

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: December 18, 2012**

REGULAR **CONSENT** **EFFECTIVE DATE** January 1, 2013

DATE: December 10, 2012

TO: Public Utility Commission

FROM: Brittany Andrus

THROUGH: Jason Eisdorfer and Maury Galbraith

SUBJECT: PORTLAND GENERAL ELECTRIC: (Advice No. 12-23) Revises Renewable Portfolio Options Prices.

STAFF RECOMMENDATION:

Staff recommends that the Commission allow Portland General Electric's (PGE or Company) Advice No. 12-23 to go into effect January 1, 2013, and that a waiver of OAR 860-038-220(7) be granted.

DISCUSSION:

Pursuant to OAR 860-038-0220, the Company must provide each residential consumer with a "portfolio of product and pricing options." PGE's renewable portfolio currently includes Green Source, a renewable product based on electricity usage; Clean Wind, a renewable product sold in 200 kWh blocks; and, Habitat Support, a habitat restoration adder available in conjunction with either of the two products above.

The tariffs for the usage and block products are structured to allow some fluctuations in prices of renewable energy certificates (RECs). The market for RECs has fluctuated widely over the past several years, and prices are currently quite low.

PGE presented proposed price decreases to the usage and block products to the Portfolio Options Committee (POC) on October 10, 2012. The Company proposes to decrease the price of the Green Source usage product from the current 1.2 cents per kWh to 0.8 cents per kWh. PGE also proposes to reduce the price of the Clean Wind block product from \$3.50 per block to \$2.50. The POC supports the price reductions.

Following a discussion of PacifiCorp's proposed renewable portfolio options price changes at the November 14, 2012 meeting, the POC revised its language expressing support for PGE's proposal to read as follows:

- Given the decrease in the current and projected cost of RECs, the POC supports the request to reduce the tariffs associated with Portland General Electric's Green Source and Clean Wind programs.

The discussion at the November 14, 2012 meeting clarified that while the POC supports the concept and the direction of the price change, it did not perform an in-depth analysis of the numbers, and that a detailed quantitative review is not a task that the POC would generally do. Staff will continue to monitor and evaluate the Company's renewable portfolio options programs, as well as the REC market as a whole.

On November 20, 2012, PGE filed Advice No. 12-23 requesting revisions to Schedules 7 and 32 to lower the prices for the Renewable Usage and Fixed Renewable products. PGE filed a replacement sheet correcting a typographical error on November 20, 2012. On December 11, 2012, at Staff's suggestion, PGE made a supplemental filing requesting a waiver of OAR 860-038-0220(7), which states that, "Four months prior to the implementation of the portfolio product and pricing options an electric company must file tariffs for its portfolio options." Staff supports both the price decrease and the waiver to allow the decrease to go into effect without a delay.

PROPOSED COMMISSION MOTION:

The proposed revisions to Schedules 7 and 32 be approved, and a waiver of OAR 860-038-220(7) be granted.