup>28</sup> AWEC/100, Mullins/4 at 12-14.

<sup>29</sup> Id. at 6.

<sup>30</sup> PGE/1500, Outama-Pedersen-Cristea/5-7.

AWEC's incomplete analysis should have addressed both the symmetrical nature of the up and down reserves requirement in the AS module and the portfolio impact of allocating the down reserves to thermal resources. PGE's Exhibits 1501 and 3002 demonstrate that if the errors were corrected and had AWEC taken all necessary steps in MONET, AWEC's proposed adjustment for downward reserves would reduce NVPC by approximately \$253,000 instead of AWEC's initial proposal of \$48.6 million. However, in rebuttal testimony, AWEC revised its calculated reduction for downward reserves from \$48.6 million to **[BEGIN CONFIDENTIAL]** [REDACTED] **[END CONFIDENTIAL]**.<sup>31</sup> PGE is willing to reduce the 2024 NVPC forecast by \$253,000 (the net impact from re-allocating all flexibility downward reserves from hydro plants to thermal plants) but would point out that AWEC's various suggested reductions should be rejected due to AWEC's inaccurate calculations and failure to consider the costs associated with allocating the downward flexibility reserves to thermal resources.<sup>32</sup>

**2. AWEC's proposed reduction in 'hydro spill' improperly confuses a MONET modeling term with operational 'hydro spill'**

AWEC argues in reply testimony that PGE would never voluntarily spill hydro in real-world operations and recommends "voluntary hydro spill be removed from MONET as an out of model adjustment."<sup>33</sup> AWEC is correct that in actual operations, hydro spill is "lost energy from running water over or through a hydroelectric

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<sup>31</sup> AWEC/400, Mullins/2.

<sup>32</sup> PGE/3000, Vhora-Outama-Cristea/16-17.

<sup>33</sup> AWEC/400, Mullins/3.

impoundment without generating electricity.”<sup>34</sup> Where AWEC is incorrect is the meaning of ‘hydro spill’ as the concept is used in PGE’s NVPC forecast.

AWEC takes issue with a “large volume of voluntary hydro spill” modeled through the MONET Visual Basic for Applications script responsible for allocating reserve requirements.<sup>35</sup> As AWEC points out, that operational spill is already considered in the Headwater Benefits Study used to establish assumed levels of hydro production in the test period.<sup>36</sup> These statements demonstrate AWEC interprets hydro spill modeling in the NVPC to mean PGE is operationally initiating spill for reserve; an incorrect assumption.

Since the 2014 NVPC forecast in Docket No. UE 262, PGE has used the ‘hydro spill’ modeling concept as part of the AS modeling enhancement within MONET. ‘Hydro spill’ is a modeling approach employed to estimate the cost associated with unmet AS capacity resolved through wholesale market power purchases of comparable generation quantity at the market price. After economic dispatch and the re-dispatch of eligible thermal plants to cover ancillary service needs, remaining unmet ancillary service needs are assumed to be met by ‘spilling water’; thereby allowing for additional dynamic capacity by reducing hydro generation.<sup>37</sup>

Even though PGE would not voluntarily perform a hydro spill in actual operations, the modeling construct is analogous to wholesale power purchases and is an accurate modeling method for the projected costs to meet AS requirements. For

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<sup>34</sup> Id.

<sup>35</sup> Id. at 4.

<sup>36</sup> Id. at 4.

<sup>37</sup> PGE/3000, Vhora-Pederson-Cristea/7.

this reason, AWEC's proposed adjustment to flexibility reserve by removing residual spill should be rejected. PGE is aware that the naming convention used in MONET can cause confusion and anticipates renaming the modeling to "unmet AS capacity" in future AUT filings.

**3. AWEC's proposed EIM-related adjustments to flexibility reserve requirements will double count EIM diversity reserve benefits.**

AWEC further proposes an adjustment of [BEGIN CONFIDENTIAL] [REDACTED] [END CONFIDENTIAL] through a decrease of PGE's flexibility reserves to account for assumed EIM diversity reserve benefits.

The EIM diversity reserve benefit is the difference between the sum of the individual flexible ramping requirements of each Balancing Authority Area (BAA) in the EIM Area and the flexible ramping requirement for the entire EIM area when taken as a whole. While AWEC is correct that flexibility reserve requirement for the EIM system as a whole can be less than the sum of the flexibility requirements for each load-serving EIM entity, that should not translate to PGE reducing its flexibility reserve modeling in MONET to account for EIM diversity benefits. This is because PGE customers already receive the EIM diversity reserve benefits as part the EIM sub-hourly dispatch benefits included in NVPC forecast and therefore, AWEC's recommendation represents double counting of these benefits.<sup>38</sup> Furthermore, AWEC's recommendation does not recognize the fact that PGE does not realistically have the ability to trade the EIM diversity reserve

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<sup>38</sup> PGE/3000, Vhora-Pederson-Cristea/14-15.

benefit bilaterally outside of the EIM market,<sup>39</sup> which is why this "freed-up" capacity is accounted for in PGE's resource trading limits used to calculate the sub-hourly dispatch benefits included in the NVPC forecast as part of the overall EIM net benefits.

Additionally, AWEC's arguments reflect a gross misunderstanding of the various role of the Energy Imbalance Market (EIM) and the flexibility reserves PGE models in MONET. AWEC claims that "[t]he EIM manages flexibility reserves."<sup>40</sup> However, PGE—not EIM—manages PGE's flexibility reserve requirements in the BAA. As PGE's experts pointed out in testimony, the flexible ramping reserves requirements in the EIM do not align with the flexibility reserves modeled in MONET because they address different timeframes.<sup>41</sup> While the flexibility reserve requirement in the EIM is only covering the intra-hour uncertainty, in actual operations, PGE must manage the forecast changes from day-ahead to hour-ahead, hour-to-hour, as well as within the hour.<sup>42</sup>

As the record demonstrates, AWEC's suggestions are either based on inaccurate assumptions or seek benefits while ignoring associated costs and risks.

## **B. July 14 MONET Update**

AWEC also proposes adjustments related to updates in PGE's July 14 MONET filing. AWEC challenges corrections to the Lydia model as well as planned

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<sup>39</sup> Id., and PGE Exhibit 3001, at 16.

<sup>40</sup> AWEC/100, Mullins/11.

<sup>41</sup> PGE/1500, Outama-Pedersen-Cristea/8-9.

<sup>42</sup> Id.

hydro facility outages for Faraday Unit 6 and Round Butte. PGE's AUT, Tariff Schedule 125, currently permits certain updates in the AUT filings for items, such as projected planned plant outages and changes in hedges, options, and other financial instruments used to serve retail load. As PGE will explain further, PGE's MONET corrections are appropriate and permitted under Schedule 125.

**1. July 14 Lydia model update appropriately corrected discrepancies in March 31 MONET update to align with initial filing**

AWEC inaccurately claims PGE's July 14 MONET update includes modeling changes not allowed in supplemental updates. AWEC takes issue with corrections to PGE's Lydia model, which AWEC acknowledges is used to shape monthly prices into hourly prices. Specifically, AWEC opposes PGE's July 14 update to address daylight savings time, "as well as making other modeling tweaks and changes its hourly Lydia 2.0 [sic] price calculation."<sup>43</sup> AWEC overlooks that the corrections were crucial in order for the Lydia results to show accurate hourly price shapes. While never articulating how parties were specifically harmed by the July 14 Lydia 2.2 corrections, AWEC instead advocates for the known modeling of 2024 NVPC forecast to be based on incorrect electric price curves, "because it is not fair for PGE to make modeling adjustments" even just corrections if parties aren't allowed to propose their own adjustments.<sup>44</sup>

AWEC's stance is concerning since it flies in the face of what all parties should desire; the modeling of an NVPC forecast that is as accurate as possible.

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<sup>43</sup> AWEC/400, Mullins/14.

<sup>44</sup> Id./16 at 8.



Fortunately, AWEC's position that the only modeling revisions permitted in the AUT must occur in the initial filing since PGE's corrected Lydia model was primarily applied to revert energy price shaping methods to how they were modeled in PGE's initial February filing.

In the initial February 15 filing, the Lydia model correctly applied both day light savings and price shaping with result in the energy price shapes. The Lydia modeling in the PGE's initial 2024 NVPC forecast remained consistent with the way it was proposed and modeled in the 2023 AUT, Docket No. UE 402. As part of the correction in the July 14 MONET update, PGE corrected the historical data to account for day light savings time and correct inadvertent errors in the March 31 MONET update where price shapes were applied to the wrong months and the 5-year data used to calculate the rolling average of Mid-C prices did not account for day light savings.

**2. Planned outages for Faraday and Round Butte hydro facilities are appropriate and permitted in NVPC updates.**

In April of this year, PGE identified a step-up transformer failure impacting Unit 6 of the Faraday Hydro facility. Although a replacement step-up transformer was ordered, its anticipated delivery will not occur until approximately April of 2024. In the July 14 MONET update, PGE identified a planned outage of Faraday Unit 6 in 2024 to allow time for the replacement work. AWEC proposes a reduction in the NVPC of approximately [BEGIN CONFIDENTIAL] [REDACTED] [END

**CONFIDENTIAL]** based on an assertion that it has not been demonstrated to be prudent.<sup>45</sup>

The Commission should reject AWEC's arguments because it ignores the actual circumstances and attempts to arbitrarily lower the NVPC forecast despite AWEC acknowledging the submission of new planned maintenance outage schedules are allowed in an AUT update.<sup>46</sup> Furthermore, PGE is assessing repair options and if the existing step-up transformer can be repaired this year, PGE intends to update the status in the final MONET updates.<sup>47</sup>

Similar to AWEC's suggested adjustment for Faraday Unit 6, AWEC seeks to remove **[BEGIN CONFIDENTIAL]** [REDACTED] **[END CONFIDENTIAL]** from the NVPC related to Round Butte and suggests the "outage be delayed until October."<sup>48</sup> Not only is what AWEC proposing an improper overstep into the management decisions of PGE, it is logistically infeasible. As discussed in PGE's surrebuttal testimony, the Round Butte outage is scheduled to take place in January of 2024 to allow for the performance of a dewater test; a prerequisite before performing the reservoir dewater and Pelton-Round Butte turbine shut-off valve replacement project scheduled to be completed between October and December 2024.<sup>49</sup>

The dewater test scheduled for January 2024 is a critical test needed to avoid unknown risks that could jeopardize the safety and future operation of the plant.

AWEC's suggestion to move the timing of the dewater test should be rejected since

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<sup>45</sup> Id./2.

<sup>46</sup> Id./17 at 7.

<sup>47</sup> PGE/3000, Vhora-Pedersen-Cristea/29.

<sup>48</sup> AWEC/400, Mullins/17 at 12.

<sup>49</sup> PGE/3000, Vhora-Pedersen-Cristea/30-32.

it ignores the very real operational and environmental obligations associated with the turbine shut-off valve replacement project.

## V. Conclusion

As the Commission previously recognized, the goal when setting power cost rates in an annual update tariff is to achieve an accurate forecast of the Company's power costs for the upcoming year.<sup>50</sup> Once a utility has met the initial burden of presenting evidence to support its request, "the burden of going forward then shifts to the party or parties who oppose including the costs."<sup>51</sup> While AWEC may present multiple proposed adjustments to PGE's 2024 NVPC, none withstand close scrutiny. AWEC failed to demonstrate a reasonable basis for its proposed adjustments, instead choosing to fall back on blanket statements and faulty reasoning. For the reasons previously discussed, the Commission should approve PGE's NVPC forecast without the flexibility reserve and post-July 14 MONET update adjustments proposed by AWEC.

DATE this 28th day of August, 2023.

**PORTLAND GENERAL ELECTRIC  
COMPANY**



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<sup>50</sup> *In the Matter of PacifiCorp 2017 Transition Adjustment Mechanism*, Docket No. UE 307, Order No. 16-482 (Dec. 20, 2016).

<sup>51</sup> *In the Matter of Portland Gen. Elec. Co., 2012 Annual Power Cost Update Tariff*, Docket No. UE 228, Order No. 11-432 at 3 (Nov. 02, 2011) (internal citations omitted).

## CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **PGE's Opening Brief in Support of Annual Power Cost Update** to be served by electronic mail to those parties whose e-mail addresses appear on the attached service list for OPUC Docket UE 416.

Dated at Portland, Oregon, this 28<sup>th</sup> day of August, 2023.

Respectfully submitted,



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