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February 25, 2026

Oregon Public Utility Commission
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RE: For filing in **AR 676** (December 1, 2025 Survey Response in AR 677)

The Green Energy Institute at Lewis & Clark Law School is submitting the attached comments completed by:

the Green Energy Institute at Lewis & Clark Law School
Sierra Club
Zero Coalition
Community Energy Project
NW Energy Coalition
Oregon Environmental Council
Mobilizing Climate Action Together
Oregon Just Transition Alliance
350PDX
Climate Solutions
Resilient Retrofits
Verde
Fossil Free Eugene
Rogue Climate
Rewiring America

We emailed the enclosed comments to Commission staff on December 1, 2025 in response to a scoping survey issued November 13, 2025, in AR 677. To ensure a complete record, and because the enclosed comments address questions posed by staff in their February 6, 2026, Announcement of Comment Period in AR 676, we ask that the enclosed be filed in AR 676.

Thank you.

Sincerely,

/s/ Carra Sahler
Carra Sahler
Director

December 1, 2025

Luz Mondragon
Senior Finance Analyst
Oregon Public Utility Commission

RE: AR 677 RULEMAKING GENERAL RATE REVISIONS HB 3179—Scoping Survey Responses

Via email: luz.mondragon@puc.oregon.gov

Ms. Mondragon,

The Green Energy Institute at Lewis & Clark Law School (GEI), Sierra Club, Northwest Energy Coalition, Mobilizing Climate Action Together, Community Energy Project, Oregon Environmental Council, ZERO Coalition, 350PDX, Oregon Just Transition Alliance, Resilient Retrofits, Climate Solutions, Verde, Fossil Free Eugene, Rogue Climate, and Rewiring America (collectively Joint Advocates) appreciate the opportunity to participate in the AR 677 Multi-Year Ratemaking Scoping Survey. We also support the complementary comments of the Environmental Justice advocates.

GENERAL RATE CASE SCHEDULE:
Top factors in determining such a schedule.

1. Customer Impact & Affordability

HB 3179 requires the Commission to consider the "*cumulative economic impact*" of proposed rates on ratepayers and gives the PUC authority to mitigate large increases. That statutory requirement should drive schedule choices so that cases align with protecting residential affordability and cumulative bill impacts to the greatest extent possible. This factor could be measured by a variety of metrics including assessing the projected percentage bill change for a typical residential customer, cumulative bill increases over the past several years, or number of customers below a defined income threshold. Utilities should demonstrate robust affordability programs for customers and take proactive steps to manage the scope and frequency of rate increases. Importantly, this schedule should prioritize a cadence that provides relief for those customers who have had the most back-to-back rate increases, including single-issue rate increases, by putting those utilities' start time after those IOUs that need to come in and have not recently received a general rate increase.

2. Utility Size & Customer Base

Larger utilities with substantial rate bases and a greater number of customers are more likely to produce larger statewide bill impacts. Given this, utilities taking proactive steps to address energy burden as described above may warrant earlier introduction to the rate case process, with the understanding that none of the three large utilities should file in the same year. This is a

common practice in how other PUCs treat multi-year rate case frequency such as California, whose larger utilities are subject to a different schedule for rate cases compared to smaller utilities.[1] Additionally, to the extent possible, the cadence should be designed to ensure that electric and gas utilities in the same service territory do not initiate rate cases during the same time in order to avoid compounding and sudden impacts to customer bills.

3. Customer Benefits and Risk Sharing

Multi-year rate proceedings benefit utilities by offering more certainty and predictability of revenues over time as well as reducing regulatory and administrative costs. To best realize these benefits, multi-year rate making should be paired with performance based ratemaking systems. If there are no cost-containment or risk-sharing mechanisms in place, longer multi-year rates may serve to disproportionately advantage utilities. Instead, the system of rate planning should benefit customers to an equal extent, including by encouraging utilities to control spending. As such, utilities seeking to initiate rate cases sooner should demonstrate that customers are being allocated benefits and a proportional share of risks. No reconciliation processes should be permitted.

4. Recent/Forecasted Capital Investments

Utilities undergoing major capital additions (grid modernization, wildfire mitigation, system hardening) will have changing rate bases and cost recovery needs that argue for nearer-term review or alignment of cases with project timelines. Under a multi-year planning framework, the Commission should prioritize aligning rate cases with utility investment cycles and **avoid single issue rate cases as utilities better assess needs and incorporate them into multi-year plans**. The Commission should also consider the issue of utility asset retirement and ensure the system is designed to allow utilities to adjust rates downward contemporaneous with asset retirement so as to not incentivize delaying retirements.

5. Administrative Workload

New general rate cases should be offset among the utilities in order to ensure that Commission Staff and interested parties can robustly participate and are not administratively overwhelmed. To this end, the Commission should consider potential administrative efficiency and subject matter familiarity benefits that may exist by designing a rate case cadence that sequences the electric utilities together and the gas utilities together. Under such a framework Staff and stakeholders may be better prepared to tackle the kinds of issues likely to come up for each utility type, and this can help avoid both gas and electric rate increases in the same year. **The schedule should be set so that the largest utilities are not initiating rate cases in the same year and that no more than two utilities have a rate case in the same year.**

EXCEPTION PROCESS

[1] https://www.cpuc.ca.gov/generalratecase

What factors must be present for a utility to come in prior to their scheduled GRC year to conduct a general rate case?

As an overarching principle under the multi-year ratemaking framework, utilities should be discouraged from coming into the ratemaking process prior to their scheduled rate case year. Utilities should only be permitted to break sequence when circumstances materially undermine the assumptions used to set existing base rates *and* when alternative mechanisms are inadequate to address the issue. Some examples include material forecast deviations as a result of major natural disasters or extreme weather, unexpected and significant state or federal regulatory changes and large, or unforeseen necessary capital additions not contemplated in the last rate case planning process. However, the Commission should have discretion over when such costs warrant an exemption. Importantly, the utility should have a heavy burden of proof to demonstrate that coming in earlier for a general rate case or even requesting an alternative funding mechanism is critically necessary, and that exemption from the standard timing is consistent with the public interest. To this end the Commission should identify a category of foreseeable costs like wildfire mitigation and insurance that are not eligible for exemptions.

What factors must be present for a utility to bring forward alternative cost recovery and ratemaking mechanisms, including deferrals and trackers, during or outside of the General Rate Case schedule?

Trackers and deferrals should not serve as escape hatches that allow utilities to undermine the discipline and potential benefits of the multi-year rate cycle. In fact, single-issue cases make it difficult to predict rate increases for residential customers, the problem that HB 3179 specifically intends to address.[2] Therefore, alternative cost recovery and ratemaking mechanisms must be narrow, well-defined, and capped to maintain incentives and prevent regulatory gaming. Under these guidelines such factors may include: (1) Volatile and unpredictable costs; (2) Outside of utility control.

Pricing volatility responsive trackers can be compatible with effective multi-year rate planning when tightly scoped.[3] Specifically, trackers should be limited to situations when costs are large, outside the control of the utility (i.e. not routine operations and maintenance costs) and unpredictable such that it is difficult to include in multi-year rate case planning. Trackers are therefore appropriate for certain pass-through costs that are partially outside of the utility's ability to control, such as power and fuel costs. A risk-sharing mechanism within the tracker is appropriate to ensure that customers and the utility share the risk associated with cost volatility and market risk. However, because trackers shift all risks to customers by requiring payment before completion of the project, there must be safeguards in place to protect customers in trackers.

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[2] *See* CUB Testimony on HB 3179 -8 (May 5, 2025), available at: https://olis.oregonlegislature.gov/liz/2025R1/Downloads/PublicTestimonyDocument/205285.

[3] RMI report at page 18.

MULTI-YEAR RATE PLANS (MYP/MRP) AND PERFORMANCE BASED REGULATION (PBR)

Please list the top three (3) outcomes from the energy system that a Multi-Year Rate Plan framework should provide.[4]

Electric utilities are legally obligated to meet HB 2021. Gas utilities are legally obligated to meet the Climate Protection Program. All IOUs must meet reliability metrics. The multi-year rate plan framework should provide the energy system outcomes listed below **while simultaneously supporting those statutory obligations**.

1. Improving community resiliency

By setting multi-year expectations for capital planning and cost recovery, multi-year rate plans give utilities clearer, longer-term incentives to deploy least-cost reliability measures, wildfire mitigation, grid modernization, and resilience investments. Some areas that might qualify: Reduce interconnection timelines, increase and expedite microgrid and small-scale renewable investments, maximize energy efficiency investments, and invest in customer sited resources.

2. Improving the efficiency of utility operations to reduce costs to ratepayers while implementing the Oregon Energy Strategy.

A well-designed multi-year rate system framework should reduce rate volatility and the frequency of disruptive rate case cycles by limiting off-ramps and reconciliations while meeting Oregon's energy vision. Greater year-to-year predictability reduces regulatory lag and lowers total customer costs by reinforcing cost-control incentives for utilities. The ODOE Oregon Energy Strategy should guide utility efforts to more effectively meet Oregon's climate and energy policies.

3. Enhancing services for low-income customers

By enabling better planning for long-term customer assistance program funding, multi-year rate frameworks create predictable revenue requirements and help align rate trajectories with stable funding for energy assistance, weatherization programs, and bill discounts. Additionally, MRPs allow the Commission to incorporate explicit metrics for low-income customer services and goals such as the number of disconnections, payment plans, and service quality in low-income and under-served communities. Including such metrics better ensures utilities maintain or improve service levels across all customer classes

Please list the top three (3) utility actions and priorities that multi-year ratemaking framework should encourage.

[4] Per the survey instructions, the Joint Advocates identified its outcome priorities from the listed public interest goals identified in SB 688.

1. Proactive, least-cost long-term investment strategies that enhance reliability, resilience, and sustainability while maintaining customer affordability

MYRPs should ensure utilities operate more efficiently, provide better service to customers, and act in accordance with the public interest, including by rapidly reducing emissions. Utilities should improve service to customers experiencing repeated power outages. Utilities should plan and execute least-cost portfolios, including modernization and resilience investments, in ways that keep long-term revenue requirements and customer bills stable. This includes prioritizing non-wires/non-pipeline alternatives when cost-effective.

2. Strengthened cost discipline and more efficient capital management

A multi-year ratemaking framework should reward utilities for controlling cost growth below inflation, delivering capital projects efficiently, and minimizing controllable operations and maintenance costs.

3. Prioritize Community Benefits

Multi-year ratemaking and performance based ratemaking should align with existing requirements for electric utilities to track and improve community benefit indicators. All utilities' actions should align with the ODOE Energy Strategy.

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.

1. Less frequent rate cases

Limiting utilities' ability to file a rate case whenever they choose strengthens the incentive for utilities to manage costs more efficiently. A well-spaced but regular rate case cadence requires that the utilities come in enough to ensure that operations reflect the needs of their customers and the energy system while reducing regulatory burden. When the rate case process becomes more predictable and less reliant on trackers, deferrals, and true-ups it will be less resource-intensive and should allow the utilities the resources to proactively implement ODOE Energy Strategy pathways, proactively implement HB 2021, CPP and other legal obligations, and offer customer-sited solutions that bring CBIs to reality.

2. More forward-looking planning

The multi-year ratemaking framework will help shift the Commission's review from the current system of annual or near annual and backward-looking cost scrutiny and instead toward a multi-year, forward-looking evaluation of capital plans, O&M trajectories, risk mitigation, and long-term affordability. This change should reduce the incentive for utilities to inflate short-term spending to increase its base and enable the Commission to examine multi-year investment

strategies more holistically rather than piecemeal. Multi-year plans work best when utilities are evaluated against long-range cost trajectories and not year-to-year adjustments.[5]

3. Predictable and transparent bill trajectories for customers

Multi-year rate cases provide longer term visibility into expected rate trajectories, reducing volatility and allowing utilities, regulators, and customers to plan around known adjustment mechanisms. This approach has better alignment with HB 3179's cumulative impact requirements and addresses the present problem of continuously escalating rates and price shocks.

Respectfully submitted,

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[5] RMI Report at 29.

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