ITEM NO. CA11

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 28, 2026

REGULAR ____ **CONSENT** X **EFFECTIVE DATE** May 1, 2026

DATE: April 20, 2026

TO: Public Utility Commission

FROM: Ryan Bain

THROUGH: Scott Gibbens and Curtis Dlouhy **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC COMPANY,
PACIFIC POWER COMPANY, and
IDAHO POWER COMPANY:
(Docket Nos. UM 1728, 1729, 1730)
Staff's Motion for Waiver of May 1, 2026 Avoided Cost Price Updates.

STAFF RECOMMENDATION:

Waive OAR 860-029-0085(4)(a) requirement to file annual update to standard avoided costs on May 1, 2026, for Portland General Electric Company (PGE), Pacific Power Company (PacifiCorp or PAC), and Idaho Power Company (IPC).

DISCUSSION:

Issue

Whether the Commission should waive PGE, PAC, and IPC's May 1, 2026, updates to standard avoided cost rates.

Applicable Orders and Rules

ORS 758.525(1) provides that "at least once every two years each electric utility shall prepare, publish and file with the Public Utility Commission a schedule of avoided costs equaling the utility's forecasted incremental cost of electric resources over at least the next 20 years. Prices contained in the schedules filed by public utilities shall be reviewed and approved by the commission."

OAR 860-029-0085(4)(a) Requires that on May 1 of each year, a public utility must file with the Commission updates to its standard avoided cost rates to reflect updated natural gas prices, on- and off-peak forward-looking electricity market prices, changes to the production tax credit, and any other actions or changes that are acknowledged by the Commission upon review of an IRP Update and that are relevant to the calculation of avoided costs. OAR 860-029-0085(4)(b) provides that "[i]n the event a utility's integrated resource plan is acknowledged within 60 days of May 1 in a particular year, the utility may seek a waiver of either the May 1 update or the post IRP-acknowledgement filing."

OAR 860-029-0005(3) provides that the Commission may waive any of the Division 29 rules for good cause shown upon request or its own motion.

Analysis

Background
On January 23, 2026, the Commission adopted a new methodology for calculating PURPA avoided cost standard rates, through Order No. 26-021, ordering Oregon's three Investor Owned Utilities (IOUs) to "file revised avoided cost rates in accordance with the decisions made in this order within 120 days."[1] The date of compliance with the Commission's order falls on May 23, 2026, just three weeks after the May 1 annual avoided cost updates required by OAR 860-029-0085(4)(a). Were both May 1 updates and Order No. 26-021 compliance updates to occur in May 2026, stakeholders would be tasked with reviewing two sets of avoided cost updates for all three electric IOUs. This would reduce administrative efficiency, duplicate efforts, and serve to provide dubious benefit given the short duration for which May 1 updated rates may be available.

Notably, the Commission's rules specifically allow a utility to seek a waiver of the requirement to file a May 1 update when a utility's integrated resource plan is acknowledged within 60 days of May 1 in a particular year[.]" The circumstances presented now are similar to those presented when a utility is faced with filing both avoided cost prices post-IRP and the May 1 update in the same 60 day period. OAR 860-029-0005(3) allows the Commission to waive any Division 29 rules for good cause shown upon its own motion. Staff asks the Commission to waive the OAR 860-029-0085(4)(a) requirement to file a May 1 annual update to standard avoided costs to minimize the administrative burden on Staff, utilities, and stakeholders.

[1] Order No. 26-021, pg 44.

Conclusion

Consistent with ORS 860-029-0005(3), Staff recommends that the Commission waive PGE, PAC, and IPC's requirement under OAR 860-029-0085(4)(a) to provide May 1, 2026, updates to standard avoided cost rates.

PROPOSED COMMISSION MOTION:

Waive OAR 860-029-0085(4)(a) for PGE, PAC, and IPC for May 1, 2026.

CA11 - UM 1728, 1729, 1730