



Portland General Electric Company
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June 7, 2017

Email

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Filing Center
Public Utility Commission of Oregon
201 High Street, SE Ste. 100
Salem, OR 97301

RE: UM 1716 – Investigation to Determine Resource Value of Solar

Attention Filing Center:

Enclosed for filing in the above referenced matter please find the following:

Testimony of:

- **Darren Murtaugh, Jacob Goodspeed (PGE / 400)**

If you have any questions, please contact Jacob Goodspeed at (503) 464-7806.

Sincerely,

A handwritten signature in blue ink, appearing to read "Karla Wenzel". The signature is fluid and cursive, written over the printed name and title.

Karla Wenzel
Manager, Pricing

UM 1716 / PGE / 400
Murtaugh - Goodspeed

BEFORE THE PUBLIC UTILITY COMMISSION
OF THE STATE OF OREGON

UM 1716

Reply Testimony

PORTLAND GENERAL ELECTRIC COMPANY

Reply Testimony of

Darren Murtaugh
Jacob Goodspeed

June 7, 2017

Table of Contents

I. Introduction and Summary 1

II. Phase II Procedure..... 2

III. RVOS Applicability to Paired Systems..... 4

I. Introduction and Summary

1 **Q. Please state your names and positions with Portland General Electric.**

2 A. My name is Darren Murtaugh. I am the Manager of Transmission and Distribution Planning
3 and Project Management at Portland General Electric (PGE). My qualifications appear in
4 PGE/300.

5 My name is Jacob Goodspeed. I am an Analyst in Pricing and Tariffs for PGE. My
6 qualifications appear in PGE/300.

7 **Q. What is the Purpose of your testimony?**

8 A. The purpose of our testimony is to respond to the opening round of testimony filed by
9 stakeholders in UM 1716 on May 5, 2017. Our testimony will summarize general areas of
10 agreement by parties to this docket, and will incorporate those areas of agreement into
11 PGE's suggested procedure for Phase II. Additionally, we will respond to the testimony of
12 The Alliance for Solar Choice (TASC).

13 **Q. Does PGE wish to raise any additional considerations with regard to the Straw
14 Proposal outlined by the Commission in Order 17-085?**

15 A. No, not at this time.

II. Phase II Procedure

1 **Q. Please detail PGE’s suggested Phase II procedure, as originally proposed in PGE/300.**

2 A. PGE strongly prefers to propose values for each resource value of solar (RVOS) element
3 (excluding market price response and avoided hedge value, which will have their own
4 technical conference process) through a compliance filing process, similar to what has been
5 used for implementation of PURPA through UM 1610 and other dockets. We believe that
6 the overall consensus regarding the majority of the proposed elements – paired with the
7 “next steps” guidance provided by the Commission in Order No. 17-085, and a final order
8 provided upon completion of Phase I of this docket – will allow a Phase II that sees utilities
9 offer a proposal for all elements except for those labeled “to be evaluated with follow-up” in
10 Order 17-085.

11 If intervenors have questions or concerns with PGE’s method of calculating element
12 values, they will have the opportunity to raise these points through Phase II written
13 testimony.

14 **Q. Is PGE’s proposed procedure similar to that proposed by other stakeholders during**
15 **opening testimony?**

16 A. Yes. Staff’s testimony¹ proposes a Phase II where, following the order resolving Phase I,
17 utilities develop values for the elements specified in the order (excluding avoided hedge
18 value and market price response) and circulate these values to parties for review. Other
19 parties will then respond to the utility values. The procedural schedule will commence with
20 filed testimony by the utilities supporting the proposed values. Stakeholders will have an
21 opportunity to file reply testimony and there will be a cross-response round and an

¹ Staff/500, Bassett/4-6

1 opportunity for hearing and briefing before a Phase II order officially determining methods
2 is issued.

3 **Q. Have any other parties suggested a Phase II procedure that follows this general outline**
4 **of utilities proposing values, and other parties responding to the utility proposals?**

5 A. Yes. Idaho Power Company² (Idaho Power) and PacifiCorp³ both advocated that the
6 procedure of Phase II should begin with utilities providing values for the elements outlined
7 in the final order of Phase I. Additionally, the Citizens Utility Board (CUB) stated that
8 “CUB largely supports the conceptual methodologies in the Straw Proposal. However, CUB
9 reserves the right to challenge the specific methodologies that utilities develop in order to
10 implement each RVOS element.”⁴

11 **Q. Have any other parties suggested a Phase II construct that is different than the**
12 **procedure outlined by PacifiCorp, PGE, Idaho Power, and Staff?**

13 A. No. The Oregon Department of Energy (ODOE) expressed agreement with the Commission
14 proposal to convene technical conferences for the elements identified in the straw proposal
15 as needing further input. PGE also agrees with the Commission proposal to convene
16 technical conferences as outlined in Order No. 17-085.

17 The testimony of Joint Parties outlined methodological concerns, but did not address a
18 proposed structure for Phase II.

19 Similarly, the testimony of TASC addressed the desire to have RVOS apply to storage
20 systems, as well as concern regarding the appropriateness of using a utility scale proxy, but
21 did not address a proposed timeline or structure for Phase II.

² Idaho Power/300, Youngblood/9 at 23

³ PAC/300, Link/2 at 3

⁴ CUB/100, Jenks/2 at 8

III. RVOS Applicability to Paired Systems

1 Q. Please outline the argument posed by TASC regarding flexibility of the RVOS.

2 A. TASC suggests that “in the future, solar plus storage systems will increasingly be paired
3 together. Failure to make the RVOS methodology flexible enough to assess these types of
4 distributed resources will lead to... uncertainty with respect to how they are compensated
5 for exporting energy... or [customers] will be inaccurately compensated using an RVOS
6 based on standalone PV.”⁵

7 Q. Does PGE agree with TASC’s request for RVOS flexibility?

8 A. PGE is unsure of the point that TASC is attempting to make. If TASC is requesting that the
9 RVOS be flexible and able to offer correct compensation for the unique use case of a solar
10 system, PGE is in agreement. Additionally, this is consistent with the broad intent of UM
11 1716, which arose from a July 2014 Commission report to the Legislature (pursuant to HB
12 2893) regarding the Effectiveness of Solar Programs in Oregon, as well as the
13 Commission’s commitment to open a formal proceeding to determine the extent of cost-
14 shifts (if any) and to accurately measure the costs and benefits that accrue to the utility and
15 to customers from solar generation.⁶

16 The 10 elements – and their intended calculation as location and time based values⁷ –
17 are meant to provide flexibility based on the unique temporal and locational costs and
18 benefits that a solar generator provides. These elements are broad in nature and are intended
19 to apply to cost of service based outcomes.⁸

⁵ TASC/300, Gilfenbaum/12-14

⁶ Staff/100, Dolezel/1-2

⁷ Staff/200, Olson/4

⁸ Order No. 15-296

1 PGE strongly objects to any suggestion that there should be some sort of unique
2 elemental flexibility designed specifically to accommodate the hypothetical future
3 penetration of solar plus storage systems – this would represent a significant broadening of
4 the scope of UM 1716.

5 **Q. Does this conclude your testimony?**

6 **A. Yes.**