**June 22, 2026**
Public Utility Commission of Oregon
201 High St. SE, Suite 100
Salem, Oregon 97301-3398

**RE: AR 676 Informal Phase - Energy Advocate Joint Comments in Response to Staff's Report & Proposal for Phase 1**

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Citizens' Utility Board, NW Energy Coalition, Community Energy Project, Oregon Just Transition Alliance, Climate Solutions, the Green Energy Institute at Lewis & Clark Law School, and Multnomah County Office of Sustainability (collectively, the "Energy Advocates") represent a diverse group of environmental justice, climate, energy, and ratepayer advocacy organizations throughout Oregon. We submit these comments in response to the June 18th Staff Report, the V2 proposal for Phase 1 of AR 676.[1]

## I. Framework Standardization is Necessary

We support Staff's proposal to establish a standardized framework for multiyear rate plans (MRPs), while allowing for targeted flexibility where differences between utilities and processes are warranted.[2] A standard framework is critical for achieving the goals of transparency, clarity, predictability, administrative efficiency, and cost containment. Oregon ratepayers have faced significant rate increases in recent years, making the cost-containment benefits of a consistent, well-structured MRP framework not just a procedural preference, but an urgent priority.

In their written and verbal comments, utilities have pushed for degrees of flexibility that are incompatible with these goals and would entrench the challenges of the current ratemaking process. Deciding basic MRP elements – such as the plan duration – on a utility-by-utility or rate case-by-rate case basis would undermine the core benefits that MRPs can provide. For example, having to litigate issues like the length or scope of the MRP for every utility filing would add to the number of issues in ratemaking, and consume important resources like stakeholder, Staff, and Commission time. Those resources would be better used focused on the many other important elements of the MRP. Experience from Washington state's multiyear planning process reinforces this

[1] Docket AR 676: *Staff Report for the June 23, 2026 Public Meeting (Item No. RM2), by Michelle Scala* - https://edocs.puc.state.or.us/efdocs/HAU/ar676hau347126029.pdf
[2] *See* our previously filed comments in AR 676: February, 9, 20206; February 20, 2026; March 16, 2026; May 6, 2026; and June 3, 2026.

concern, and we commend NW Energy Coalition's separate comments documenting those lessons for Oregon's benefit.[3]

**Staff's proposal sets a foundation that meaningfully moves us away from some of the pitfalls of the current ratemaking structure and supports cost discipline and holistic cost reviews, and ensures we can get the most value out of moving to MRPs.** The targeted flexibility approach can leave room within the standardized framework to accommodate differences across utilities where those differences are warranted and this will be determined and calibrated in Phase 2.

## II. Low-Income Programs in Base Rates

At this time, we are comfortable with Staff's proposal to include programs pursuant to HB 2475 (2021) (e.g., bill discount programs and arrears management programs) into base rates rather than exempt them from the scope of the MRP. These programs' costs are or should be reasonably predictable, and, in general, predictable costs should be rolled into base rates.

Of course, as energy affordability and access are clear public policy goals for Oregon, we expect utilities to market and grow these kinds of programs with the same or a greater level of effort than they do today. Especially because bill discount programs have reached a point where the hardest-to-reach income-qualified families are still not enrolled. We look forward to working in Phase 2 on performance incentive mechanisms (PIMs) and any other tools that may be appropriate to ensure that these crucial affordability programs continue to reach those who need them.

## III. Capital Funding Mechanism

While we generally support Staff's inclusion of a capital funding mechanism for "extraordinary circumstances" from the straw proposal, especially as opposed to the inclusion of a K-bar, Staff's June 18th public meeting report speaks about this mechanism in various ways throughout the report that suggest Staff's proposed mechanism has evolved. For example, in some areas the mechanism is referenced for extraordinary circumstances or unforeseen expenses, and in others it is referenced as "targeted capital and extraordinary or unforeseen circumstances." Staff's May 20th Straw Proposal used the more clear and narrow language of "thoughtfully targeted," "limited, extraordinary capital projects that cannot reasonably be accommodated within

[3] Docket AR 676: June 18, 2026, *AR 676 Informal Phase - NW Energy Coalition Comments in Response to Staff's V2 Memo for Phase 1* - https://edocs.puc.state.or.us/efdocs/HAC/ar676hac347129029.pdf

the index formula" and "exceptional capital projects" to describe this mechanism. Staff also note in the Straw Proposal this mechanism, "is not designed to capture routine year-to-year capital additions but instead provides a defined process for considering discrete projects with characteristics, such as size, timing, or policy-driven urgency, that would create material misalignment if recovered solely through the revenue cap."[4]

We recognize with indexing that there may be extraordinary circumstances where additional capital recovery is necessary, but we do not support an annual capital mechanism combined with an index. Generally, we are concerned about this mechanism becoming a routine feature of MRPs, working against cost containment and smart planning principles. If the mechanism leads to annual capital recovery cases, and therefore annual prudence reviews, utilities get a guarantee of annual index increases with limited risk of regulatory lag, customers are assured that rates will increase at a level that is well above the inflation rate and advocates get a process that is more time consuming. We believe Staff's May 20th Straw Proposal better captured this intent.

**We support Staff's Phase 1 proposal as a strong framework for multiyear plans, but note caution regarding the proposed capital funding mechanism leading to multiple ARM cases. Overall, the proposal creates structure and discipline while retaining adequate flexibility. It sets us up well for fleshing out further details in Phase 2.**

**Respectfully submitted this 22nd day of June 2026,**

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/s/ Claire Prihoda
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/s/ Jamie Pang
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/s/ Carra Sahler
The Green Energy Institute at Lewis & Clark Law School

/s/ Charlee Thompson
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[4] Docket AR 676: *Informal Phase: Staff's Initial Straw Proposal for MRP Framework Phase 1* - https://edocs.puc.state.or.us/efdocs/HAH/ar676hah346341048.pdf