Oregon Public Utility Commission

Ratemaking Framework

Workshop #3: Existing Regulatory Structures

Friday, February 27, 2026
1:30-4:00 pm PT

Meet the GPI Facilitation Team

Aileen Cole
Manager

Trevor Drake
VP, Energy Systems

Val Stori
Senior Policy Manager

Benjamin Stafford
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Audrey Negro
Meeting & Administrative Associate

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Policy Associate

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The Great Plains Institute is an organization of leaders and experts dedicated to engaging and collaborating with people, organizations, and communities to craft nonpartisan, pragmatic energy solutions that benefit people, the economy, and the environment.

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Agenda

1:30	Welcome and Introductions
1:40	**Staff Presentation:** Overview of Written Comments and Current Regulatory Landscape
2:05	**Presentation from Pacific Northwest National Laboratory (PNNL):** Oregon's Existing Utility Rates and Related Mechanisms
2:45	**BREAK**
3:00	**Breakout Discussions**: Evaluating Oregon's Current Ratemaking Framework
3:45	Breakout Room Takeaways and Whole-Group Discussion
3:55	Next Steps and Wrap-Up
4:00	Adjourn

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Meeting Ground Rules

1. Respect differences of perspective and the time we have together.

2. Be open to continued learning and growth informed by new information; it is ok for perspectives to shift or change throughout the process.

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Meeting Objectives

1. Develop a shared understanding of Oregon's current ratemaking framework.
2. Discuss aspects of the current framework that are working well and high impact opportunities to enhance our approach.

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AR 676 Phase 1 Workshop Schedule

Date	Workshop	
December 17, 2025	**Kickoff Meeting**	• Review objectives and process • Presentation of MYP report • Presentation of survey results
January 27, 2026	**PBR Foundations**	• Stakeholder input on goals/outcomes approach • Review common PBR mechanisms • Facilitated discussion
February 27, 2026	**Existing Regulatory Structures**	• Review current regulatory structures in Oregon to clarify leverage points for incentive alignment • Facilitated discussion
Early April 2026	**Exploration of MYP and PBR Design for Oregon**	• Participants provide input on MYP design elements and preferred PBR mechanisms • Facilitated discussion
May 2026	• Staff to file report outlining foundational concepts, goals, and outcomes (Phase 1 items) for MYPs in Oregon • Staff to present report findings at Public Meeting	

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Presentation Whiteboard Activity

During the presentations, participants are encouraged to add their thoughts and responses to the following two questions via the shared whiteboard:

1. What aspects of Oregon's existing ratemaking framework do you think are working well?
2. What aspects of Oregon's existing ratemaking framework do you think could be adjusted or evolved as part of this process?

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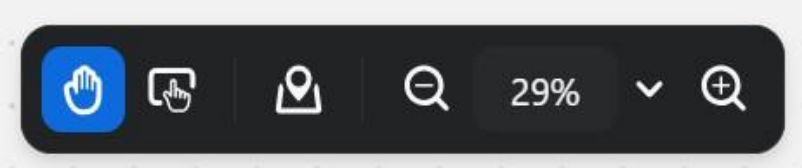
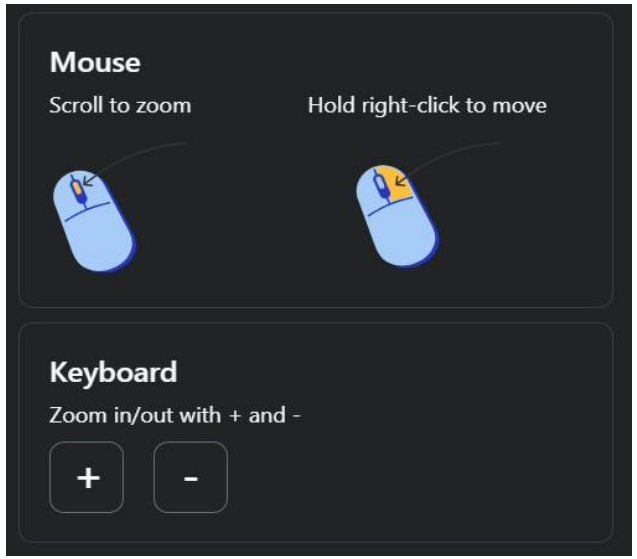
Whiteboard "How To"

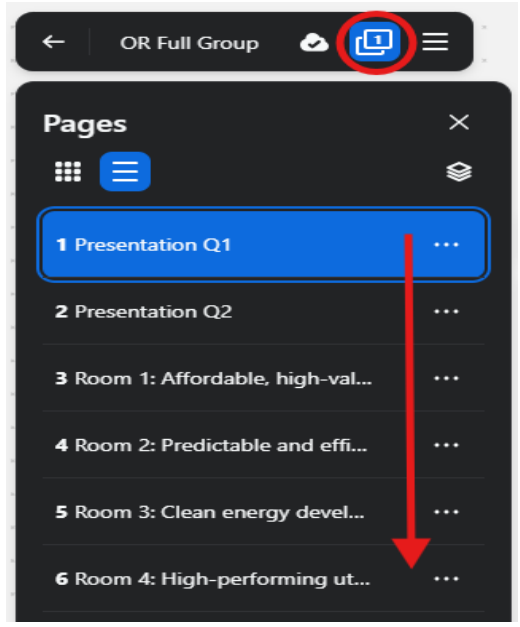
- In the bottom right corner, select the hand to move around the whiteboard.



- To place a sticky note, hover over a sticky note stack and click. Move your cursor to where you would like to place the sticky note and click again.



- You may also use your mouse (right click) and keyboard to navigate the whiteboard.



- Whiteboards can have multiple pages. In the upper left corner, select the page icon to open the page navigation bar.

AR 676 Workshop #3
Staff Overview

Stephanie Andrus (DOJ)
Michelle Scala
Bret Stevens

Oregon Public Utility Commission

February 27, 2026

Relevant statutes – Ratemaking

ORS 756.040

- Rates must provide adequate revenue to cover a utility's operating expenses and capital costs
- Rates must allow the utility to earn a return that is commensurate with the return on investments in other enterprises having corresponding risks
- Rates must be sufficient to ensure confidence in the financial integrity of the utility, allowing the utility to maintain its credit and attract capital

ORS 757.355

- Prohibits recovery in rates for facilities not currently used for providing service ("used and useful")

ORS 757.259

- Authorizes retroactive ratemaking in only limited circumstances

Relevant statutes – Ratemaking

ORS 757.612

- Requires electric companies to surcharge customers a statutorily required amount for the purpose of establishing a public purpose fund

ORS 757.269

- Specific requirements related to recovery of tax expense and deferred tax credits

ORS 757.205, et seq.,

- Establish several procedural requirements related to rate-setting
- Do not authorize any party other than a utility to file a tariff

Relevant statutes – Performance Based Rates

ORS 757.210

- Electric and gas utilities can request an alternative form of regulation (AFOR)
- Defines an AFOR as a plan adopted by the commission *upon petition by a public utility*
- Defines AFOR as a plan that sets rates and revenues and a method for changes in rates and revenues using alternatives to cost-of-service rate regulation

ORS 757.603

- Electric company shall provide all retail electricity consumers that are connected to the electric company's distribution system with a regulated, cost-of-service rate option

Relevant statutes – Performance Based Rates

ORS 757.217

- Requires the Commission to adopt rules requiring natural gas and electric utilities to establish multi-year rate plans
- Gives the Commission discretion to *provide incentives* for efficient utility operations

ORS 757.046

- Authorizes the Commission to impose performance-based rates, with incentives and penalties, on *electric utilities* to achieve regulatory objectives listed in the statute

Major Cost Components in Oregon Ratemaking Framework

Base Rates

Prudent Capital
(Rate Base)

- Generation
- Transmission
- Distribution

- *Customers repay investment over time (**depreciation**)*
- *Earns an authorized return*
  - *Based on capital structure*
  - *Includes Return on Equity (ROE)*
- *Backward looking (in-service)*
- *Generally fixed over time*

Reasonable Operating Costs
(O&M) and Taxes

- Labor
- Maintenance
- Administration
- Income taxes

- *Set based on test year forecast*
- *Does not earn a return*
- *Forward looking (forecast)*
- *Generally stable*

Power Costs

- Fuel
- Purchased power/gas
- Other market-based energy costs

- *Forecast and True-up*
- *Deadbands and Sharing*
- *Does not earn a return**
- *Highly variable*

Other Adjustments

- Separate charges
- Tied to specific policies or events

Treatment varies… e.g.,

- *Earnings test*
- *Balancing account*
- *Carrying cost*

Stakeholder Comments Overview:
Identified strengths of Oregon's current structure

perspectives vary

- Power and gas cost adjustment mechanisms already mitigate a significant share of cost volatility.
- Earnings tests ensure that customers are sharing in cost savings.
- Commission oversight remains active and iterative through frequent proceedings.
- Adjustment clauses and capital trackers have reduced regulatory lag for large cost categories.

Stakeholder Comments Overview:
Areas to discuss further

- Clarifying which revenue risks remain with utilities versus automatic revenue adjustments
- Determining whether the MRP would consolidate existing trackers and deferrals or layer on top of them.
- Calibrating earnings sharing and performance incentives so they are financially meaningful but bounded.
- Defining guardrails if earnings drift outside an authorized range.
- Establishing clearer criteria for reopeners during stay-out periods.
- Clarifying how affordability would be operationalized before tying it to incentives.
- Considering whether design elements differ between gas and electric utilities.

Stakeholder Comments Overview:
Recurring structural design decision points

- The scope of costs included inside the MRP (particularly capital and O&M categories).
- The length and structure of the stay-out period and its reopener triggers.
- The degree of automatic revenue adjustment versus Commission review.
- The strength and symmetry of earnings sharing mechanisms.
- Whether performance incentives begin with financial exposure or a test phase.
- Whether capital recovery structures remain unchanged or are modified.

Ratemaking Framework Scope: Phases 1-2

Foundational Design Elements	• Plan duration (3-7 years) • Type of MRP (index-based, forecasted, hybrid) • Scope of an MRP (limited or comprehensive) • Goals-outcomes hierarchy
Revenue Mechanisms and Adjustments*	• ROE • Going-in (year 1) rates • Annual adjustments: inflation, productivity, exogenous event treatment, consumer dividend • Treatment of capital expenses
Additional Elements	• Performance measures (PIMs) and metrics • Shared savings mechanisms and earnings sharing mechanism • Off-ramps and re-openers
Transition to the next MRP	• Rebasing process • Efficiency carryover mechanism

* Phase 2 may determine which mechanisms are used while values would be determined in a rate case or other docket

Current Alternative Ratemaking Mechanisms

Cost Control	Service Quality	Risk Allocation	Capital Trackers
• Sharing Mechanisms • Earnings Test	• Vegetation PBR	• Decoupling • PCAM • PGA	• RAC • ARM

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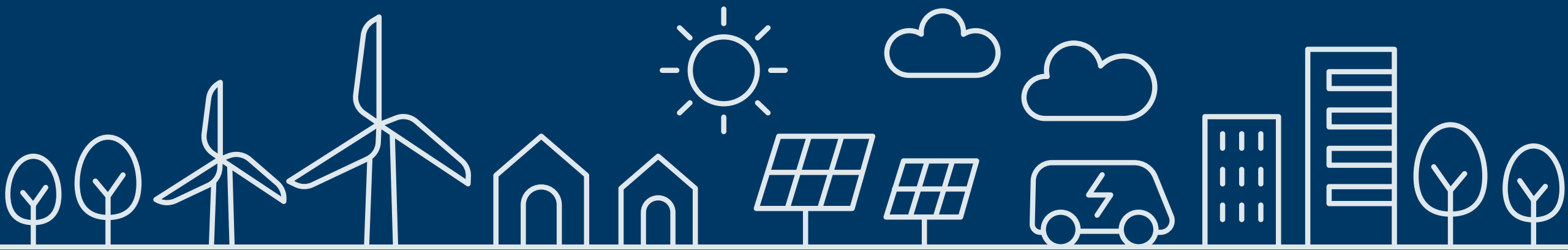
Clarifying Questions



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Oregon's Existing Utility Rates and Related Mechanisms

Jessica Shipley, Sarah Barrows, and Jason Eisdorfer

February 27, 2026

PNNL-SA-220303

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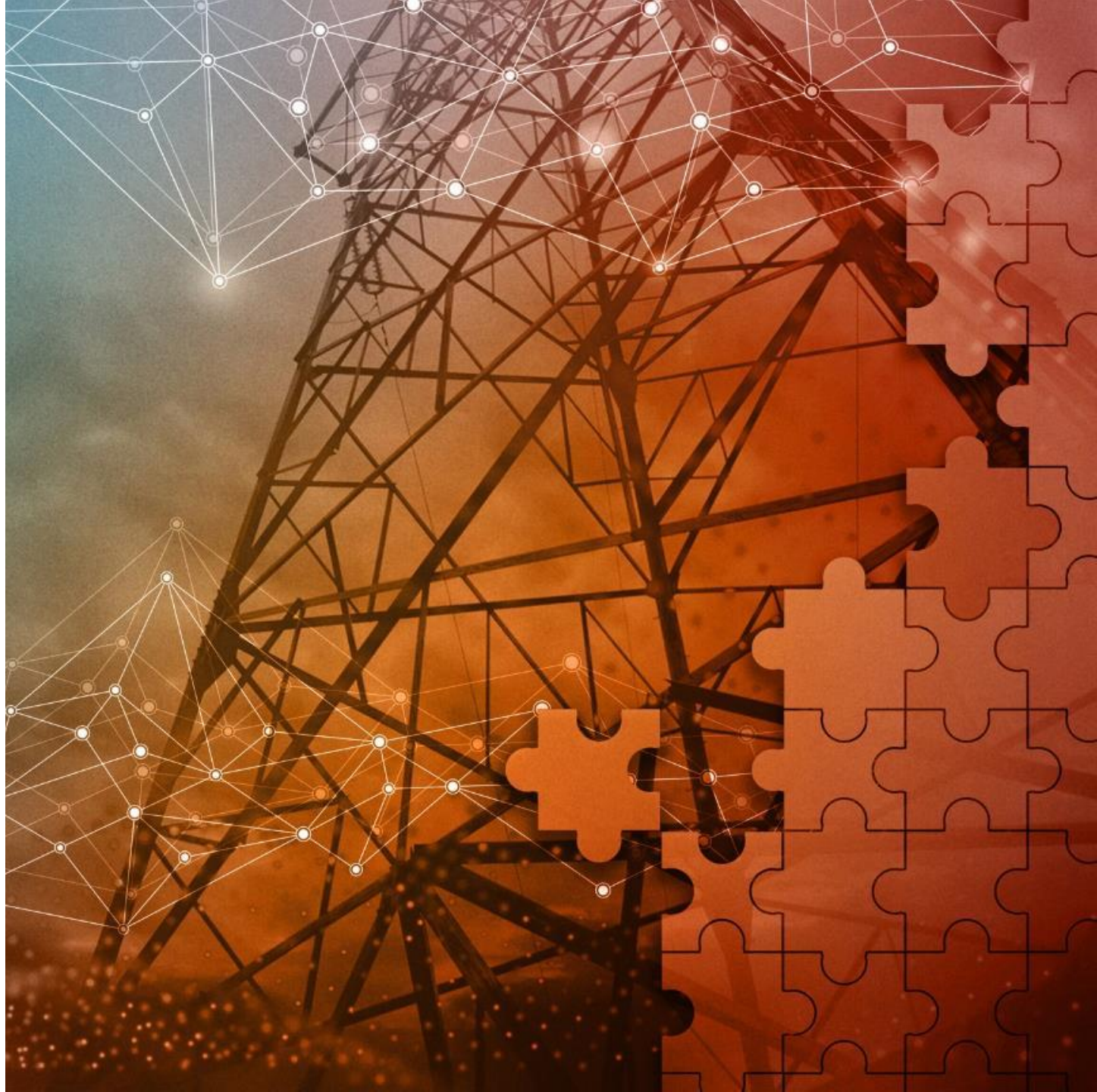


Acknowledgement

The technical assistance activity that produced this resource was funded by the U.S. Department of Energy's: Office of Critical Minerals and Energy Innovation; Office of Cybersecurity, Energy Security, and Emergency Response; and Office of Electricity. The authors are solely responsible for any omissions or errors contained herein.

Scope of this Presentation

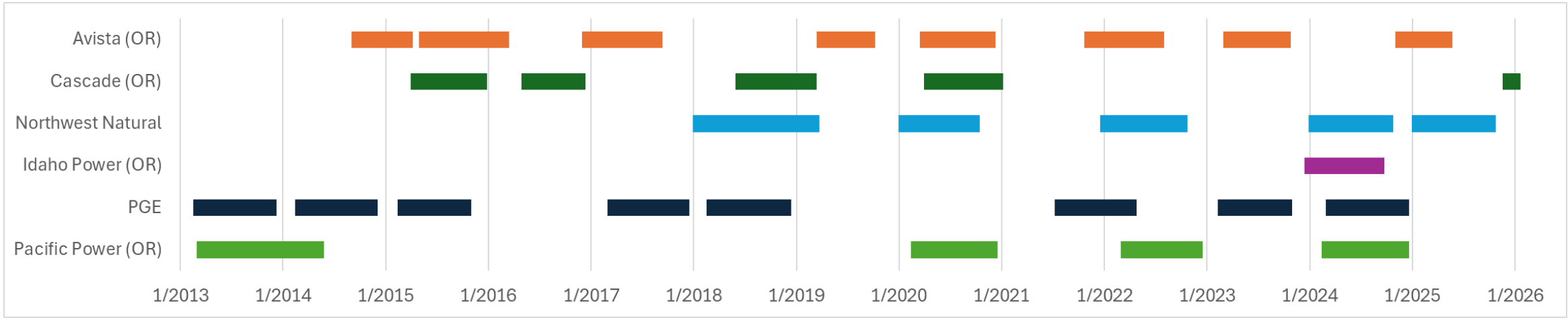
- Trends in the frequency of rate cases and other rate schedule filings
- Primary cost components of Oregon gas and electric revenue requirements and bills
- Basic overview of how rates are set
- Forecasted or proposed costs
- Existing cost-sharing mechanisms

- For reference, a slide map and key terms are provided in the appendix. Throughout the presentation, key terms are highlighted in blue.

Summary

- Rate case frequency is variable across utilities and over the last decade, but there are time periods when rate case filings are nearly annual.
- Between rate cases, power/gas costs and true-ups occur annually, plus updates to a multitude of other schedules, adders, and automatic adjustment clauses.
- "Single issue" requests for revenue requirement adjustments are a more recent occurrence.
- Structure of authorized revenue for PGE and PacifiCorp is similar:
  - Adders / supplemental schedules: 5-8%
  - Base rates: ~60%
  - Power costs: ~33%
- For Avista and Northwest Natural, the percentage ranges are a bit larger:
  - Adders / supplemental schedules: 8-12%
  - Base rates: 58-66%
  - Gas costs: 22-34%
- IRPs and electric utility representations indicate a new cycle of very large generation and transmission capital investments over the next 3 to 6 years.
- IRPs for natural gas utilities are exploring flat or reduced load over 20 to 30 years in part due to state policies.

Rate Case Timeline: Filing Date to Order Date



Source: PNNL compilation from dockets UE 433, UE 399, UE 374, UE 263, UE 435, UE 416, UE 394, UE 335, UE 319, UE 294, UE 283, UE 262, UE 426, UG 520, UG 490, UG 435, UG 388, UG 344, UG 525, UG 390, UG 347, UG 305, UG 287, UG 519, UG 461, UG 433, UG 389, UG 366, UG 325, UG 288, and UG 284

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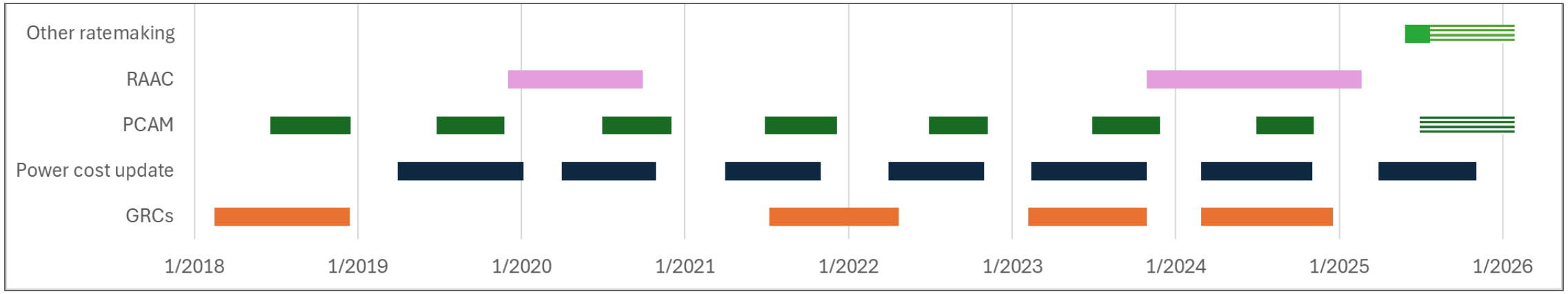
Electric Utilities

Ratemaking-Related Proceedings Timeline

(Illustrative and not exhaustive)

Portland General Electric proceedings used as an illustration:



: docket or proceeding(s) not yet complete

"Other ratemaking": Overlapping proceedings addressing an application for a distribution system plan alternative rate mechanism, and a request for Seaside battery storage alternative rate mechanism

Other schedules not shown here: See next slide for a focus on 2022 – 2024.

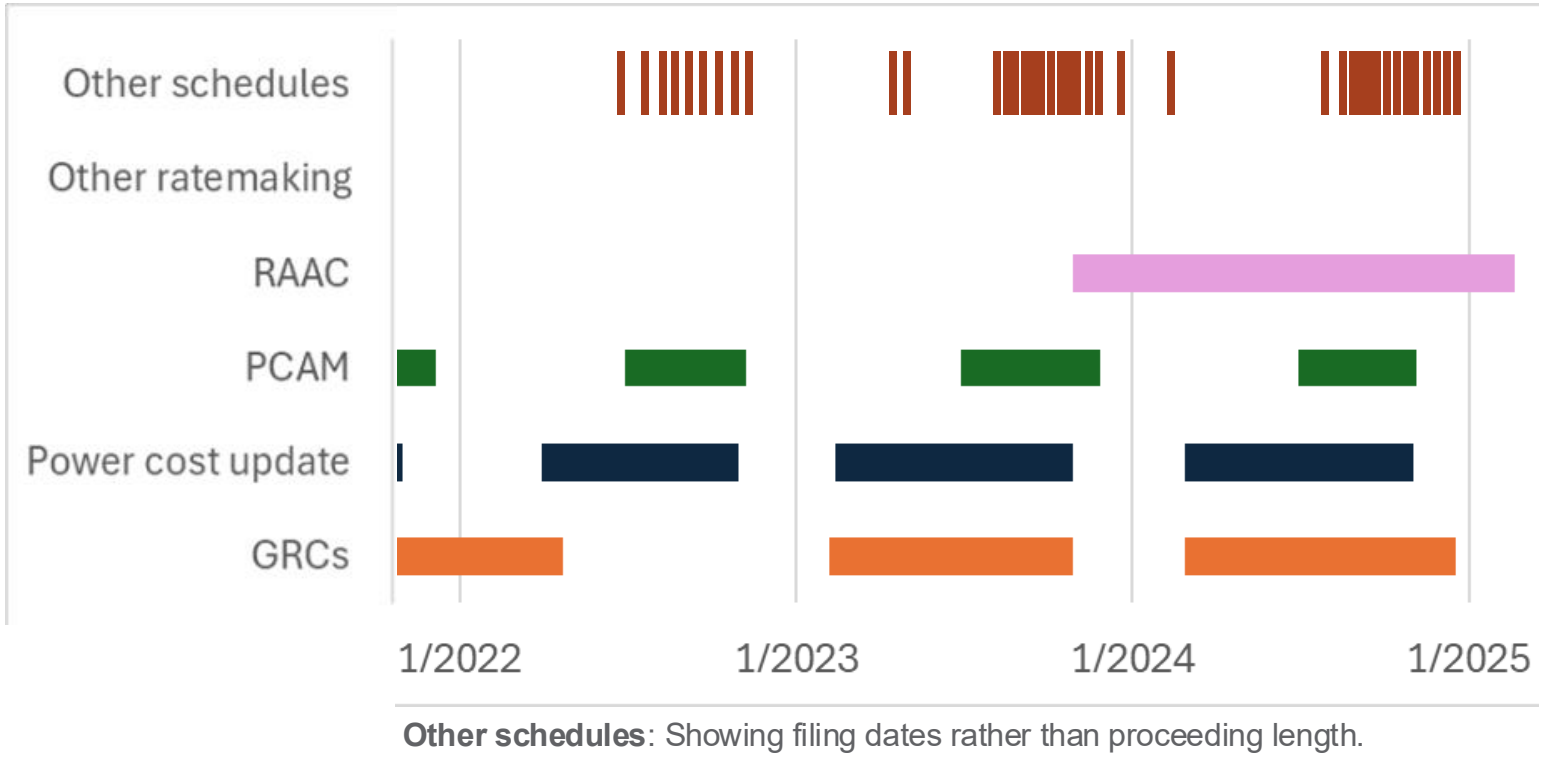
Source for this slide and next: PNNL compilation from dockets UE 435, UE 416, UE 394, UE 335, UE 319, UE 294, UE 283, UE 262, UE 427, UE 372, UE 370, UE 459, UE 455, plus power cost update and PCAM dockets.

Ratemaking-Related Proceedings Timeline

(Illustrative and not exhaustive)

Portland General Electric proceedings used as an illustration.

Spotlight on 2022-2024; now including thirty-nine Advice Filings impacting rates.



Other schedules: Showing filing dates rather than proceeding length.

Source for this slide and previous: PNNL compilation from dockets UE 435, UE 416, UE 394, UE 427, plus power cost update and PCAM dockets, and thirty-nine Advice Filings from 2022-2024.

What Happens Between Rate Cases?

Illustrative 5-year Timeline

Rate case

Rate case

Power cost update and PCAM

Power cost update and PCAM

Power cost update and PCAM

Power cost update and PCAM

Power cost update and PCAM

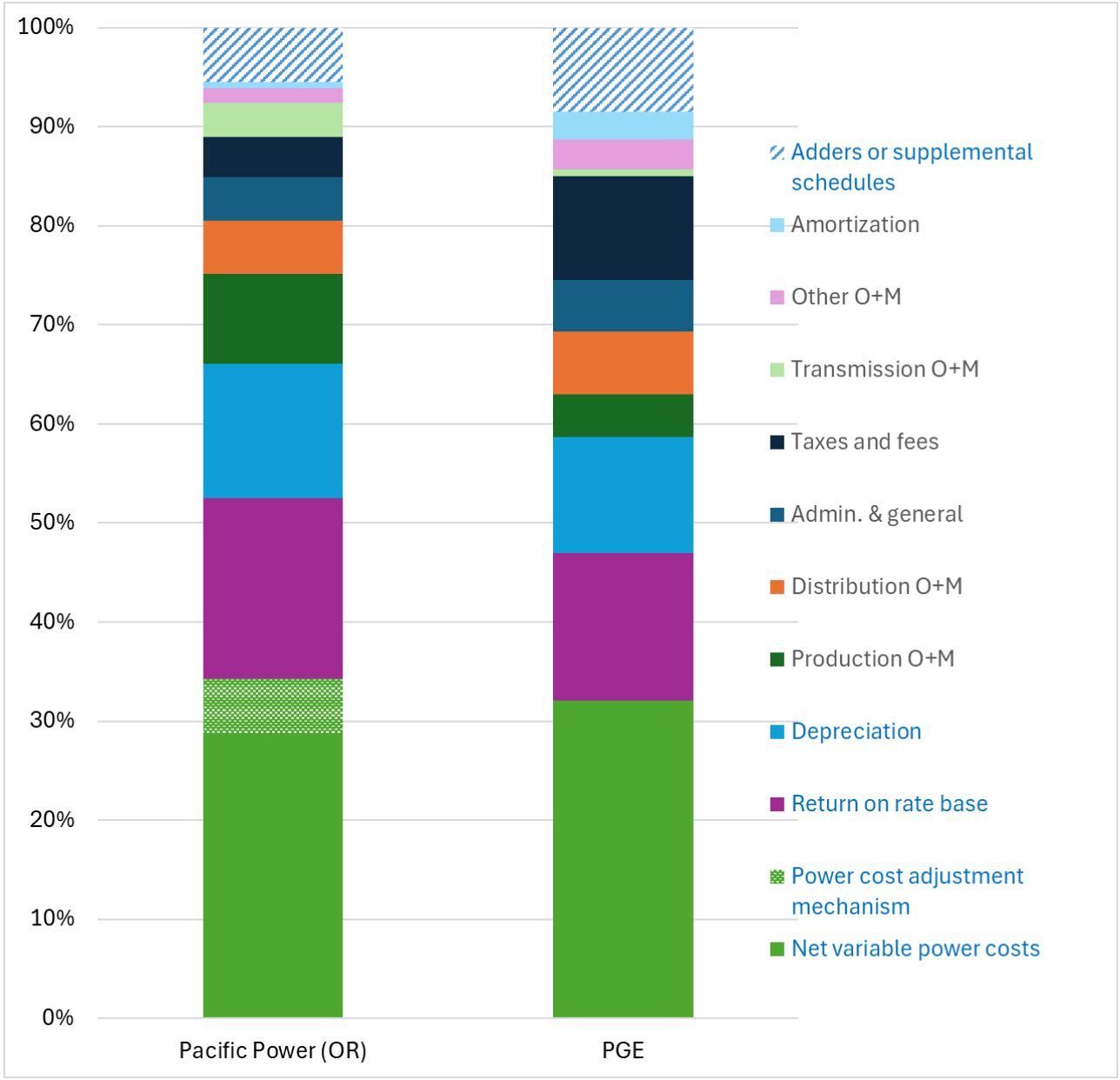
Other schedules updated throughout as needed, for example:

- Transportation electrification
- Community solar
- Income-qualified bill discount program
- Wildfire mitigation cost recovery
- Renewable resource AAC
- Policy compliance costs
- Energy efficiency costs
- Community benefits advisory group
- Major event cost recovery

Other ratemaking application, as determined by the utility

PGE and PacifiCorp 2025 Authorized Revenue

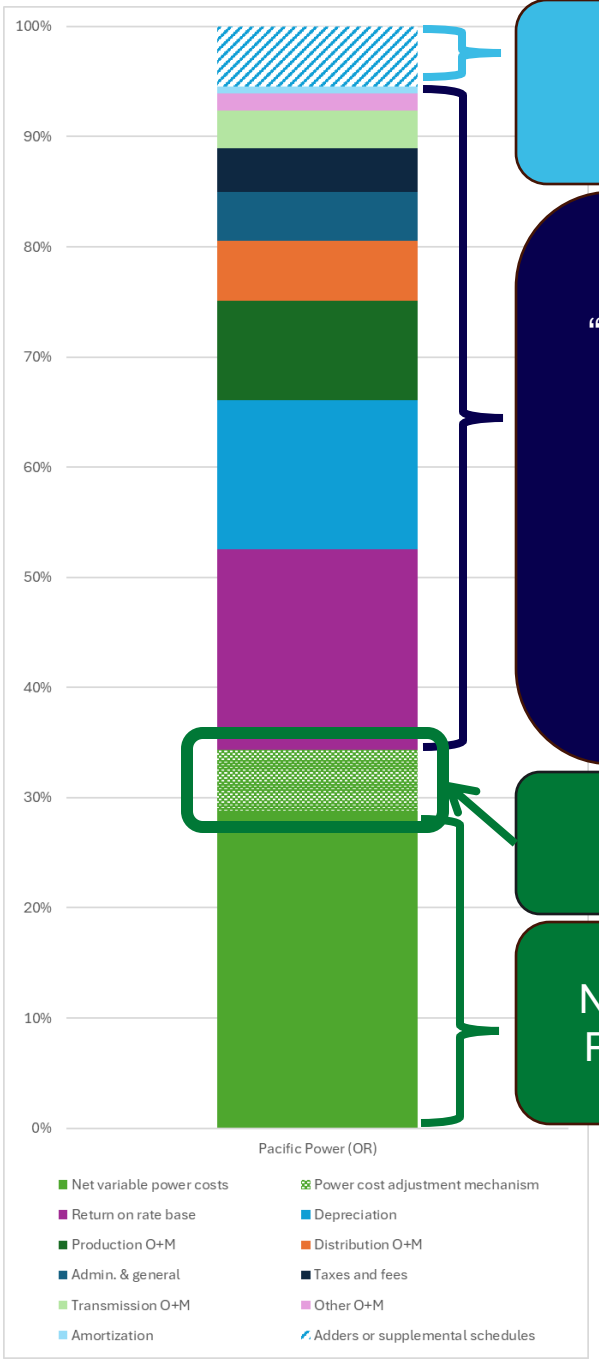
Component percentages of Pacific Power and PGE authorized revenue, 2025



How Rates Are Set (Simplified)

- Using PacifiCorp authorized revenue for illustrative purposes

Chart: Component percentages of Pacific Power authorized revenue, 2025



Adders / Supplemental Schedules
Set in Separate Proceedings (as filed)

~5-8% of Authorized Revenue

"Base Rates" Set in General Rate Cases

Revenue Requirement =
Return on Rate Base + Expenses + Taxes

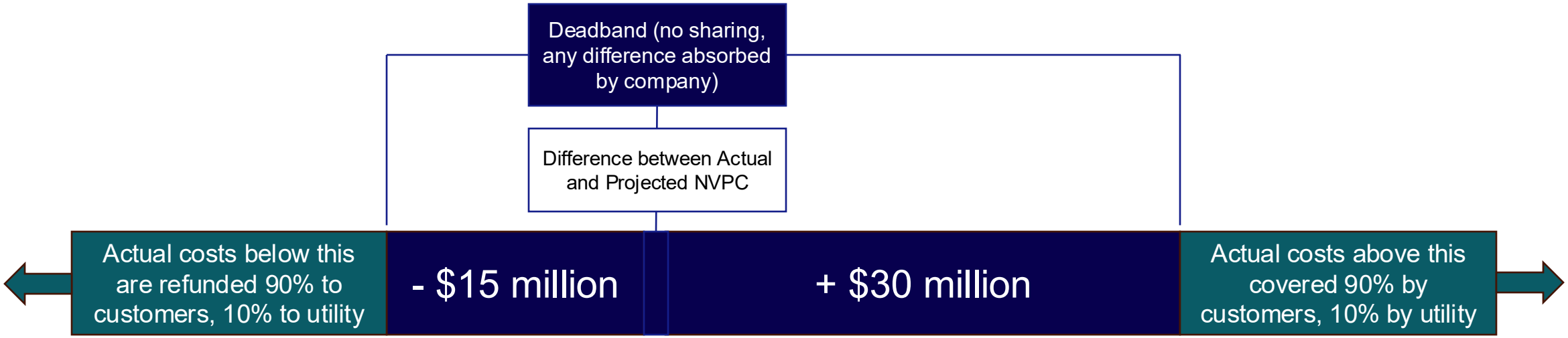
~60% of Authorized Revenue

Power cost variance mechanism

Net Variable Power Cost

~33% of Authorized Revenue

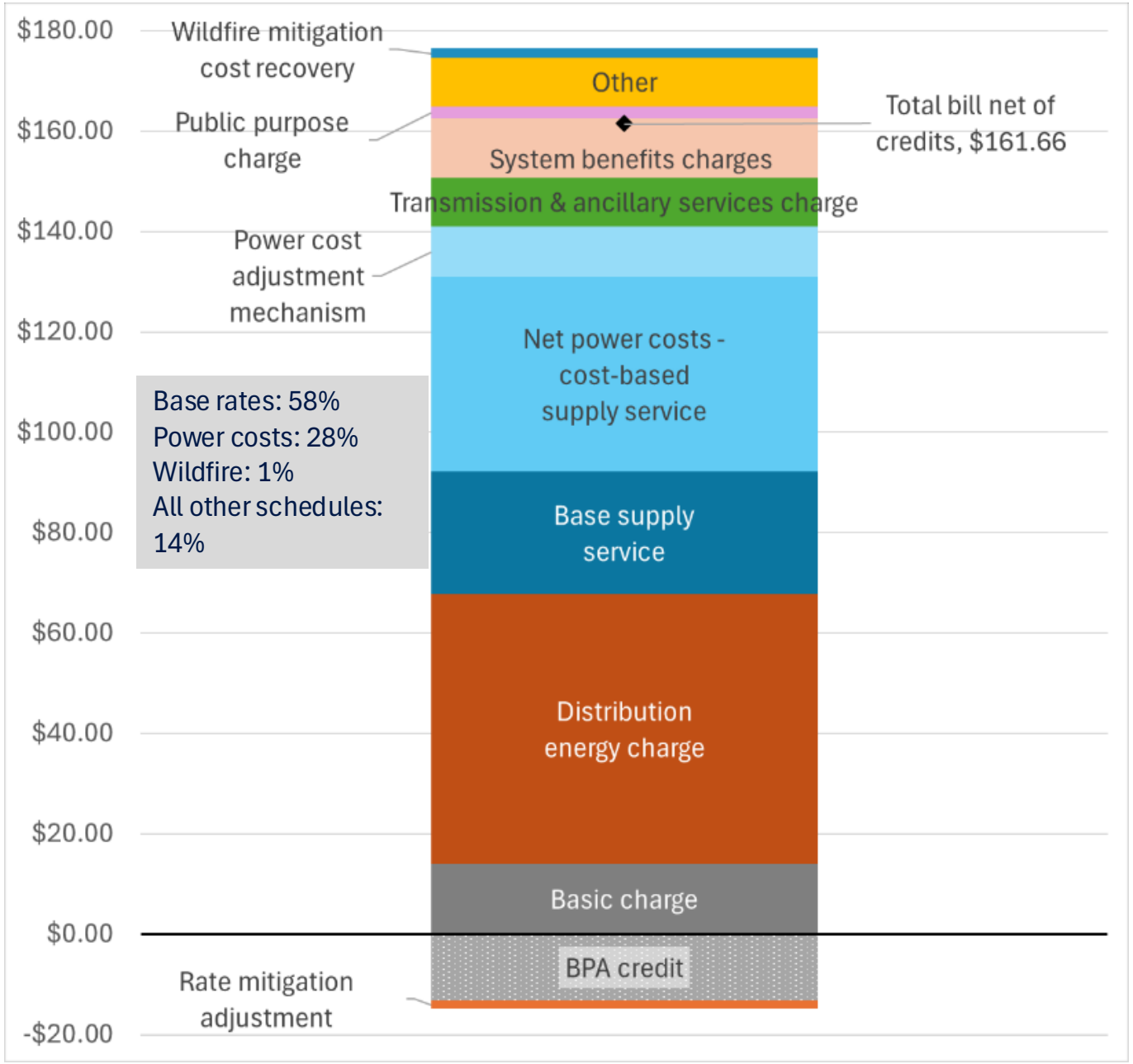
PGE / PacifiCorp Annual Power Cost Variance structure



- Earnings Test: if the utility's earned return on equity (ROE) is within +/- 100 basis points of authorized ROE, there will be no recovery from or refund to customers.
- Amortization cap: the amortization of deferred amounts is capped at 6% of the revenue for the preceding calendar year.

Illustrative 2025 Residential Electric Customer Monthly Bill

- Using PacifiCorp Schedule 4 for illustrative purposes

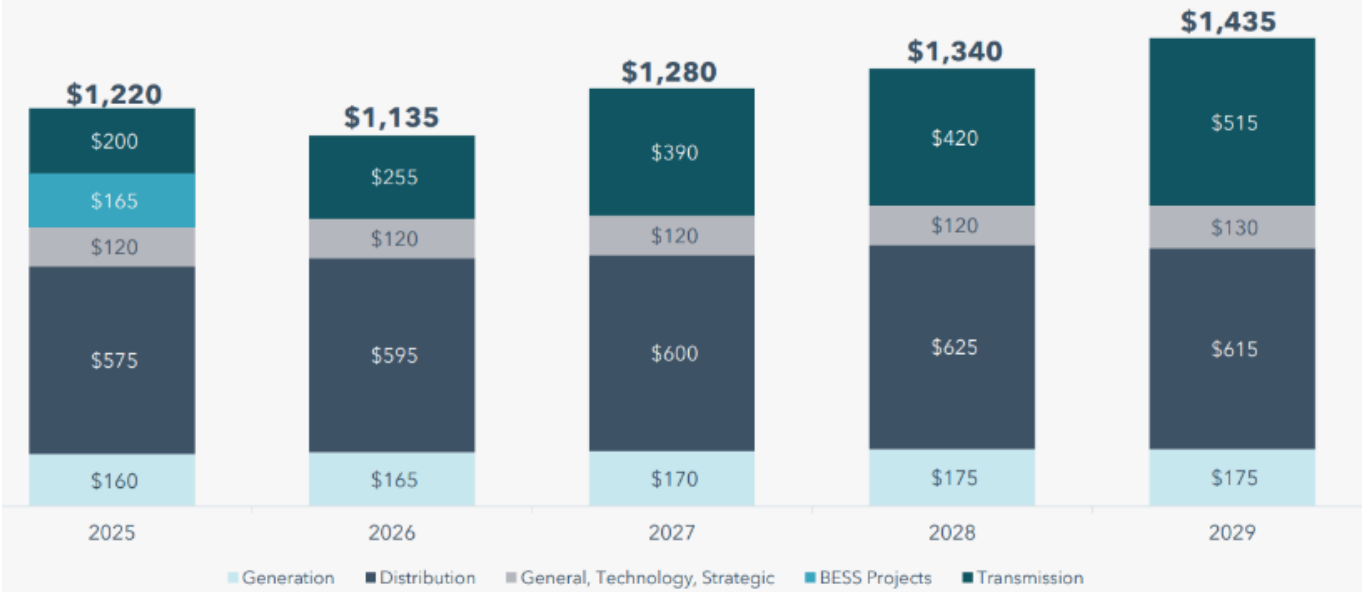


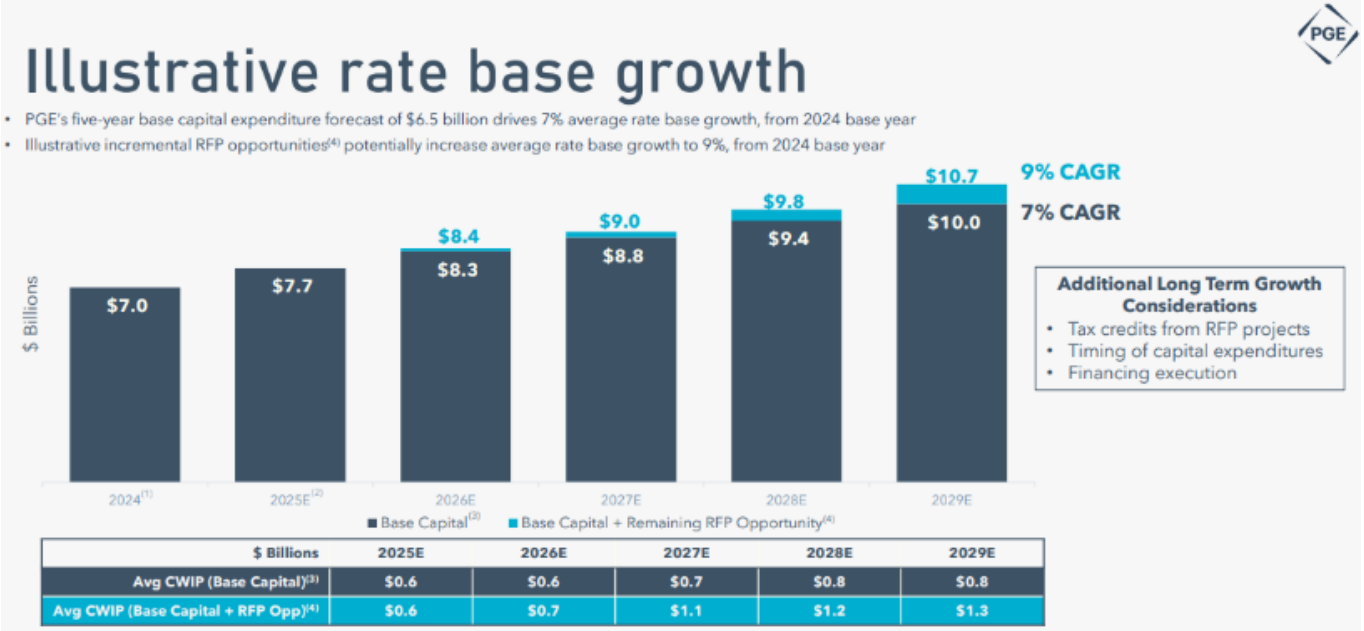
Note: Illustrative estimate based on 1000 kWh monthly usage

Looking Ahead: PGE potential system investments

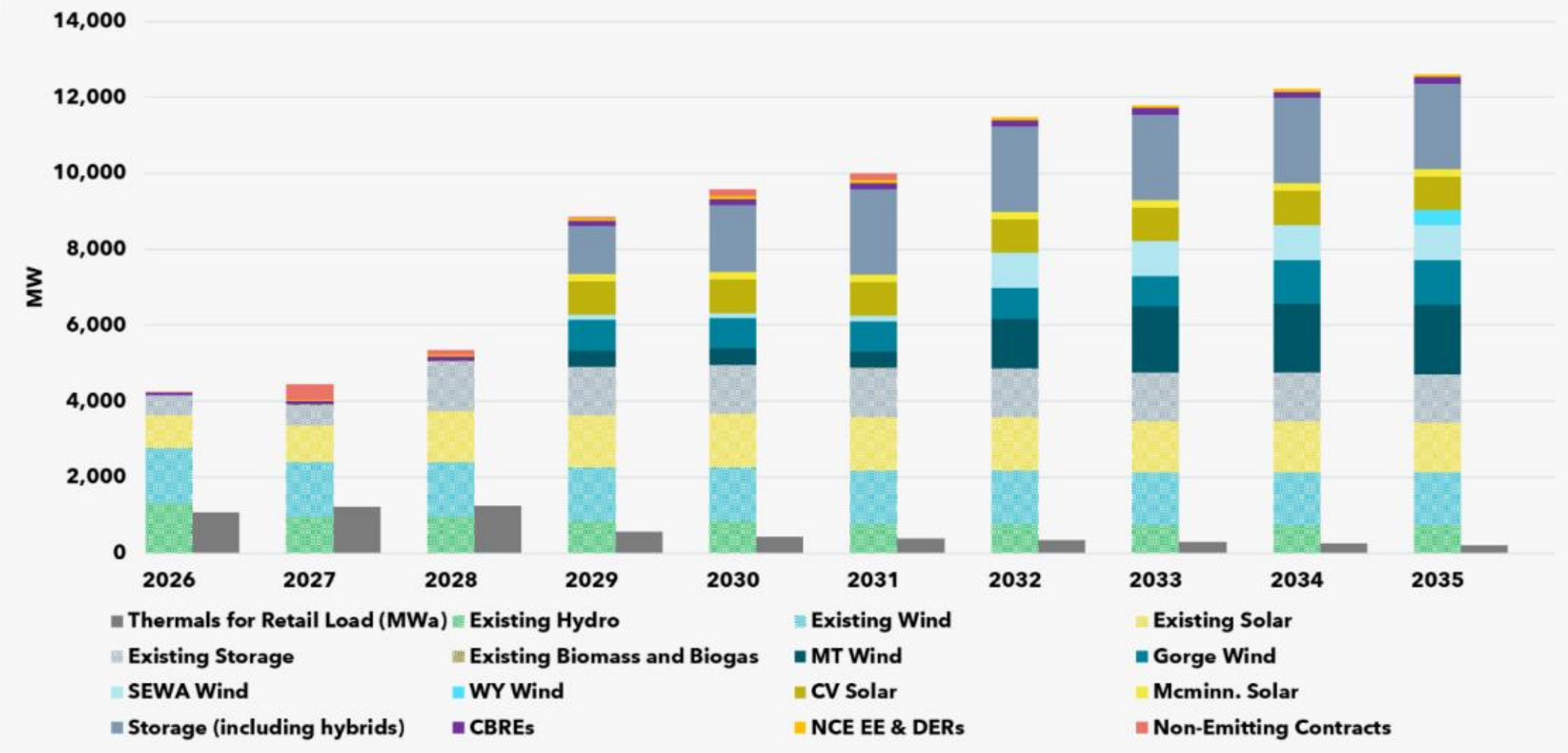
Sources:

- [October 31, 2025 PGE Investor Presentation]
- [February 14, 2025 PGE Investor Presentation]





Looking Ahead: PGE Clean Energy Plan



- Source: [PGE 2023 CEP/IRP Update Chapter 6]

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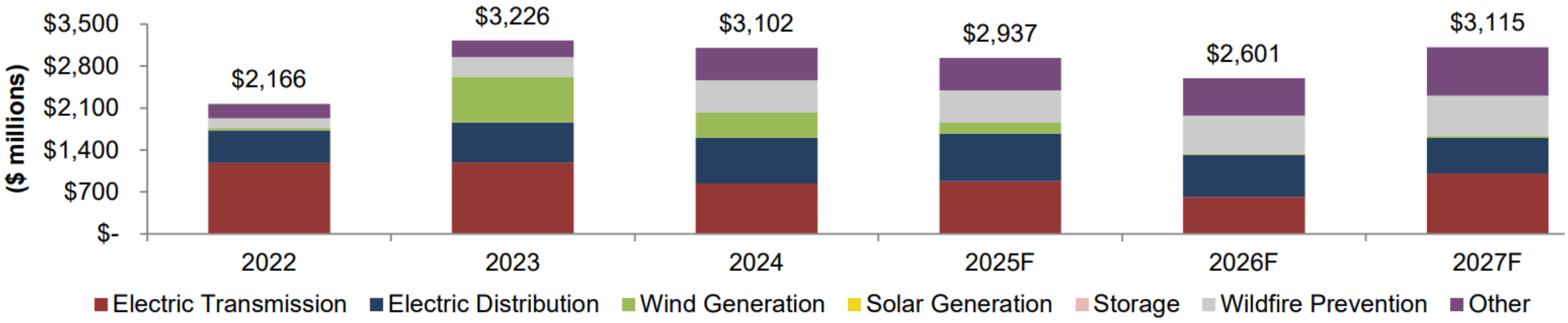
Looking Ahead: PacifiCorp System Investment Trends

Capex by Type *($ millions)*	Current Plan 2025-2027	Prior Plan 2025-2027
Electric Transmission	$ 2,504	$ 3,080
Electric Distribution	2,082	2,124
Wildfire Prevention	1,845	1,821
Wind Generation	238	239
Solar Generation	6	6
Other	1,978	2,091
Total	**$ 8,653**	**$ 9,361**



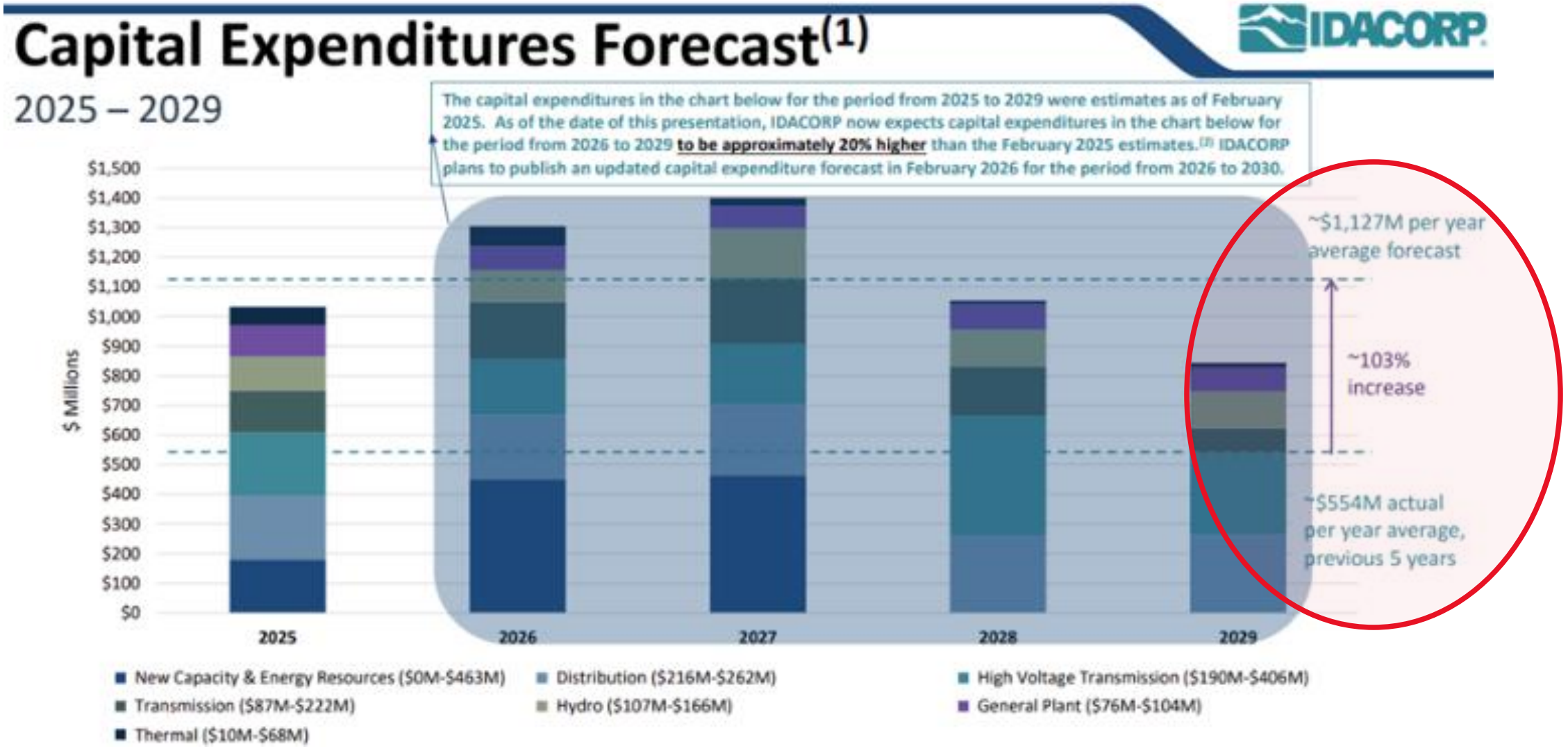
Source: [BHE 2025 Fixed-Income Investor Conference]

Looking Ahead: PacifiCorp Oregon CEP

25 CEP Preferred Portfolio OR Shares by Resource Type and Year, Installed MW																					
Resource	Installed Capacity, MW																				
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	Total
Nuclear	-	-	-	-	-	-	-	130	-	-	-	-	-	-	-	-	-	-	-	-	-	130
Renewable Peaking	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DSM - Energy Efficiency	-	-	97	101	107	114	115	110	114	108	109	111	110	105	102	117	122	107	114	92	89	2,045
DSM - Demand Response	-	-	-	48	15	7	-	5	1	3	3	11	-	12	4	23	4	-	9	-	8	153
Renewable - Wind	-	-	-	11	140	1,650	165	128	172	74	-	1	1	-	-	-	-	-	-	-	150	2,491
Renewable - Utility Solar	-	-	-	2	-	414	-	-	-	91	231	243	266	265	257	245	-	-	33	104	-	2,152
Renewable - Small Scale Solar	-	-	-	-	-	275	-	14	19	18	26	27	29	62	-	23	257	154	84	18	26	1,032
Renewable - Battery, < 8 hour	-	-	-	185	1	428	-	-	35	-	25	75	137	145	114	400	180	266	241	-	-	2,231
Renewable - Battery, 24+ hour	-	-	-	-	-	286	-	-	-	8	-	2	-	-	-	823	-	5	128	176	175	1,603

Source: PacifiCorp 2025 Clean Energy Plan Table 25

Looking Ahead: Idaho Power



Source: https://s26.q4cdn.com/720254477/files/doc_presentations/2025-12-IDACORP-Investor-Outreach.pdf IDACORP Dec 2025 Investor Outreach.

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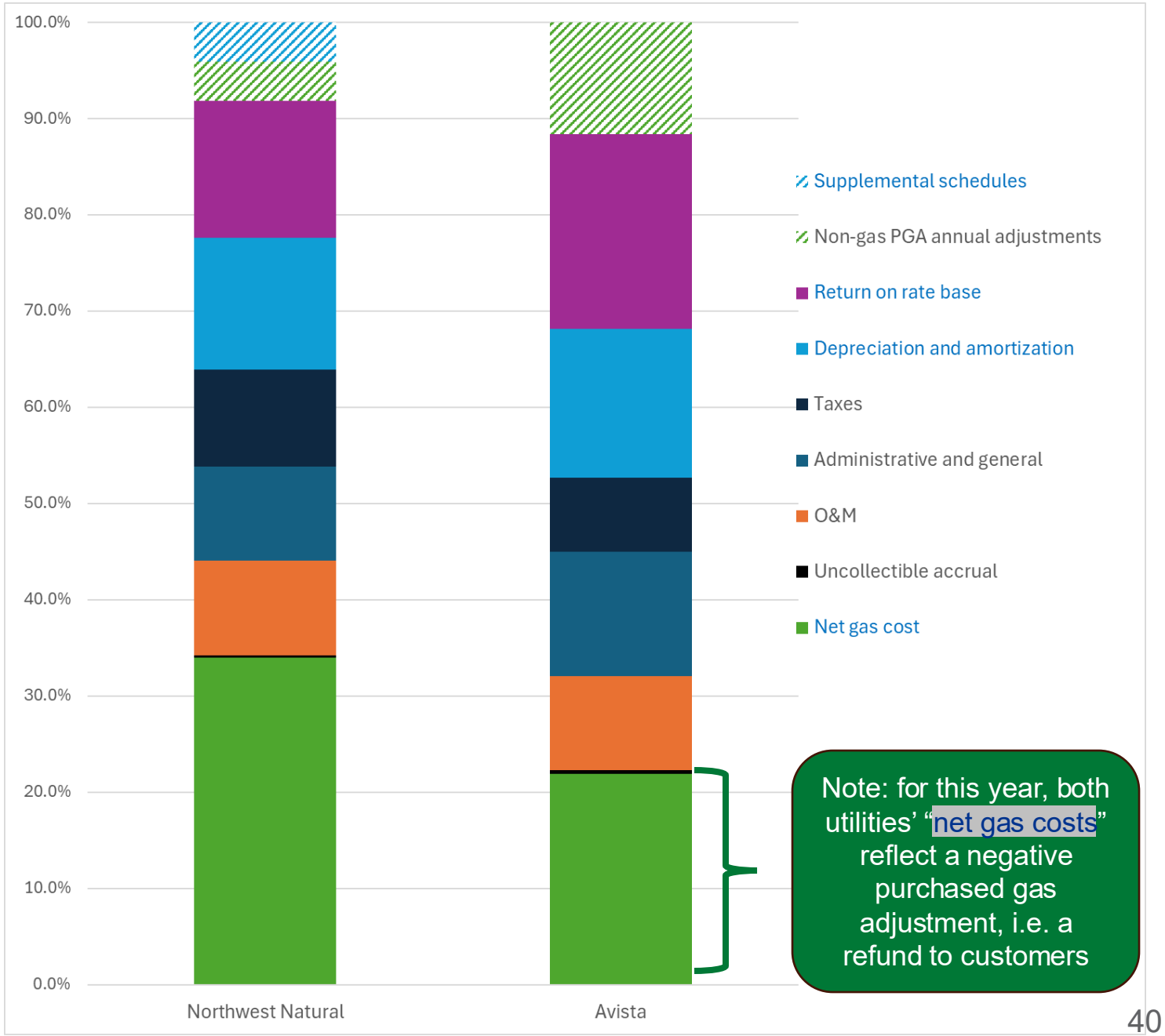
Gas Utilities

NWN and Avista 2025 Authorized Revenue

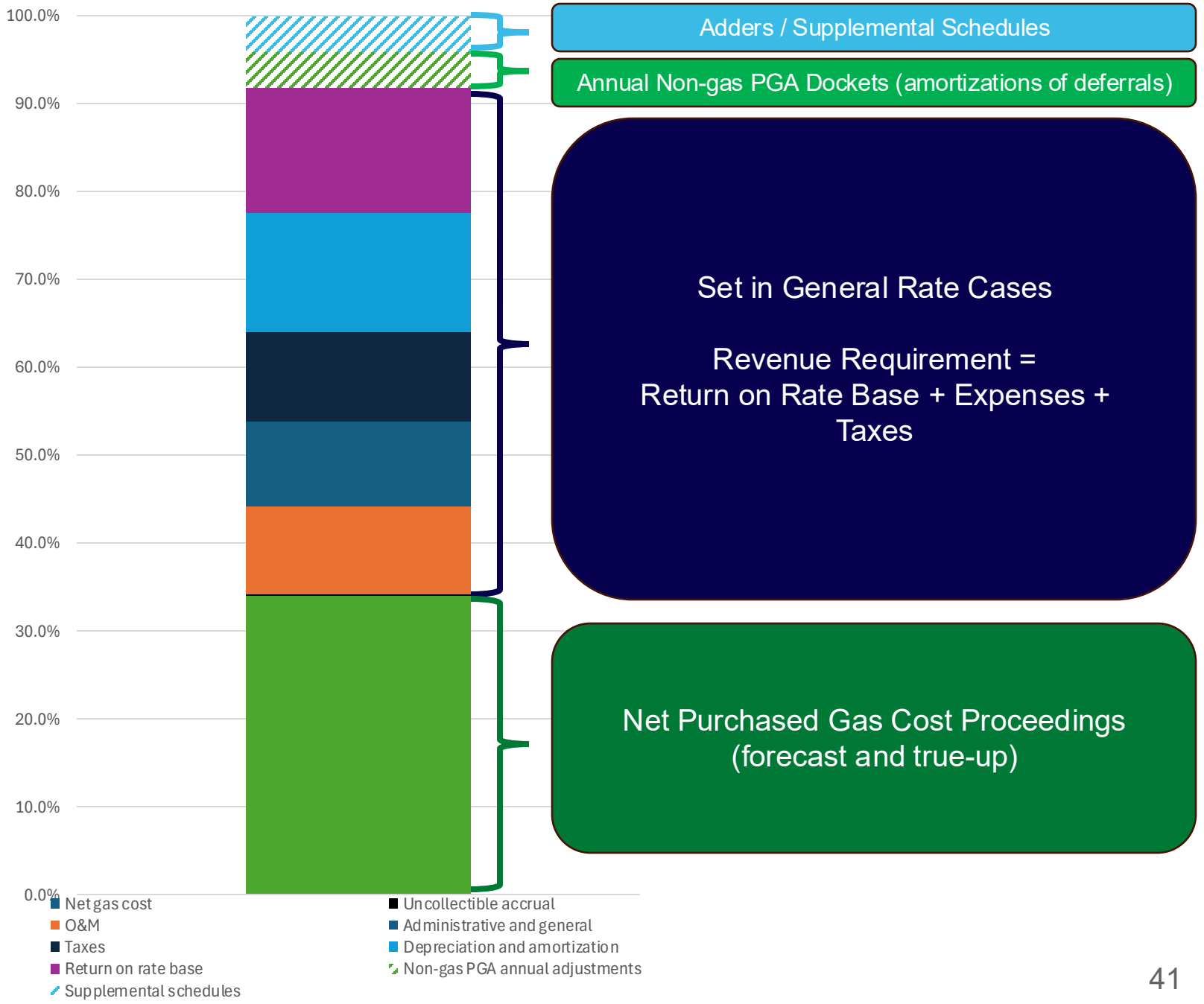
Component percentages of Northwest Natural and Avista authorized revenue, 2025



How NG Rates Are Set (Simplified)

- Using Northwest Natural authorized revenue for illustrative purposes

Chart: Component percentages of Northwest Natural authorized revenue, 2025

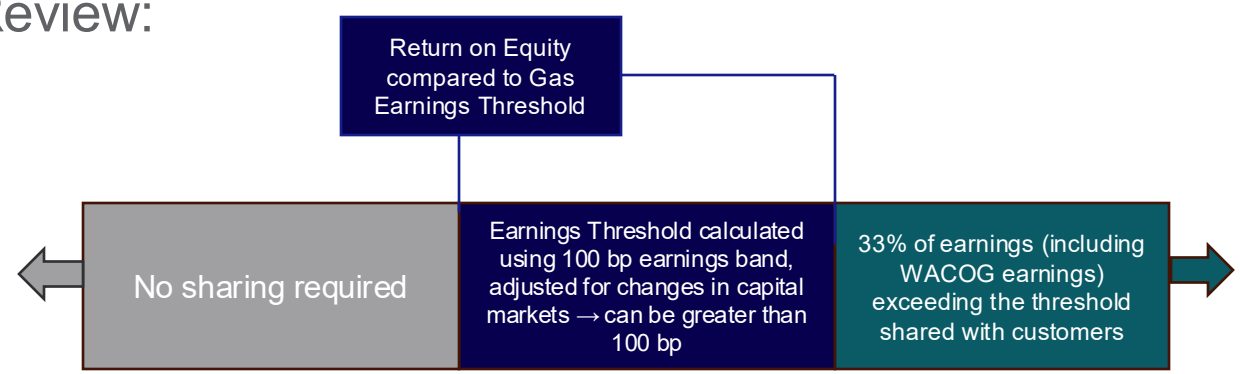


Purchased Gas Adjustment and Spring Earnings Review

- The PGA is designed to recover costs for gas purchases, passing through costs to customers
  - Two components:
    - ✓ Prospective reset of base gas costs (Commodity and Pipeline Capacity components)
    - ✓ Retroactive true-up for differences between actual and base costs

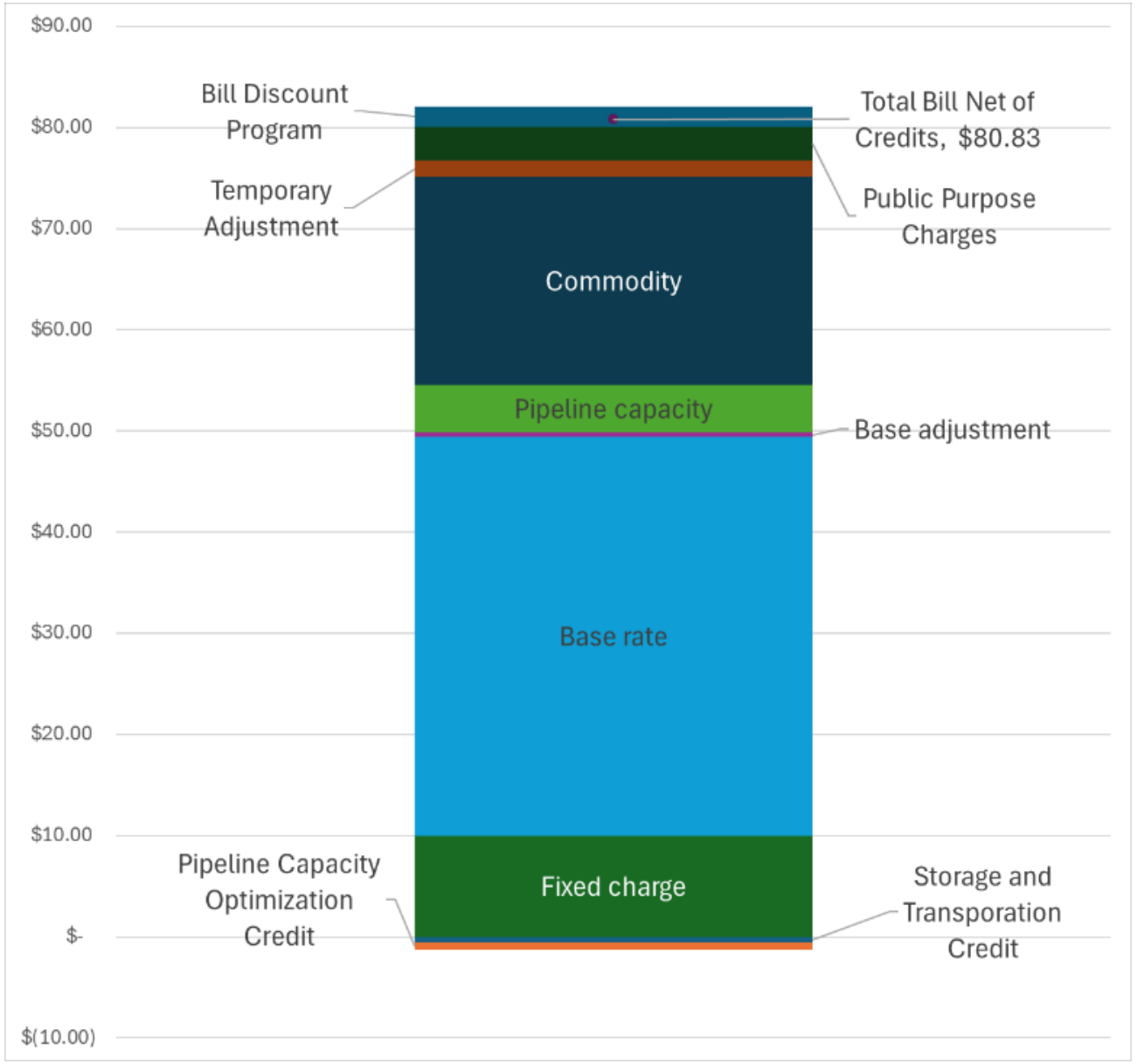
NWN and Avista currently have 90/10 sharing of Weighted Average Cost of Gas (WACOG) variance (90% customers, 10% utility)

- Gas utilities with a PGA are also subject to a Spring Earnings Review:



Illustrative 2025 Residential Natural Gas Customer Monthly Bill

- Using Northwest Natural Schedule 2 for illustrative purposes



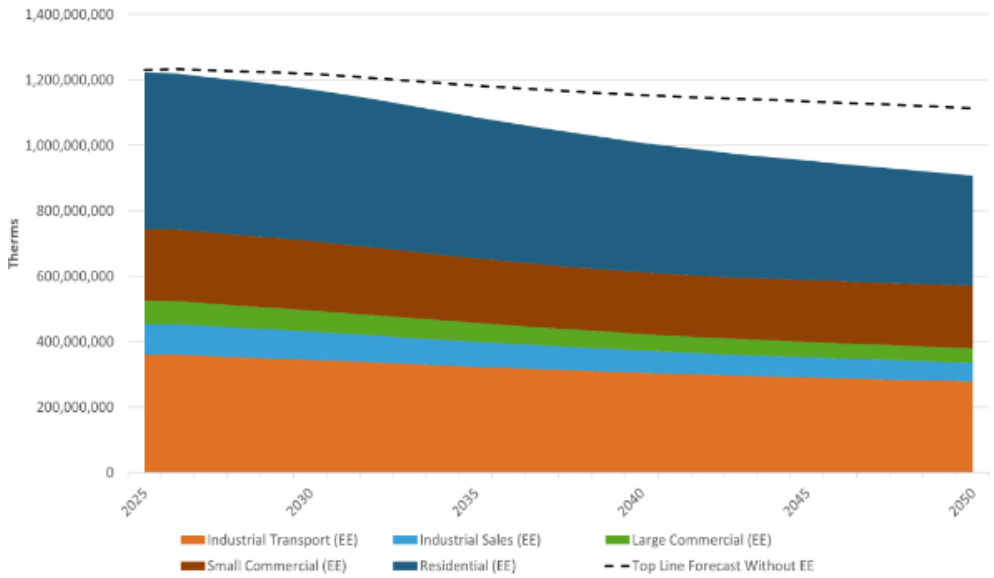
Note: Illustrative estimate based on 47 therms monthly usage

Looking Ahead: NWN Forecast and Future Resource Stack

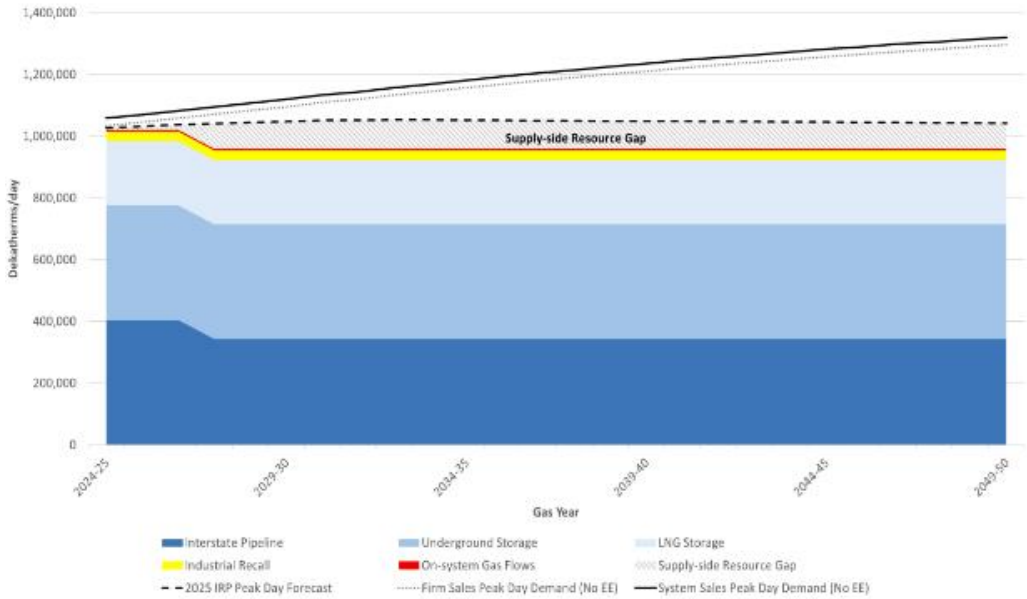
Source:

- [September 2025 OPUC Public Meeting on IRP LC-86]

Forecast Annual System Load

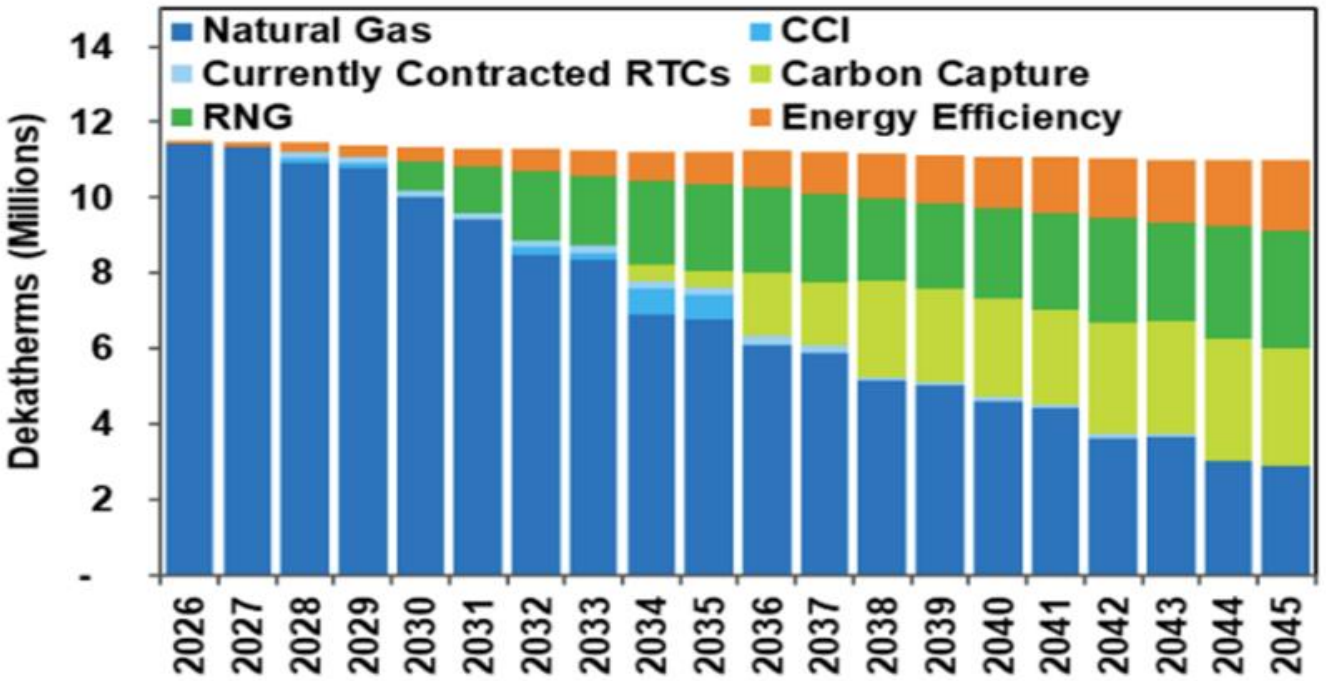


2025 IRP Resource Stack



Looking Ahead: Avista

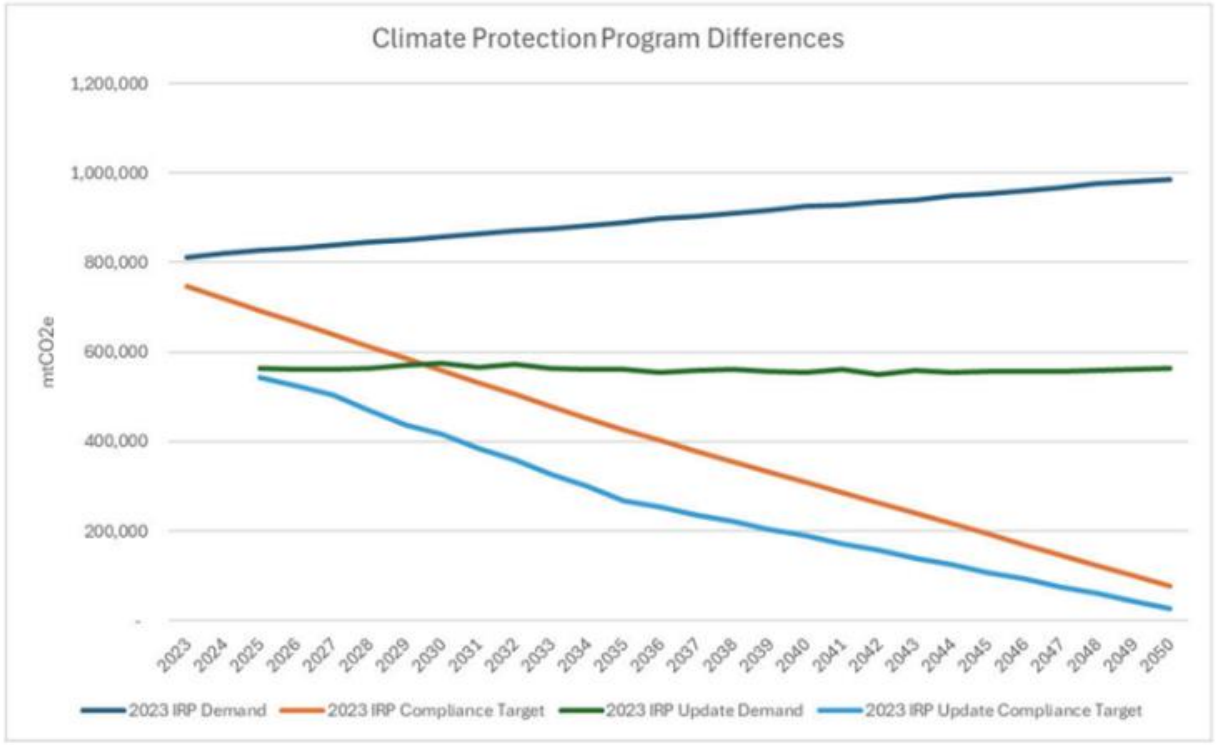
Figure 5: Oregon Preferred Resource Strategy



Avista 2025 Natural Gas Integrated Resource Plan Update, April 2025.
https://edocs.puc.state.or.us/efdocs/HAQ/lc81haq335811026.pdf

Looking Ahead: Cascade

Figure 8: Climate Protect Program Differences



"In the 2023 IRP, Cascade anticipated 0.86% annual growth in usage after DSM throughout the planning horizon and in the IRP update, Cascade anticipates growth will be relatively flat at 0.03% growth."

Demand and compliance targets in Oregon under the Climate Protection Program. Cascade 2023 IRP Update, May 2025. https://edocs.puc.state.or.us/efdocs/HAH/lc83hah337142055.pdf

Summary

- Rate cases, power/gas costs and true-up proceedings, other revenue adjustment requests, and other schedules, adders, and automatic adjustment clauses collectively represent a meaningful administrative workload for OPUC staff and others.
- Electric utilities' rates are generally comprised of:
  - Adders / supplemental schedules: 5-8%
  - Base rates: ~60%
  - ✓ Power costs: ~33%
- Gas utilities' rates are generally comprised of:
  - ✓ Adders / supplemental schedules: 8-12%
  - Base rates: 58-66%
  - ✓ Gas costs: 22-34%
- Going forward:
  - Electric utilities expect significant capital investments over the next 3 to 6 years.
  - Gas utilities are exploring flat or reduced load over 20 to 30 years in part due to state policies.

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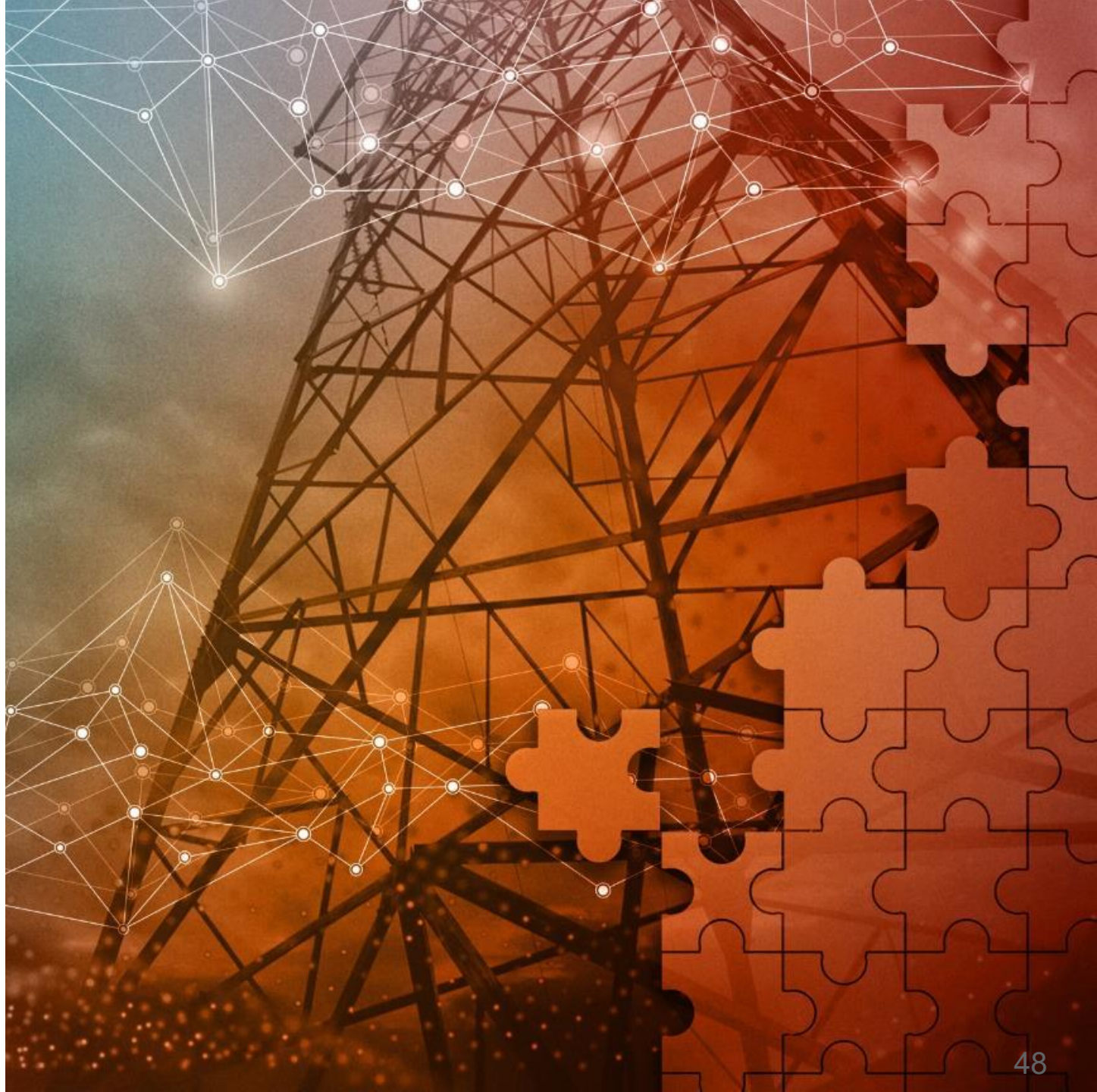
Thank you



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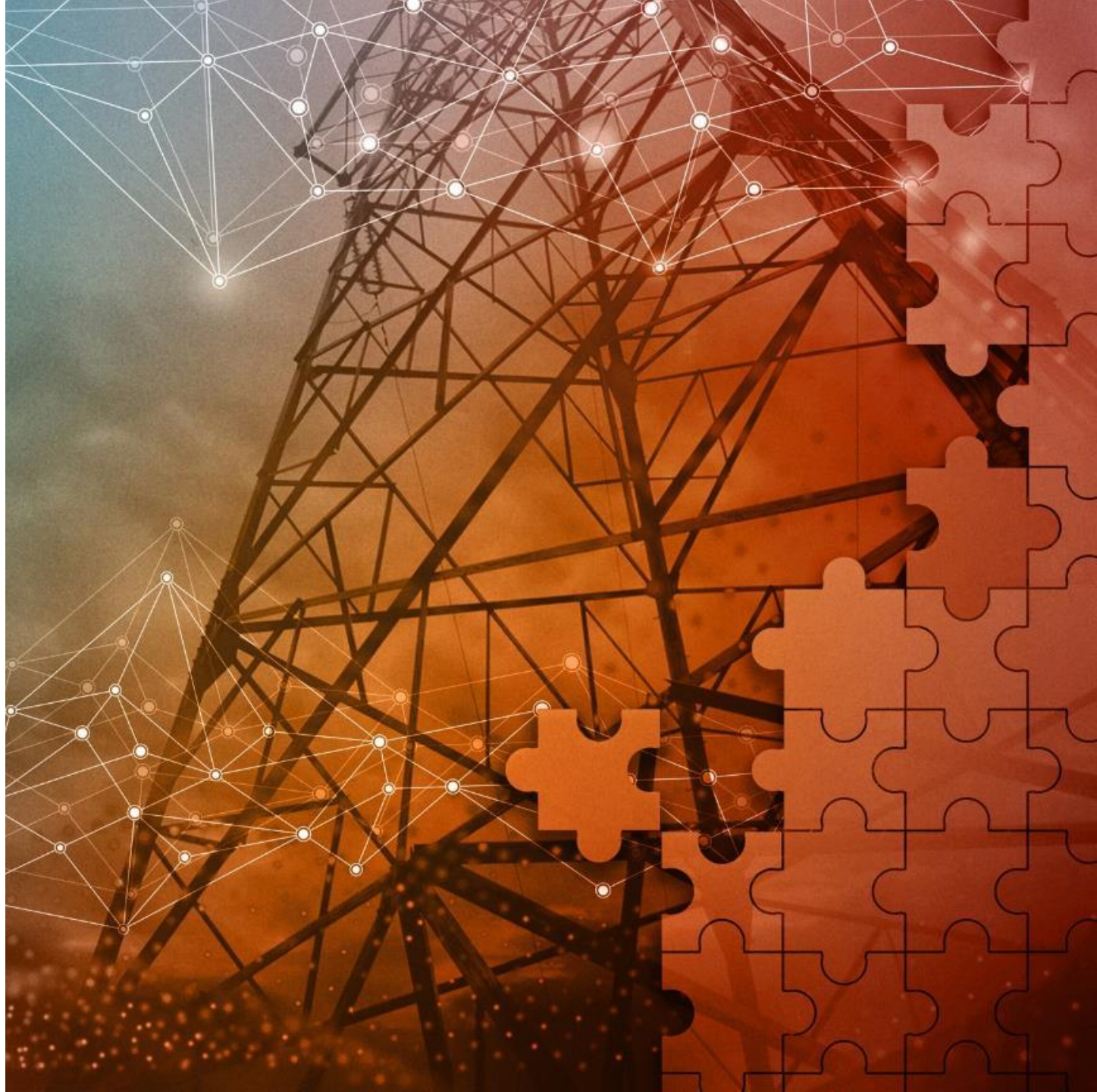
Appendix



U.S. DEPARTMENT of ENERGY BATTELLE

PNNL is operated by Battelle for the U.S. Department of Energy

Nomenclature – 1/3

Note: Definitions included here are not necessarily the same definitions as may be used in Oregon statute or rule for the same or a similar term. These definitions have been compiled by PNNL from multiple sources, some of which are cited below.

- **Adders:** a fee, surcharge, or adjustment to energy prices that recovers a specific cost that is not otherwise recovered through base rates.
- **Alternative Rate Mechanism (ARM):** a mechanism to adjust rates that diverges from the traditional, retroactive rate-setting that occurs through rate cases. One use of ARMs is to reduce the time between a utility's investment and cost recovery.
- **Amortization:** the recovery over time of an investment in intangible plant. For example, a payment to a city for entering into a franchise agreement, or the investment in an abandoned power plant that no longer provides service, but for which the regulator has determined cost recovery is appropriate.*
- **Authorized Revenue:** the total amount of money approved by regulators that a utility is authorized to collect from customers. In this analysis, it is being used to mean the total of revenue requirement set in rate cases, plus the net power/gas costs and any supplemental schedules or adders.
- **Automatic Adjustment Clause:** a mechanism that allows for cost recovery outside of a general rate case process. These are typically governed by formulas and rules that are separately evaluated. Historically, these dealt with specific factors that have effects on costs and the company's bottom line and are beyond the control of the utility.
- **Base Rates:** represents the costs that are core to providing service to customers, as determined through a general rate case. Typically consists of the non-power/fuel expenses, such as labor, the return on capital investment, depreciation expense, taxes, and other fees.
- **Cost allocation**: one of the major steps in the regulatory process for setting utility rates where regulators determine how to equitably divide the revenue requirement among several broadly defined classes of ratepayers.
- **Cost effectiveness tests**: Cost-benefit tests are used to determine the cost efficacy of different energy resources to ensure utility customer investments benefit customers, utility systems, and society.
- **Cost of service regulation**: an approach for determining a fair price for electric service that uses aggregate costs for providing each class of service (e.g. residential, commercial, industrial). Prices are set to recover those costs, plus a reasonable return on the invested capital portion of those costs.

Nomenclature – 2/3

- **Decoupling and Decoupling Adjustment:** a regulatory mechanism that separates a utility's collected revenue from its energy sold, ensuring that the authorized revenue requirement is recovered regardless of whether customers consume more or less energy.
- **Depreciation expense:** the recovery over time of a capital investment in a tangible plant that provides service. The return *of* capital (different from the return *on* capital) to the utility's investors over time, as the capital asset is used.*
- **Distributed Energy Resources, or DERs**: Energy resources located on the distribution system, including solar, wind, battery storage, energy efficiency and demand response.
- **Earnings Test**: a mechanism for assessing a utility's overall earnings as compared to an expected level of earnings and using that information to determine whether cost recovery or refunds to customers are appropriate.
- **Gold Plating:** A regulated utility investing more in capital infrastructure than is strictly necessary for the grid's performance or improving customer outcomes.
- **Hosting capacity**: The amount of distributed generation (or demand) that can be added to the distribution system before control changes or system upgrades are required to keep the system safe and reliable and to add more resources
- **Integrated resource plans**: Electricity system planning documents that include a roadmap to meet forecasted energy demand using both supply and demand side resources in the least cost and risk manner.
- **Investor-owned utility**: a utility owned by shareholders or other for-profit owners. A majority of US electricity customers are served by IOUs.
- **Net gas costs:** the net cost of gas supply, including the forecasted costs for the following year and the true-up that results from the PGA calculation described below.
- **Net Variable Power Cost:** the projected cost of the power needed to serve customers for the year ahead, including the cost for utilities to generate its own energy and predicted cost to buy supplemental energy from the wholesale power market.
- **Power Cost Adjustment:** a mechanism to recognize in rates part of the difference for a given year between the actual net variable power costs and the forecasted net variable power costs. The mechanism consists of a deadband, within which no adjustment to rates is made, and a power cost variance amount which dictates the sharing of costs between customers and the utility. The recovery from or refund to customers through the PCA is subject to an earnings review.
- **Prudence:** a regulatory determination by commissions to assess whether a utility project has been completed or implemented as proposed, according to sound management practices, and at a reasonable cost and with reasonable care.
- **Purchased Gas Adjustment:** annual rate mechanism that allows natural gas utilities to pass through the actual costs of buying and transporting natural gas to customers without markup. It accounts for the difference between forecast costs and actual costs and may result in a credit in cases where costs were lower than forecast.

Nomenclature – 3/3

- **Rate base**: the net investment of a utility in property that is used to serve the public. Typically, consists of the original cost net of depreciation, adjusted by working capital, deferred taxes, and various regulatory assets.
- **Rate case**: a formal proceeding, usually before a regulatory commission, involving expert testimony, discovery and briefing, and taking anywhere from 6 to 13 months, principally involving the rates and revenues of a public utility.
- **Rate design:** structure of prices for each component of rates for each class of customers, which are calculated to produce the revenue requirement.
- **Rate of return**: the level of return (profit) that a utility can collect from ratepayers for each source of capital funding the utility receives. Different sources of capital funding have different rates of return. The overall rate of return is calculated by using the weighted average of the cost of debt and common equity within the utility's capital structure.
- **Restructured or deregulated:** Replacement of the traditional vertically integrated utility with some form of competitive market. In some cases, transmission and generation components are purchased by the customer-serving distribution utility in a wholesale competitive market. In others, retail customers are allowed to choose their generation suppliers in a competitive market.
- **Revenue requirement**: the annual revenues that the utility needs to collect to cover its costs, including a return of and on its investment, given an expected level of demand for energy. It is the sum of operation and maintenance expenses, depreciation, taxes, and a return on rate base and often modified by adjustments.
- **Supplemental Schedules:** in this context, this generally means the same thing as an "adder."
- **Used and Useful:** In general, used means that the facility is actually providing service, and useful means that without the facility, either costs would be higher or the quality of service would be lower. However, each state has its own regulatory history that determines what is meant by this term.
- **Vertically integrated:** A utility that owns its own generating plants, transmission system, and distribution lines, providing all aspects of electric service.

Sources for these definitions include the following:

Lazar, J. (2016). *Electricity Regulation in the US: A Guide, Second Edition*. Montpelier, VT: The Regulatory Assistance Project. https://www.raponline.org/wp-content/uploads/2023/09/rap-lazar-electricity-regulation-US-june-2016.pdf

Lazar, J., Chernick, P., Marcus, W., and LeBel, M. (Ed.). (2020, January). Electric cost allocation for a new era: A manual. Montpelier, VT: Regulatory Assistance Project. https://www.raponline.org/wp-content/uploads/2023/09/rap-lazar-chernick-marcus-lebel-electric-cost-allocation-new-era-2020-january.pdf

Slide Map - Introduction

1. [Title Slide] Oregon's Existing Utility Rates and Related Mechanisms
2. DOE funding acknowledgement
3. Presentation scope
4. Presentation summary points
5. Rate case timeline showing recent increase in simultaneous rate cases

Slide Map - Electric Utilities

6. [Title Slide] Electric Utilities
7. Timeline of major utility filings, showing how different mechanisms overlap, using one utility as an illustration
8. Timeline of major utility filings, narrowing in on 2022-2024, to show the inclusion of “Advice Filings” overlapping with other mechanisms, using one utility as an illustration
9. Hypothetical 5-year schedule of major rate-related filings
10. Electric utility cost driver breakdown, using two utilities to illustrate the types of costs that construct authorized revenue
11. Electric utility authorized revenue broken down by regulatory or rate-setting mechanism
12. Description of power cost mechanism deadband and sharing
13. Illustrative residential customer monthly bill, assuming customer consumes 1000 kWh
14. PGE forecasted investments by type
15. Summary of 2023 PGE Clean Energy Plan
16. PAC forecasted investments by type
17. Summary of PAC Clean Energy Plan
18. Idaho Power Company forecasted cost drivers

Slide Map – Gas Utilities

19. [Title Slide] Gas Utilities
20. Gas utility cost driver breakdown, using two utilities to illustrate the types of costs that construct authorized revenue
21. Gas utility authorized revenue broken down by regulatory or rate-setting mechanism
22. Description of the Purchased Gas Adjustment (PGA) and Spring Earnings Review
23. Illustrative residential customer monthly bill, assuming customer consumes 47 therms
24. Northwest Natural forecasted system load and cost drivers
25. Avista forecasted cost drivers
26. Cascade Natural Gas forecasted cost drivers

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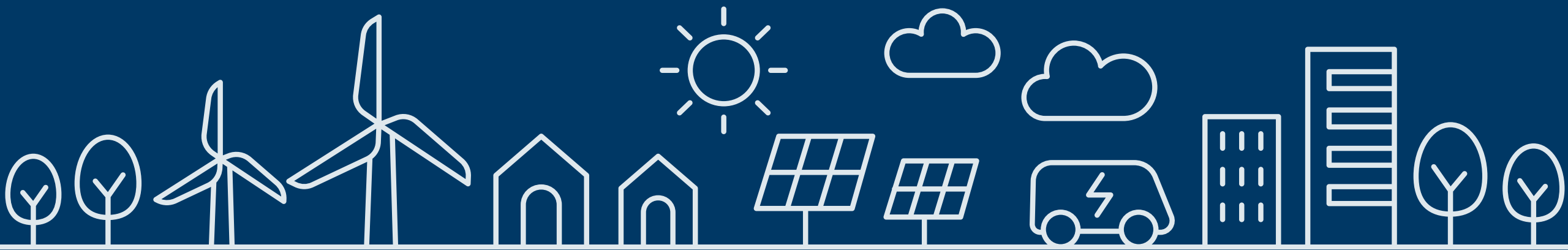
Clarifying Questions



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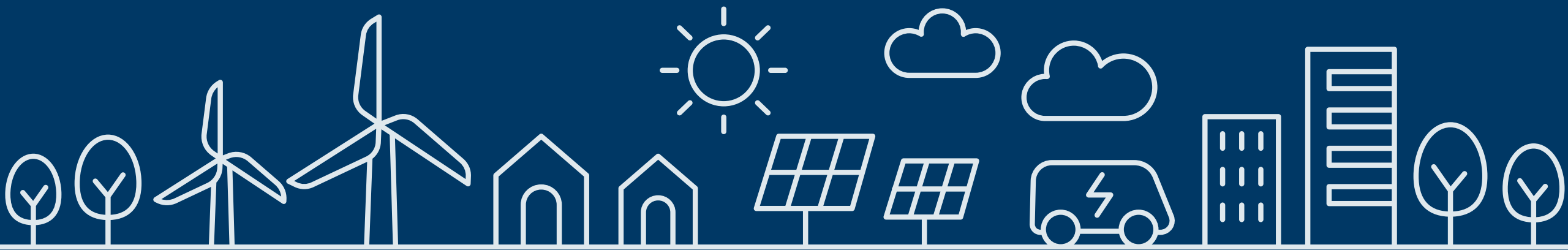
BREAK

Return at 3:10 pm PT



Breakout Sessions:
Evaluating Oregon's Current Ratemaking Framework

Room 1

Affordable, high-value service

- Affordability *
- **Reduced disconnections ***
- Customer service
- Customer trust
- **Reduced energy burden**
- **Support for vulnerable and low-income customers ***
- Plain language, translated, and regular communications
- **Cost containment**

Room 2

Predictable and efficient regulatory system

- Procedural equity
- **Reduced administrative burden**
- **Stagger rate increases**
- **Reduced rate case frequency**
- **Rate transparency**
- **Narrow and clear tracking mechanisms**
- Standardization in the rate setting and rate case process
- **Smooth and predictable rates and bills**
- **Consolidated rate-setting process**
- **Reduced single-issue ratemaking**
- **Alignment between forecasts and expenses**

Room 3

Clean energy development

- GHG emission reductions *
- DER expansion *
- **Energy efficiency ***
- Electrification
- Low-carbon fuels
- Community solar expansion *
- Microgrid expansion *
- Demand response expansion *

High-performing utility business

- Strategic and efficient capital investment
- **Efficient utility operations ***
- Asset utilization
- **Increased productivity**
- **Safety**
- **Reliability ***
- **Resilience ***
- Financial health
- **Fair earning opportunity**
- Planning
- Interconnection
- **Investments in policy goals**

Asterisk (*): Outcomes identified in SB 688

Bold: Outcomes listed by three or more stakeholders in scoping survey

Room 4

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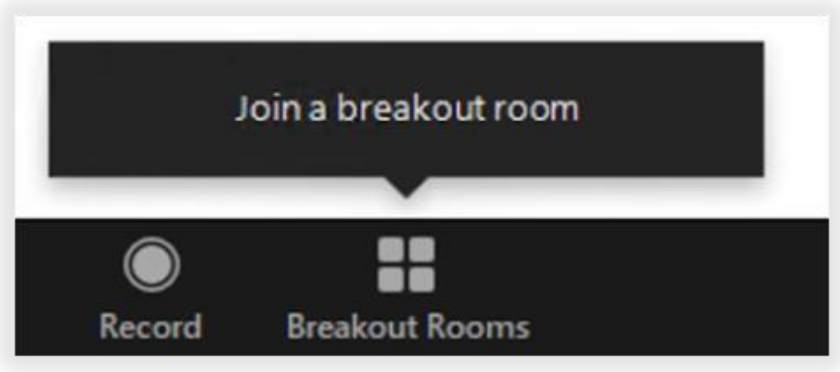
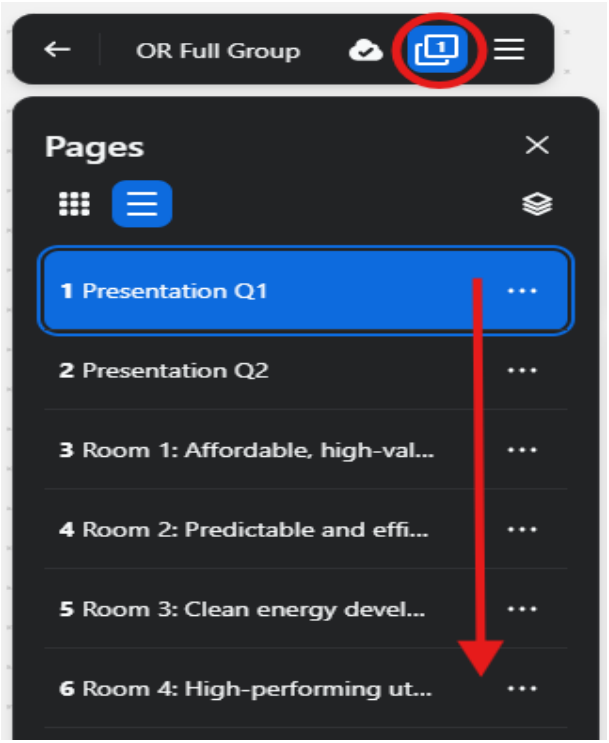
Breakout Sessions: Evaluating Oregon's Current Ratemaking Framework



Select one breakout room based on the following goals:

- **Room 1:** Affordable, high-value service
- **Room 2:** Predictable and efficient regulatory system
- **Room 3:** Clean energy development
- **Room 4:** High-performing utility business



Consider the following for a given goal:

1. Which aspects of Oregon's existing regulatory framework help incentivize alignment with this goal?
2. What aspects of Oregon's existing ratemaking framework could be adjusted/evolved to improve alignment with this goal?

Participants will have the option to switch to a second room after 20 minutes.

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Breakout Sessions: Evaluating Oregon's Current Ratemaking Framework

- Key takeaways from each room
  - **Room 1:** Affordable, high-value service
  - **Room 2:** Predictable and efficient regulatory system
  - **Room 3:** Clean energy development
  - **Room 4:** High-performing utility business

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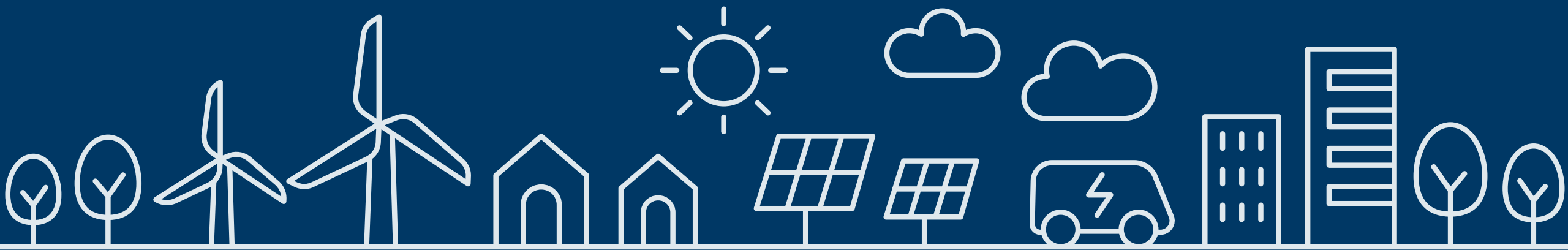
Wrap-Up and Next Steps



Wrap-Up and Next Steps

- Next workshop topic: Exploration of MYP and PBR design for Oregon **(early April)**
- Final remarks from Staff

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Thank you!

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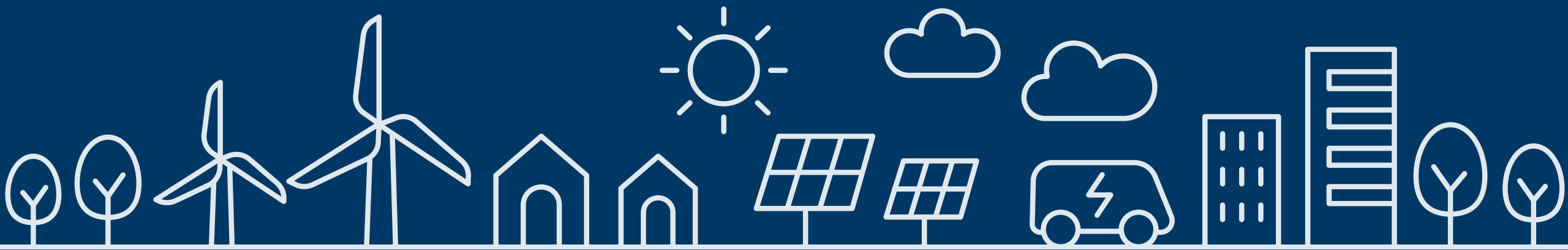
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