December 1, 2025

Via electronic filing

Oregon Public Utility Commission
Attn: Filing Center
puc.filingcenter@puc.oregon.gov

Re: Scoping Comments of Renewable Northwest

Docket No. AR 676 - *Rulemaking to Establish Multi-Year Rate Plan Framework (HB 3179 & SB 688 Implementation)*

Renewable Northwest ("RNW") appreciates the opportunity to submit Scoping Comments in response to the docket announcement and scoping survey ("Scoping Survey") filed by Staff of the Public Utility Commission of Oregon ("Staff") on November 13, 2025. In the Scoping Survey, Staff discussed the statutory background that gave rise to this docket and "invit[ed] stakeholders to provide written feedback in response to survey questions included as Appendix A below by Monday, December 1, 2025." Appendix A organizes its questions under three main headings – "General Rate Case (GRC) Schedule", "Exception Process", and "Multi-Year Rate Plans (MYP/MRP) and Performance Based Regulation (PBR)". Staff explains that the Commission intends "to explore performance-based regulation, consistent with Senate Bill 688 (2025), within the development of a Multi-Year Rate Plan framework" and asks the following questions:

- Please list the top three (3) outcomes from the energy system that a Multi-Year Rate Plan framework should provide.
- Please list the top three (3) utility actions and priorities that multi-year ratemaking framework should encourage.
- Please list the top three (3) ways you would like to see the ratemaking process change through the implementation of multi-year rate cases and the improvement you expect from those changes.

Renewable Northwest submits these questions only on these "Multi-Year Rate Plans (MYP/MRP) and Performance Based Regulation (PBR)" questions, with an exclusive focus on

performance-based regulation. Rather than breaking out responses to those questions individually, Renewable Northwest responds holistically to the full set of questions in the narrative below.

SB 688 provided that the Commission "may investigate, develop and adopt a framework for carrying out performance-based regulation of electric companies … to provide incentives and penalties to induce electric companies to bring electric utility operations in line with the public interest[,]" where the public interest is defined as including "[r]educing greenhouse gas emissions … [i]mproving electric utility reliability and resiliency … [and i]mproving the efficiency of utility operations to reduce costs to ratepayers." SB 688 section 2(2) & (3). This legislation followed on years of advocacy by Renewable Northwest recommending performance-based regulation as a tool to help better align utility incentives with Oregon's policy goals. *See*, *e.g.*, Docket No. UM 2005, Introductory Comments of Renewable Northwest at 2 (Aug. 30, 2019) (citing Docket No. SB 978, Written Comments of Renewable Northwest at 4 (July 10, 2018)). In response to some of that advocacy, the Commission agreed that performance-based regulation is a tool "to align utility incentives with customer objectives" and that it is permitted "under the PUC's existing 'alternative form of regulation' statute." Oregon Public Utility Commission, *SB 978 Actively Adapting to the Changing Electricity Sector* at 3 (Sept. 2018); *see also* ORS 757.210.

Since 2018, the legislature has taken some steps to better align Oregon's system of utility regulation with state policy goals. *See*, *e.g.*, HB 2021 (2021). However, there are still disconnects between incentives and preferred outcomes in some policy areas. Accordingly, Renewable Northwest recommends that the Commission's implementation of performance-based regulation as part of the Multi-Year Rate Plan framework focus on those areas where there is still a misalignment between utility incentives and policy goals. The most straightforward of these is the deployment of Grid-Enhancing Technologies ("GETs").

Because utilities earn a rate of return on capital investments, the current system of regulation incentivizes investments in physical plant such as transmission lines and substations. But transmission is challenging to develop and the region's transmission system is already seriously constrained. These dynamics are hindering the clean-energy transition right now. *See*, *e.g.*, Oregon Energy Strategy at 109-111 (Nov. 2025).

GETs can alleviate these dynamics and support a more rapid clean-energy transition. The Commission is already implementing HB 3336 (2025) in Docket No. UM 2409 to explore how to identify and plan for cost-effective GETs. While a useful step to be sure, this exercise does not realign the current incentive structure to encourage utility investment in GETs. Performance-based regulation offers the opportunity to create a performance incentive that

directly awards utility investments in cost-effective GETs, facilitating the clean-energy transition on a faster timeline and at a lower cost to customers.

Turning to the framing of the questions in the Scoping Survey, this result is emblematic of the **outcomes** Renewable Northwest believes would be appropriate to focus on in the Commission's implementation of performance-based regulation: Bringing on more clean energy faster and at lower cost to utility customers. In fact, this outcome echoes the Commission's obligation under Section 4(6) of HB 2021 to "ensure that an electric utility … is taking actions as soon as practicable that facilitate rapid reduction of greenhouse gas emissions at reasonable costs to retail electricity consumers." Investment in cost-effective GETs is an **action** that can help bring about those results. And the key **change** to the ratemaking process will be the establishment of incentives that reward utilities for achieving outcomes consistent with state policy, rather than effectively disincentivizing those outcomes by tying utility compensation to the competing result of capital investment.

Renewable Northwest appreciates Staff's and the Commission's attention to these comments and looks forward to further participation in the development of performance-based regulation in Oregon.

Respectfully submitted this 1st day of December, 2025,

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