

January 23, 2026

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
201 High Street SE, Suite 100  
Salem, OR 97301-3398

Attn: Filing Center

**Re: Docket AR 674—PacifiCorp’s Comments on Staff’s Draft Rules**

PacifiCorp d/b/a Pacific Power (PacifiCorp or the company) provides these initial comments on the Public Utility Commission of Oregon’s (Commission) proposed small-scale renewables (SSR) rule amendments.

PacifiCorp continues to appreciate the relatively fast-track nature of this rulemaking, and the current proposed rules will greatly inform the ability of Oregon utilities to procure resources to comply with the SSR mandate.

For example, PacifiCorp appreciates: (1) retaining the current treatment of the SSR mandate as a generating capacity standard, which does not require the retiring of renewable energy credits to demonstrate compliance; (2) allowing for generating resources that are Oregon renewable portfolio standard (RPS) “eligible,” as opposed to “RPS-approved,” to qualify as SSR resources; (3) concluding that community solar resources are SSR resources; (4) excluding storage resources and SSRs from aggregate electrical capacity (AEC); and (5) clarifying that utilities should calculate SSR compliance in any year based on prior year AEC.

These improvements will facilitate more effective resource procurement and minimize customer cost impacts. PacifiCorp offers several amendments for the Commission’s consideration.

*First*, the Commission should decline to exclude behind-the-meter resources as SSR-eligible, as is currently proposed in OAR 860-091-0030(3)(a).

Excluding behind-the-meter resources from contributing to Oregon’s SSR mandate will materially increase costs to Oregon customers. PacifiCorp has conducted two SSR requests for proposals (RFPs) to date. The first did not result in a single conforming bid, and while PacifiCorp is currently evaluating bids in the second RFP, PacifiCorp can confirm that there is not a robust market for SSRs that results in adequate price competition to control costs, nor are there sufficient volumes of SSRs available in the market.

The Commission will need to decide whether the approximate 248 MWs of existing behind-the-meter generation in Oregon can count towards PacifiCorp’s SSR obligation,<sup>1</sup> or whether an

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<sup>1</sup> Reflects PacifiCorp’s current Oregon net-metering nameplate capacity through December 2025.

equivalent capacity of *new* resources—at significantly inflated prices—should be borne by Oregon customers instead.<sup>2</sup>

PacifiCorp appreciates that various Oregon stakeholders would like to exclude behind-the-meter generation from Oregon’s SSR mandate, as it would result in significant new small-generation resources. Yet Oregon is already well on its way towards material new generation resource additions.<sup>3</sup> Given Oregon’s well-documented customer affordability concerns—which will only increase given the substantial need for new resources to comply with HB 2021 and ORS 757.518—the Commission’s focus should remain on more cost-effective resource procurement.

Without question, based on PacifiCorp’s initial review of bids from both the Oregon and Washington-Situs 2025 RFPs compared to PacifiCorp’s two SSR RFPs, utility-scale resources, developed by experienced utility or third-party developers, will result in measurably more cost-effective resources compared to SSRs. This is before considering the additional rate impacts that would be created by an incremental SSR obligation.

To avoid these impacts, the Commission should withdraw the current proposed amendment to exclude behind-the-meter resources as SSR eligible in OAR 860-091-0030(3) and instead include these resources in OAR 860-091-0030(2) or otherwise leave the issue for future Commission resolution. As noted in Portland General Electric’s verbal comments during the rulemaking hearing on January 13, 2026, this approach also aligns with both the spirit and the intent of the law, as behind-the-meter generation are necessarily community-based renewable energy projects, each under 20 MWs in size and generating electricity from RPS-eligible generation sources, and the law does not support regulations that exclude certain generation resources that reduce utility load.

If instead the Commission retains the exclusion of behind-the-meter resources as SSR-eligible, the Commission should amend the rule to ensure it is not overbroad. Currently, there are resources that are behind-the-meter but are not net-metering customers, like certain qualifying facilities that have contracts for excess energy that is not used to serve load. The current draft rules would exclude these QFs from SSR-eligibility based on a “behind-the-meter” exclusion. There may also be other programs in the future that include behind-the-meter resources, but are not net metering, such as a future net metering successor, virtual power plants, rooftop rentals, or microgrids. To avoid what PacifiCorp believes may be the unintended result of this proposal, the Commission could instead amend OAR 860-091-0020(1)(b)(C) and OAR 860-091-0030(3)(a) to exclude “resources that are not compensated by the utility at a stated rate.” Net-metering customers are not compensated by the utilities at a stated rate, but rather receive a kWh credit on their bills. This language would better target net-metering customers, and at the same time would preserve an opportunity for other programs and compensation structures to be SSR-eligible in the future.

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<sup>2</sup> *E.g.*, PacifiCorp’s 2025 CEP, Table 28 (projecting PacifiCorp’s SSR need in 2030, based on pre-SSR rulemaking assumptions, to amount to 146 MW by 2030, increasing to 339 MW by 2045) (available here: [2025 Oregon Clean Energy Plan.pdf](#)).

<sup>3</sup> *E.g.*, PacifiCorp’s 2025 CEP, at Key Findings 4 (“In the near-term, Oregon will require 153 MW of new renewable resources and 186 MW of storage resources before 2030. Between 2030 and 2034, there is an additional need of 2,694 MW of new utility-scale renewable resources, 326 MW of new small-scale renewables and 757 MW of new storage resources.”)

*Second*, as noted during the January 13 hearing, while PacifiCorp supports the current 12-month compliance measurement in OAR 860-091-0020(3), yet based on current resource procurement and development observations, a 36-48 month rolling compliance measurement would ensure more cost-effective compliance. It takes time to solicit, procure, and ultimately develop, all generation resources. SSR development will likely require longer development timelines, given the smaller resource size which limits economies of scale and scope, and generally less experienced SSR developers based on SSR proposals received to-date.

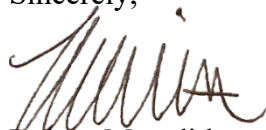
Applied here, PacifiCorp's 2030 SSR obligation would be based on PacifiCorp's calculation of AEC in either 2026 or 2027 (based on whether the Commission orders a 36- or 48-month measurement). For 2031, PacifiCorp's SSR obligation would be based on an AEC in 2027 or 2028. This 3 to 4 year SSR development window would support customer, developer, and utility interests, and better ensure that compliance with the SSR obligation is least-cost, least-risk.

*Third*, proposed OAR 860-091-0030(2) has a small typographical error, which should be amended to read "An electric company may use one or more of the following resources and project types to comply . . ."

*Finally*, while this rulemaking will provide substantial certainty on Oregon's SSR obligation, there remains additional areas that, with additional Commission guidance, could further benefit Oregon communities. For example, ORS 469A.210(2)(b) notes that certain biomass facilities are SSR-eligible, so long as they generate energy "for a secondary purpose." This term should be read broadly, to ensure that biomass generation facilities can redirect thermal generation for various purposes to meet their business needs and not be limited to only a small range of purposes. Additionally, given responses from PacifiCorp's current RFPs, the Commission may want to consider adopting price ceilings for the procurement of SSR resources, to limit customer cost impacts. PacifiCorp looks forward to working through these issues with the Commission in future proceedings.

PacifiCorp continues to appreciate the opportunity to comment and offers these issues for the Commission's continued consideration. If you have any questions, please contact Amira Thompson, State Regulatory Affairs Manager, at (503) 260-4420.

Sincerely,



Robert Meredith  
Director, Regulation  
Pacific Power