

ITEM NO. 1

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: September 25, 2001**

REGULAR  X  CONSENT      EFFECTIVE DATE     October 1, 2001

**DATE:** September 18, 2001

**TO:** Phil Nyegaard through Lee Sparling and Jack Breen

**FROM:** Rebecca Hathhorn

**SUBJECT:** Portland General Electric Advice 01-016: Approval of an extension, through February 28, 2002, and approval of a price decrease of a supplemental service option currently offered as Schedule 52, Wind Resources and Salmon Habitat Project Rider.

**SUMMARY RECOMMENDATION:**

Staff recommends that the Commission approve Portland General Electric's (PGE) proposed tariff revision in Advice No. 01-016, to be effective October 1, 2001.

**DISCUSSION:**

PGE submitted Advice No. 01-016 on August 22, 2001. The purpose of the filing is to extend the provision of a renewable resource purchase option beyond September 30, 2001 to February 28, 2002 and to decrease the price from the current \$5 per block to \$3.50 per block.

Schedule 52 is a supplemental service option that provides residential, commercial and industrial customers the opportunity to support the development of renewable energy resources including wind, salmon habitat restoration projects, or both activities. The current Schedule 52 will expire on September 30, 2001. Customers purchase a specified number of 100 kWh blocks of energy per month at a fixed price (currently \$5) per block. PGE is proposing to continue providing a renewable resource purchase option for customers until February 28, 2002 in light of the delay of direct access and portfolio options for customers.

PGE is proposing a \$1.50 or 30 percent reduction in the price of the renewable option to \$3.50 per 100 kWh block of renewable energy. The proposed price reflects forecast reductions in the incremental cost of renewable energy relative to other market alternatives.

Phil Nyegaard  
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After the initial filing, Peter West of Renewable Northwest Project (RNP), and Eugene Rosolie of Northwest Environmental Advocates (NWEA), met separately with PGE to discuss concerns they had about source of the renewable energy, and how the funds were used and will be used in the future. It is my understanding that all the issues were satisfactorily resolved and there are no outstanding issues at this time.

On September 17, 2001, PGE filed replacement sheets for Schedule 52 along with a cover letter that confirms PGE's discussions with RNP and NWEA.

**STAFF RECOMMENDATIONS:**

Staff has reviewed PGE's Advice No. 01-016 and recommends approval for the price reduction of the renewable energy option and extension of Schedule 52 through February 28, 2002, effective October 1, 2001.