June 3, 2026

Via electronic filing

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

Re: Comments of Renewable Northwest

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

I. Introduction

Renewable Northwest ("RNW") appreciates the opportunity to provide comments following the May 20, 2026 Straw Proposal on the structure and design elements of a Multi-Year Rate Plan ("MRP") framework for Oregon. Staff of the Public Utility Commission of Oregon ("Staff") has proposed a ratemaking framework that can improve cost discipline, reduce regulatory burden, and begin to align utility financial incentives with the efficient achievement of Oregon's clean energy and affordability goals.

RNW has participated in this docket with a focus on three related objectives: accelerated and cost-effective decarbonization; modernized grid utilization and operational efficiency; and procurement neutrality across utility-owned, third-party, capital, and non-capital solutions. Oregon utilities must make significant investments to comply with HB 2021, maintain reliability, and serve new and growing loads. The design of the MRP and Performance-Based Regulation ("PBR") framework will help determine whether those investments are made strategically and affordably, or whether traditional ratemaking incentives continue to favor capital expansion even where lower-cost operational, non-wires, or third-party solutions could provide better value to customers.

RNW generally supports the direction of Staff's straw proposal. In particular, RNW appreciates Staff's recommendation to use an index-based revenue cap, limit exceptions from the MRP, continue exploring capex/opex equalization, and advance a limited but important set of

Performance Incentive Mechanism ("PIM") concepts, including asset utilization. RNW offers the following comments to support Staff's Phase 1 recommendations and to identify key issues that should be developed further in Phase 2.

II. Comments

A. Goals, Outcomes, and Utility Incentives

RNW appreciates Staff's thoughtful straw proposal and believes it reflects meaningful progress toward many of the principles and outcomes stakeholders have discussed throughout Phase 1. In particular, RNW supports Staff's emphasis on cost containment, investment efficiency, asset utilization, and efficient clean energy development as core outcomes of a high-performing utility. These outcomes closely align with RNW's prior recommendations that Oregon's MRP/PBR framework should encourage utilities to make least-cost, lowest-risk decisions while accelerating progress toward Oregon's clean energy objectives.[1]

RNW also appreciates Staff's proposal to include a category of performance incentives focused on achievement of key state and community goals, including efficient clean energy development and emissions reductions. However, performance incentives should not reward utilities simply for complying with existing statutory requirements. Oregon utilities are already obligated to meet the requirements of HB 2021, and customers should not be asked to provide additional incentives for achievement of baseline legal obligations. Instead, any performance incentive should be structured to reward outcomes that deliver value beyond compliance. Examples may include achieving emissions reductions at lower cost through innovative solutions that improve system efficiency, such as grid-enhancing technologies ("GETs") that help defer large investments in new transmission infrastructure or accelerating emissions reductions beyond minimum statutory trajectories. Such outcomes can reduce costs to customers, improve system performance, and deliver broader public benefits by reducing the climate and public health impacts associated with greenhouse gas emissions. These incentives should reward utilities not for meeting the floor established by law, but for achieving Oregon's clean energy objectives more efficiently, more quickly, and at lower overall cost. The Commission should also consider appropriate penalties for failure to comply with state decarbonization mandates.

RNW further appreciates Staff's decision to include asset utilization among the limited set of PIM concepts advancing into Phase 2. As discussed in RNW's prior comments, improving utilization of existing infrastructure is one of the most significant opportunities available to reduce costs, facilitate load growth, accelerate clean energy integration, and defer unnecessary investments. Efficient use of existing transmission and generation assets will become

[1] Apr. 22, 2026, Comments of RNW in OPUC docket AR 676.

increasingly important as utilities navigate both HB 2021 compliance obligations and growing demand from large loads.

As Phase 2 proceeds, RNW encourages the Commission to consider utility activities that could reasonably fall within the concepts of "investment efficiency" and "asset utilization," including deployment of GETs, reduction of transmission congestion, improved utilization of existing transmission capacity, improved interconnection timelines, and other operational measures that increase the value delivered by existing infrastructure before additional capital investments are required.

B. MRP Design and Cost Discipline

RNW generally supports Staff's proposal to adopt an index-based revenue cap as the foundation of the MRP framework. As RNW noted previously, the Current Energy Group ("CEG") report distinguishes index-based revenue cap approaches from alternative MRP structures because they create a meaningful budget framework and stronger incentives for cost containment. CEG explains that index-based approaches are more directly associated with cost containment because they establish a target revenue level that functions as a budget over the plan term.[2] RNW believes this structure will encourage utilities to make disciplined, system-wide tradeoffs among capital investments, operational solutions, and third-party resources.

RNW also supports Staff's proposal to maintain a comprehensive MRP scope with limited exceptions. Throughout this proceeding, RNW has emphasized that excessive reliance on trackers and single-issue ratemaking mechanisms can weaken cost-containment incentives and reduce transparency into utility costs. Staff's proposal seeks to consolidate most utility costs within the MRP while limiting separate recovery primarily to categories that are unusually volatile or subject to unique statutory considerations. RNW also agrees that the flexibility for utilities to update load forecasts annually will ease tensions related to future load growth uncertainty.

Finally, RNW continues to support Staff's recognition that traditional ratemaking structures can create unintended bias toward capital investment. Staff's proposal to further explore capex/opex equalization mechanisms represents a promising opportunity for improving procurement neutrality and ensuring utilities are not financially disadvantaged when selecting lower-cost operational solutions, third-party resources, demand-side solutions, storage, or GETs.

///

[2] Current Energy Group, *Multi-Year Rate Plans: Design Considerations and Best Practices* (Dec. 11, 2025) at 7-9.

C. Phase 2 Priorities

As the Commission transitions to Phase 2, RNW encourages continued focus on translating the concepts of investment efficiency, asset utilization, and efficient clean energy development into concrete metrics and incentive structures.

RNW believes asset utilization represents one of the strongest opportunities for meaningful performance incentives because it directly connects affordability, reliability, clean energy integration, and efficient infrastructure planning. Establishing metrics that measure how effectively utilities utilize existing transmission and generation assets would provide greater transparency into system performance while helping ensure customers receive maximum value from existing infrastructure before additional investments are pursued.

RNW also encourages continued exploration of capex/opex equalization strategies and procurement-neutral approaches that allow utilities to pursue the lowest-cost solution regardless of ownership structure or accounting treatment. We expect some stakeholders may have concerns about adopting full TotEx accounting, but the underlying capital-bias problem is central to whether the MRP/PBR framework will produce customer value, and Phase 2 presents an opportunity to further explore practical mechanisms to reduce the financial penalty utilities may face when selecting lower-cost operational, third-party, or grid-modernization solutions over traditional capital investment. These mechanisms could include shared savings approaches, targeted PIMs for asset utilization, or earnings opportunities tied to verified deferral of capital investment, reduced congestion, or improved system utilization.

III. Conclusion

Renewable Northwest appreciates Staff's and the Commission's thoughtful approach to this proceeding and looks forward to further participation in the development of performance-based regulation in Oregon.

///

///

///

///

///

Respectfully submitted this 3rd day of June, 2026,

/s/ Mike Goetz
Regulatory Affairs Director
Renewable Northwest
421 SW Sixth Ave. #1400
Portland, OR 97204
(503) 223-4544
mike@renewablenw.org

/s/ Max Greene
Sanger Greene PC
4031 SE Hawthorne Blvd.
Portland, OR 97214
(401) 339-2990
max@sanger-law.com

/s/ Katie Ware
Consultant
katie@renewablenw.org