

January 12, 2026

VIA ELECTRONIC FILING

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

Re: UM 2417 – In the Matter of Public Utility Commission of Oregon Identifying Priorities in Implementation of Executive Order 25-25 and 25-29

PacifiCorp d/b/a Pacific Power is committed to providing safe, reliable and affordable service while meeting the policy and clean energy goals that have been outlined by the State of Oregon and articulated in detail through the Governor's Executive Orders 25-25 and 25-29, among others.

Balancing all three of these essential goals remains a significant challenge, especially when accounting for the rapidly changing energy landscape, increasing pressures on load growth, wildfire risks and a rising cost environment. It is essential for there to be broad support among stakeholders to prioritize creating a positive, efficient and proactive regulatory environment that supports long-term certainty, creates stability for utilities, and is nimble enough to meet customer needs while promoting economic development. Oregon has made great strides and it is our hope that these executive orders help Oregon take control of its own energy future. The time is now, and we applaud the Commission for taking this first important step.

Under the current policy and cost environment, Oregon's planned clean energy transition creates a disconnect between goals and an achievable reality for utilities and their customers. Deploying capital to build generation, storage and transmission is currently risky and unattractive in Oregon. Additionally, the process for utilities to obtain approval to procure resources, even for assets owned by third parties, is burdensome and prolonged. Finally, circumstances have changed such that a rapid move to renewable generation, and the infrastructure needed to support these investments, creates real challenges with customer affordability and economic development. Certainty and stability is needed for both customers and utilities to make continual progress.

Investing in clean energy in Oregon currently creates additional financial risk for utilities

Financially healthy utilities are essential to finance and build transmission, renewable generation, and storage, but recent decisions and the current liability environment have made maintaining that financial health more difficult. PacifiCorp first recommends adopting a formal preapproval pathway for major projects, which would explicitly include advance approval of interjurisdictional allocation treatment, so that prudent, used and useful assets can earn the authorized return when placed in service. This would reduce financing risk, lower customer costs

over time and provide a more viable path toward the clean energy build out Oregon requires while supporting economic development.

At the same time, wildfire liability in Oregon remains a very significant risk. Litigation exposure, insurance premiums and uncertainty around cost recovery elevate financing costs and constrain balance sheet capacity. To sustain the scale of investment customers need, Oregon should adopt policies that establish reasonable limitations of liability and a constructive framework for insurance and recovery, which would keep utilities financially healthy and viable while maintaining accountability for prudent operations.

Finally, significant investments in transmission and infrastructure need to be given a consistent and clear framework for recovery. In the company's last general rate case, the commission limited PacifiCorp's return on the Gateway South transmission project to the modified blended treasury rate until benefits are later demonstrated, rather than allowing the full authorized return.¹ Gateway South is precisely the kind of long lead transmission needed to integrate large volumes of renewables, which the data has demonstrated. Signaling that such investments may not earn a full return at the time they enter service makes Oregon an uncertain environment in which to commit capital, especially when other jurisdictions offer clearer, more predictable recovery.

Resource procurement approval needs to be more efficient

A faster, more flexible framework would improve competitiveness for Oregon customers and better support timely procurement. Such actions can also support multi-jurisdictional planning and procurement, as other applicable western states do not have comparable regulatory hurdles. The commission currently has the opportunity to modernize both its procurement and planning rules in Docket No. AR 669. The actions in that docket should be informed by goals of Executive Orders 25-25 and 25-29. PacifiCorp has submitted joint comments with other electric utilities on staff's current proposal that provide detailed recommendations to make this process more efficient.²

Oregon's procurement approval is already among the slowest in the region and proposed rule changes being considered³ would lengthen it further. Before a request for proposals (RFP) can be filed, the process typically requires an independent evaluator (IE) solicitation and docket, bidder workshops, pre-approval of scoring, and extensive staff/IE consultations; after filing, additional mandatory steps (including acknowledgement of shortlists and IE reports) add months. In practice, RFPs often take well over a year from filing to final shortlist, increasing transaction costs and price-hold risk. Other jurisdictions move faster, and large corporate buyers, who face none of these regulatory delays, can secure renewable power purchase agreements quicker. Developers have opportunities to submit bids into RFPs in other jurisdictions or sell directly to large load customers.

¹ *In the Matter of the Application for PacifiCorp d/b/a Pacific Power, Request for a General Rate Revision*, Docket No. UE 433, Order No. 24-447 at 39-44 (Dec. 19, 2024).

² *See Comments of PacifiCorp, Portland General Electric, and Idaho Power*, Docket No. AR 669 (Nov. 14, 2025).

³ *Id.* at 2 (“[T]he proposed rules largely impose additional, cumbersome regulatory requirements that go beyond what is already in place in Oregon”).

PacifiCorp’s recent Washington situs RFP moved from filing to market in roughly half the time than its recent Oregon situs RFP. Washington limits IE involvement to cases with benchmark resources, does not require regulatory acknowledgement of shortlists, and imposes minimal post-issuance barriers before contracting, which allows bidders to keep pricing firm and projects to advance. This contrasts with the recent example of Idaho Power’s most recent Phase I of its RFP in Oregon that took 17 months from initial filing to acknowledgement of the final shortlist. Oregon should streamline and align with neighboring states, make the 80-day RFP approval timeline real (not aspirational), avoid duplicative shortlist requirements, right-size IE scope to the specifics of each solicitation and reduce post-issuance process steps. Other jurisdictions do not impose similarly prescriptive substantive and process requirements; instead, they allow utilities the flexibility to design processes that meet their specific needs.⁴ All of these suggested efficiency considerations are to the benefit of customers.

Rapid clean energy deployment is raising concerns about severe impacts to customer affordability

Rapid clean energy deployment at the current pace would produce severe affordability impacts for Oregon customers. PacifiCorp’s 2025 Clean Energy Plan (2025 CEP) indicates that, given today’s technology and costs, meeting House Bill (HB) 2021 targets at the required scale would result in large rate increases. The 2025 CEP results show materially higher customer bills under HB 2021-compliant portfolios compared to the counterfactual. See table 1 below for these results:

Table 1. Estimated HB 2021 Average Annual Compliance Costs 2025-2045 (\$millions) and Percentage of 2025 Revenue Requirement (shown in parenthesis)

	Annual Cost with System Transmission	Annual Cost with Situs Transmission	Annual Cost with System Transmission (No PTC/ITCs)	Annual Cost with Situs Transmission (No PTC/ITCs)
CEP Preferred Portfolio (Annual Clean)	\$135 (10%)	\$161 (11%)	\$214 (12%)	\$241 (14%)
Hourly Clean Portfolio	\$1,609 (91%)	\$1,800 (101%)	\$2,287 (129%)	\$2,479 (140%)

Table 1 shows that the average annual incremental rate impact for HB 2021 compliance ranges from 10 percent to 140 percent, depending on the scenario. Such rate increases would disproportionately impact energy-burdened households as a larger share of their income must go to essential needs.

⁴ PacifiCorp provides more detail on this topic within its joint comments with other electric utilities within AR 669. However, one recent example is Idaho newly adopted rules Public Utilities Commission’s RFP requirements are far less rigid and permit flexibility in RFP design. See Idaho PUC Case No. GNR-E-25-01. Likewise, other states tend to have more streamlined procedures—for instance, none require a process for acknowledgment of a final shortlist prior to contract execution or independent evaluator monitoring of contract negotiations.

Under ORS 469A.445, once the actual or anticipated rate impact from HB 2021 compliance exceeds six percent of revenue requirement, the commission must grant an exemption from further compliance. PacifiCorp's position, set out in docket UM 2273 Phase 2 reply comments, is that the cap operates as a hard ceiling on additional compliance costs and will likely be reached given the volume of resources required.⁵ To ensure an appropriate level of procurement and to prevent unnecessary price-hold and bid-refresh risks, the commission should provide clear, front-end guidance on the cost cap and allow for a fast-track Section 10 process aligned to the RFP's final shortlist process, before contracts are executed. Specifically for multi-jurisdictional utilities, the commission should make an interjurisdictional allocation determination for each resource as part of its Section 10 decision.


Oregon's planned clean energy deployment is financially untenable for households and increasingly risky for utilities. This means that we have an obligation today to evaluate and adjust course, if necessary, to ensure that the goal of a 100% carbon-free future for Oregon is realized. PacifiCorp recommends calibrating the pace of procurement to what customers can reasonably afford, while establishing clear, predictable guardrails so the transition is durable for customers and viable for the company.

Conclusion

Ultimately, Oregon's clean energy transition will succeed only if it is affordable for households and achievable by utilities. PacifiCorp urges alignment of pace with affordability, streamlined procurement approval, and preapproval of major projects and their associated interjurisdictional cost allocation treatment. Further, establishing clear limitations of liability and a constructive recovery framework will preserve the utilities' financial viability and capacity to fund transmission, renewable generation and storage, and support economic development in the state. PacifiCorp appreciates the opportunity to provide these comments that will identify principles and priorities for staff to develop its workplan in response to Executive Orders 25-25 and 25-29.

If you have any questions about this filing, please contact Amira Thompson, State Regulatory Affairs Manager, at (503) 260-4420.

Sincerely,



Robert Meredith
Director, Regulation

⁵ *In the Matter of Public Utility Commission of Oregon, Investigation Into House Bill 2021 Implementation Issues*, Docket No. UM 2273, PacifiCorp's Phase 2 Reply Comments (Sept. 29, 2025).