

**Portland General Electric
Renewable Portfolio Standard
Oregon Compliance Report
2014**

As an introduction and summary of the Compliance Report, answer the following questions:

Why is PGE submitting a Compliance Report? What information was used as the basis of this Compliance Report?

PGE is submitting this Compliance Report to fulfill the requirements of ORS 469A.170. The report is based on information from PGE's 2013 Integrated Resource Plan (IRP) and PGE's 2012 Renewable Portfolio Standard (RPS) Implementation Plan (2012 Implementation Plan), filed December 31, 2011 (which covers this 2014 compliance year).

Did the company meet its RPS target, and if not, describe in detail why not?

Yes, PGE has met its 2014 RPS target. The compliance details are provided in this report.

Provide the following information in response to the requirements of OAR 860-083-0350:

OAR 860-083-0350(2)(a)
The total number of megawatt-hours sold to retail electricity consumers covered by ORS 469A.052 by the electric company or sold in the service areas of each electric company covered by ORS 469A.052 by the electricity service supplier.

Response:

For 2014, the total number of megawatt-hours sold to retail electricity consumers was:

PGE's Total Billed Load: 17,735,823 megawatt-hours

Source: 2014 PGE FERC Form 1 (Page 304, Row 41, Column (b)).

OAR 860-083-0350(2)(b)
The total number of renewable energy certificates, identified as either unbundled or bundled certificates, acquired in the compliance year and used to meet the renewable portfolio standard.

Response:

There were no bundled or unbundled certificates acquired in the compliance year 2014 that will be used to meet the RPS requirement for compliance year 2014.

OAR 860-083-0350(2)(c)

The total number of renewable energy certificates, identified as either unbundled or bundled certificates, acquired on or before March 31 of the year following the compliance year and used to meet the renewable portfolio standard.

Response:

There are no bundled certificates acquired in 2015 that will be used to meet the RPS requirement for compliance year 2014.

There are 28,770 unbundled certificates acquired in 2015 that will be used to meet the RPS requirement for compliance year 2014.

OAR 860-083-0350(2)(d)

The total number and cost of unbundled renewable energy certificates, identified as either banked or non-banked certificates, used to meet the renewable portfolio standard.

Response:

The table below shows the total number and cost by facility of the unbundled renewable energy certificates (RECs) used to meet the RPS. All unbundled RECs used were banked.

Facility	Unbundled RECs	\$/REC	Total Cost
	72,729		
	75,859		
	28,770		
Totals	177,358		

OAR 860-083-0350(2)(e)

The total number of banked bundled renewable energy certificates that were used to meet the renewable portfolio standard.

Response:

The total number of banked bundled renewable energy certificates that will be used to meet the RPS for compliance year 2014 is:

$$709,433 = (886,791 - 177,358)$$

OAR 860-083-0350(2)(f)

The total number of renewable energy certificates, identified as either bundled or unbundled certificates, issued in the compliance year that were banked to serve Oregon electricity consumers.

Response:

There are no unbundled certificates that were issued in the compliance year that were banked to serve Oregon electricity consumers.

As of this filing, there are 3,049,114 bundled certificates that were issued for the compliance year 2014 that will be banked to serve Oregon electricity consumers.

See the 2014 column in Attachment C for detail by facility of total RECs generated.

OAR 860-083-0350(2)(g)
For electric companies, unless otherwise provided under subsection (2)(k) of this rule, the total number of renewable energy certificates included in the rates of Oregon retail electricity consumers that were sold since the last compliance report, including:
(A) The names of the associated generating facilities; and
(B) For each facility, the year or years the renewable energy certificates were issued.

Response:

The table below shows the total number by facility and year issued of RECs included in the rates of Oregon retail electricity consumers that were sold since the last compliance report:

Facility	Year	Number of RECs
Totals		

OAR 860-083-0350(2)(h)
Unless otherwise provided under subsection (2)(k) of this rule, for each generating facility associated with the renewable energy certificates included in subsections (2)(b), (c), (f), or (g) of this rule the following information:
(A) The name of the facility;
(B) The county and state where the facility is located;
(C) The type of renewable resource;
(D) The total nameplate megawatt capacity of the facility;
(E) For an electric company, the Oregon share of the nameplate megawatt capacity of the facility;
(F) The year of the first delivery of qualifying electricity or the first year of the contract for the purchase of unbundled renewable energy certificates; and
(G) The duration of the contract or the amortization period of a facility owned by the electric company or the planned lifetime of a facility owned by the electricity service supplier.

Response:

See Attachment A.

OAR 860-083-0350(2)(i)

The amount of alternative compliance payments the electric company or electricity service supplier elected to use or was required to use to comply with the applicable renewable portfolio standard.

Response:

There were no alternative compliance payments that PGE elected to use or was required to use to comply with the applicable renewable portfolio standard.

OAR 860-083-0350(2)(j)

For an electric company, sufficient data, documentation, and other information to demonstrate that any voluntary alternative compliance payments were a reasonable compliance method.

Response:

PGE will not be making any voluntary alternative compliance payments.

OAR 860-083-0350(2)(k)

Documentation of use of renewable energy certificates from the system under OAR 330-160-0020 established for compliance with the applicable renewable portfolio standard.

Response:

The attached WREGIS report (Attachment B) shows all RECs to be used to meet the 2014 RPS. The RECs are currently in an active sub-account named “2014 OR RPS.” Within 30 days of the approval of PGE’s RPS Compliance Report by the Commission, the RECs will be retired to a retirement sub-account named “OR RPS 2014.” To validate compliance, PGE will then send a retirement report from WREGIS to the Commission.

OAR 860-083-0350(2)(l)

For each electric company, a detailed explanation of any material deviations from the applicable implementation plan filed under OAR 860-083-0400, as acknowledged by the Commission.

Response:

The table below presents a comparison between the 2014 REC requirements as forecasted in PGE’s 2012 Implementation Plan and the 2014 REC requirements in this 2014 Compliance Report filing. The largest change is the lower overall compliance requirement due to lower than forecast loads; a reduction of 136,470 RECs. The load forecast for 2014 used in our 2012 Implementation Plan was developed in the third-quarter of 2011.

Another material difference is the number of unbundled RECs used for compliance. As stated in our 2012 Implementation Plan (UM 1466), “PGE intends to continue monitoring REC markets and may purchase or sell bundled or unbundled RECs in the market when price is perceived to be a good value in relation to other means of achieving RPS compliance.”

Unbundled RECs, beyond those included in our 2012 Implementation Plan, were available at a good value relative to other means of compliance; thus, RECs were purchased up to the 20% of compliance requirement limit and are proposed for retirement here to meet PGE’s 2014 RPS obligation. The retirement of unbundled RECs enables PGE to preserve bundled RECs for use in later compliance years.

RECs resulting from efficiency upgrades at PGE’s River Mill and Sullivan hydro facilities were not included in the 2012 Implementation Plan. The number of RECs from these two facilities, however, is immaterial with respect to the overall REC numbers, totaling 4,422 RECs (1/2 MWh). At the time PGE’s 2012 Implementation Plan was developed, PGE included only hydro upgrades of vintage 1999 or later. Subsequent to that filing, PGE determined the appropriate year for including such upgrades was 1995 (see ORS 469A.020 - Qualifying electricity; age of generating facility).

The 2012 Implementation Plan included 438,000 low-impact hydro RECs solely from Pelton-Round Butte. For compliance purposes, we will use low-impact hydro RECs from Pelton-Round Butte as well as our Sullivan facility. Our total low-impact hydro REC retirement is equal to that in our 2012 Implementation Plan, which is subject to the 50 MWh limit.

Other differences in the table below are related to the increased use of unbundled RECs and lower overall compliance need. Together, these two factors result in fewer bundled RECs retired for 2014 compliance. Thus, we do not use any RECs from Biglow Canyon Phase 2, Biglow Canyon Phase 3, or the Sunway projects.

Resource	Projection in 2012 Implementation Plan (for 2014)	Actual RECs in 2014 Compliance Plan	Deviation from Forecast
Unbundled RECs	0	177,358	177,358
Biglow Canyon Phase 1	238,575	127,822	(110,753)
Biglow Canyon Phase 2	113,958	0	(113,958)
Biglow Canyon Phase 3	1,056	0	(1,056)
Klondike II	129,243	63,642	(65,601)
Vansycle Wind Project	47,965	31,429	(16,536)
North Fork Upgrade	5,747	1,807	(4,419)
Faraday Upgrade	6,255	1801	(4454)
River Mill 1 Upgrade		653	653
Round Butte Upgrade	42,039	41,184	(1,055)
Sullivan Upgrade		3,769	3,769

Pelton-Round Butte Low-Impact Hydro	438,000	403,273	0
Willamette Falls - Sullivan		34,727	
Sunway 1	54	5	(49)
Sunway 2	353		(353)
Sunway 3	15		(15)
Total	1,023,261	886,791	(136,470)

OAR 860-083-0350(2)(m)

As specified in OAR 860-083-0100, the total number and cost of bundled renewable energy certificates used for compliance.

Response:

$$\blacksquare \text{ MWh} \times \$ \blacksquare / \text{MWh} = \$ \blacksquare$$

* Per OAR 860-083-0100(1)(i), incremental costs are deemed to be zero for qualifying electricity from generating facilities or contracts that became operational before June 6, 2007 and for certified low-impact hydroelectric facilities. Therefore, only the RECs from Biglow Phase 1 and SunWay 1 are included in this response. Part 13(a) states if new qualifying electricity in a compliance year totals less than 20 MW, the incremental cost is not required to be included in compliance reports.

OAR 860-083-0350(2)(n)

For each electric company, its projected annual revenue requirement as calculated in OAR 860-083-0200 and its total cost of compliance.

Response:

PGE's projected annual revenue requirement for 2014 is:

\$1,725,966,728

Source: Table 1- Base Rates
Estimated Effect on Customer Total Electric Bills
2014 COS Only

PGE's total cost of compliance for 2014 is:

$$[2(d) + 2(m)] = \$ \blacksquare + \$ \blacksquare = \$4,191,304$$

Cost of compliance as percentage of revenue requirement is:

$$\$4,191,304 / \$1,725,966,728 = \mathbf{0.24\%}$$

OAR 860-083-0350(2)(o)

For each electricity service supplier, its total cost of compliance, its average cost of compliance, and its cost limit as specified in OAR 860-083-0300(2), including all calculations.

Response:

Not applicable.

OAR 860-083-0350(2)(p)
For each electric company, an accounting of the use of the renewable energy certificates and alternative cost payments consistent with OAR 860-083-0300(3) if the cost limit in ORS 469A.100(1) is reached for the compliance year.

Response:

The cost limit in ORS 469A.100(1) was not reached for the 2014 compliance year.

OAR 860-083-0350(2)(q)
For each electricity service supplier, an accounting of the use of the renewable energy certificates and alternative cost payments consistent with OAR 860-083-0300(3) if the cost limit in OAR 860-083-0300(2) is reached for the compliance year.

Response:

Not applicable.

OAR 860-083-0350(2)(r)
As specified in OAR 860-083-0100, the number and total cost of all bundled renewable energy certificates issued.

Response:

See Attachment C.

OAR 860-083-0350(2)(s)
As specified in OAR 860-083-0100, the number and total cost of bundled renewable energy certificates issued that are associated with new qualifying electricity since the last compliance report.

Response:

See Footnote 5 on Attachment C.

OAR 860-083-0350(6)
Each electric company subject to ORS 469A.052 and each electricity service supplier subject to ORS 469A.065 must post on its web site the public portion of the four most recent annual compliance reports required under this rule and provide a copy of the most recent such report to any person upon request. The public portions of the most recent compliance report must be posted within 30 days of the Commission decision in section (5) of this rule. The posting must include any

Commission determinations under section (5) of this rule.

Response:

PGE will comply with this requirement within 30 days of the Commission decision.

OAR 860-083-0350(7)

Consistent with Commission orders for disclosure under OAR 860-038-0300, each electric company subject to ORS 469A.052 and each electricity service supplier subject to ORS 469A.065 must provide information about its compliance report to its customers by bill insert or other Commission-approved method. The information must be provided within 90 days of the Commission decision in section (5) of this rule or coordinated with the next available insert required under OAR 860-038-0300. The information must include the URL address for the compliance reports posted under section (6) of this rule.

Response:

PGE will comply with this requirement within 90 days of the Commission decision.