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April 26, 2019

VIA ELECTRONIC FILING
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Public Utility Commission of Oregon
201 High Street S.E., Suite 100
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Attn: Filing Center

RE: UM 2000 – PGE's additional comments

Portland General Electric Company (PGE) appreciates the opportunity to provide additional comments for Staff's development of the issues and scope for this investigation. These additional comments are submitted in response to the Staff email and schedule changes posted on April 10, 2019.

PGE filed its initial response to Staff's stakeholder questions on March 29, 2019. The list below is intended to supplement PGE's response to Question #28, which requested that the parties identify any additional issues they wish to be considered in this investigation. Specifically, in addition to those issues identified in PGE's initial comments, PGE respectfully requests that the Commission address the following:

- Contract provisions for carbon emissions/cap and trade costs.
- Contract provisions regarding damages if a renewable QF fails to deliver RECs.
- Contract provisions for real-time communications requirements for QFs.
- Changes to the existing 3 MW cap in OAR 860-082-0070 (interconnection requirements for metering and monitoring a small generator facility).
- Inconsistency between Order No. 15-130 stipulation and OAR 860-029-0120(6) (allowing utility to terminate standard agreements for failure to meet COD regardless of sufficiency position) and OAR 860-029-0130(4)(d) (prohibiting termination of negotiated agreements for failure to meet COD if the utility is resource sufficient).
- Interconnection rules – adoption of Institute of Electrical and Electronics Engineers (IEEE) 1547-2018 standard (if it is not adopted as part of another docket).

Near-term Issues

At the April 5th workshop, Staff provided an overview of the investigation phases and proposed a two-track process to address near-term and longer-term issues. PGE understands that near-term issues could be considered for a "fast-track" resolution, while longer-term issues will require more extensive analysis. Based on this proposal, PGE recommends three contract issues that Staff should focus on as part of a fast-track process:

1. Performance assurance criteria –

As mentioned in PGE's initial comments, the current standard contract lacks adequate protections for failure to meet critical milestones. These lack of protections promotes a contracting process in which permitting or construction timelines, deliverability constraints, and interconnection costs due to project location are not considered. Developers may submit multiple project requests concurrently, compounding these concerns. Additionally, the project's output for executed contracts is included in PGE's long-term resource planning process. Performance assurance in the form of Cash or Letter of Credit as a condition of contract execution, and damage provisions for failure to meet milestones in the standard contracts, provide a higher level of certainty that contracted-for projects will materialize on schedule and fulfill their output specifications as stated within the executed contract.

2. Contract renewals for existing facilities –
   PGE remains uncertain that the Commission has squarely considered and clearly decided this issue. When determining how early an existing facility can lock in avoided costs prior to the start of deliveries, the Commission should consider the differences in requirements for new vs. existing projects, including permitting, financing, and construction timelines. In a declining price environment, utility customers are harmed by existing QFs locking in pricing up to 36 months before deliveries.

3. Updates to standard contracts –
   The standard contract lacks an established process for providing timely updates that incorporate industry changes, such as market power purchase requirements, technology changes, and legislative mandates.

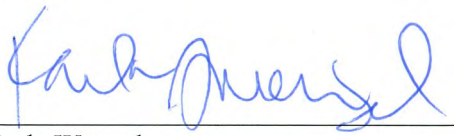
Finally, PGE reiterates its position that re-examining the current avoided cost calculation methodology and ensuring that avoided cost rates are accurate and aligned with market is a critically important issue to meet the definition of avoided cost and maintain the customer indifference standard. While this issue likely requires more extensive analysis than the fast-track process will allow, PGE urges the Commission to pursue such a review promptly—both because of the issue's importance and because the avoided cost methodology may affect many other issues under consideration in this docket.

PGE looks forward to further discussion following the posting of Staff's draft whitepaper. Should you have any questions regarding these comments, please contact Colin Wright at (503) 464-8011.

Please direct all formal correspondence and requests to the following email address pge.opuc.filings@pgn.com.

Respectfully submitted,

PORTLAND GENERAL ELECTRIC COMPANY



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