ITEM NO. RA2

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

REGULAR X **CONSENT** ____ **EFFECTIVE DATE** N/A

DATE: April 20, 2026

TO: Public Utility Commission

FROM: Peter Kernan

THROUGH: Caroline Moore, Nora Xu, and Sarah Hall **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2141)
Community Based Renewable Energy Shortlist.

STAFF RECOMMENDATION:

Acknowledge Portland General Electric's (PGE) Community Based Renewable Energy Shortlist (CBRE) and the expanded shortlist described in this public meeting memorandum;

Deny PGE's proposal to include its Community Based Renewable Energy pilot in its Flexible Load Multi-Year Plan; and

Direct PGE to:

A. Report on progress of procurement and operation of CBRE resources in its Flexible Load Multiyear Plan.
B. Begin additional CBRE resource procurement, including testing new procurement strategies, prior to results of the 2026 IRP.

DISCUSSION:

Issue

Whether to approve Portland General Electric's proposal to include a new CBRE pilot program in its Flexible Load Multi-Year Plan and whether to acknowledge PGE's Community Based Renewable Energy Shortlist and adopt Staff's proposed direction to PGE.

Applicable Rule or Law

House Bill 2021 established Oregon's clean energy planning framework for large electric utilities. ORS 469A.415 requires electric companies to file Clean Energy Plans (CEP), examining costs and opportunities of offsetting energy generated from fossil fuels with CBRE as part of an affordable, reliable, and clean electric system.

ORS 469A.400 defines "community-based renewable energy" (CBRE) as one or more renewable energy system that interconnect to utility distribution or transmission assets and may be combined with microgrids, storage systems, demand response measures, or energy-related infrastructure that promotes climate resiliency or similar measures, and that either provide a direct benefit to a particular community through a community-benefits agreement or specified community ownership, or result in increased resiliency or community stability, local jobs, economic development, or direct energy cost savings to families and small businesses.

ORS 469A.210 establishes that community-based renewable energy projects are an essential element of Oregon's energy future and requires that 10 percent of an electric company's aggregate electrical capacity be composed of electricity generation from small-scale renewables, less than 20 MW, by 2030.

In UM 2225, the Commission provided guidance that each utility's first CEP should establish quantitative, annual acquisition targets for CBREs and include a discussion of procurement actions that the utility will take to meet the targets.[1] In March 2026, the Commission adopted permanent IRP/CEP rules that require targets for community-based resources and other customer-sited and distributed resources and an explanation of enabling strategies to achieve those targets.[2]

Order No. 22-390 also directed utilities to report on their plans to comply with the State's goal for community-based renewable energy projects in ORS 469A.210, explain how CBRE targets align with that strategy, and discuss acquisition targets and actions in the Action Plan window to reach those targets.[3]

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1 In the Matter of the Public Utility Commission of Oregon, Near-term guidance on roadmap acknowledgement and community lens analysis for the first Clean Energy Plans, Docket No. UM 2225, Order No. 22-390 at 26 (Oct. 25, 2022). https://apps.puc.state.or.us/orders/2022ords/22-390.pdf.

2 In the Matter of the Public Utility Commission of Oregon, Rulemaking to Amend Integrated Resource Plan Guidelines and Competitive Bidding Rules, Docket No. AR 669, Order No. 26-085 (March 19, 2026). https://apps.puc.state.or.us/orders/2026ords/26-085.pdf; OAR 860-090-0100(7), OAR 860-090-0060(10)(b) and (d).

3 *See* Order No. 22-390 at 28.

In Docket No. LC 80, the Commission acknowledged PGE's CBRE action item, stating that only RFPs or other procurement strategies could illuminate whether actual CBRE eligibility and costs are similar to IRP assumptions, and directed PGE to pursue the broader range of procurement actions identified in Docket No. LC 80.[4] The Commission also directed PGE to include a small-scale renewable resource compliance assessment stating the projected SSR compliance position and the actions the Company plans to take to fill SSR shortfalls in the next IRP/CEP.[5]

In Order No. 25-074, the Commission approved PGE's 2025-2026 Flexible Load Multiyear Plan.[6]

On October 6, 2025, Governor Kotek issued Executive Order 25-25, with a specific directive to the PUC, "To the extent practicable, accelerate Request for Proposal timelines and support expedited public utility procurement of clean energy resources."[7]

Analysis

PGE Request
PGE requests that the Commission approve PGE's proposal to include a CBRE pilot in its Flexible Load Multi-Year Plan. The Commission approved PGE's current 2025-2026 Multi-Year Plan (MYP) and budget in Order No. 25-074. The 2025-2026 MYP included three programs and four pilots and a two-year portfolio budget of $34.32 million.[8] By requesting approval to include the CBRE pilot in its Flexible Load MYP, Staff assumes PGE requests approval of an expanded MYP budget.

Staff appreciates PGE's efforts to proactively pursue CBRE resources and values the learnings surfaced about CBRE acquisition approaches. Staff supports the short list selection, but, as explained below, does not believe that pursuit of these resources requires a pilot program.

Background
In Docket No. LC 80, PGE's 2023 IRP/CEP, the Company identified 155 megawatts (MW) of CBRE potential by 2030, including 50 MW of solar, 100 MW of microgrids

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4 *In the Matter of Portland General Electric Company, 2023 Integrated Resource Plan,* Docket No. LC 80, Order No. 24-096 at 19 (Apr 18, 2024). https://apps.puc.state.or.us/orders/2024ords/24-096.pdf.
5 See Order No. 24-096, Appendix A at 43.
6 *In the Matter of Portland General Electric Company,* Flexible Load Plan, Docket No. UM 2141, Order No. 25-074 (February 19, 2025).
7 See Executive Order No. 25-25 (Oct. 6, 2026), https://www.oregon.gov/gov/eo/eo-25-25.pdf.
8 Order No. 24-074.

(solar and storage), and 5 MW of in-conduit hydro.[9] All 155 MW of CBRE potential were included in the least-cost, least-risk preferred portfolio.[10] PGE highlighted the following key finding of IRP analysis.

> Significant transmission constraints drive a greater role for customer-sited resources, including demand response and energy efficiency, and community-based renewable energy resources in this CEP/IRP…. PGE establishes a target for CBRE resources of 155 MW by 2030 with plans to pursue at least 66 MW by 2026.[11]

PGE's Action Plan included an item (CBRE Action) to issue a request for proposals for all available and qualifying CBRE resources, with a target of 66 MW by 2026.

In Order No. 24-096, the Commission acknowledged PGE's CBRE Action subject to the condition that PGE "pursue the broader range of procurement actions that it identified in comments in this docket."[12] The Commission also noted that acknowledgement of the CBRE acquisition was, "based on IRP analysis quantitatively demonstrating that an achievable level of CBRE's was a cost-competitive alternative to distant resources accessed by new transmission."[13]

CBRE Request for Offers (RFO)
PGE issued the CBRE RFO in November 2024 to procure community-scale renewable energy projects under 20 MW. The RFO was designed with three bid phases to advance viable projects as they were received, and to provide flexibility for projects to revise initial bids. Bids were evaluated on three components: a minimum technical screening; community benefits scoring by the Community Benefits and Impacts Advisory Group (CBIAG); and an economic evaluation.

The CBIAG's primary role was to determine whether projects provided sufficient community benefits to be considered a CBRE resource. The CBIAG scored projects along the following criteria: planning/milestones; community partnership; financing community ownership; other benefits; and a yes/no determination of whether projects met the standard of a CBRE. To pass the CBIAG review, a project had to receive "yes" CBRE determination from a majority of the reviewers.

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9 *See* Docket No. LC 80, PGE 2023 Clean Energy Plan and Integrated Resource Plan (2023 IRP/CEP) at 176 – 181, (Mar. 31, 2023).
10 *See* PGE 2023 IRP/CEP at 326.
11 *See* PGE 2023 IRP/CEP, at 5.
12 *See* Order No. 24-096, at 19.
13 *See* Order No. 24-096, at 19.

The RFO included three notable requirements that influenced the types of projects submitted:

1. Dispatchable capacity: The RFO required dispatchable capacity paired with a renewable energy component either co-located or virtually paired. Stand-alone solar or in-conduit hydro without storage were not eligible resources.
2. Interconnection requests submitted not completed: To provide additional flexibility, PGE only required interconnection requests be submitted at the time of bid submission. The interconnection process could proceed concurrently with bid evaluation.
3. Resources visible and controllable: For resources over 1 MW, the RFO required advanced telemetry to ensure CBRE resources were visible and controllable by PGE's grid operations. Staff understands this requirement was eased for certain resources to reduce costs.

CBRE RFO Results

PGE reported that seven bidders submitted a total of 22 unique bid options totaling 43.7 MW of solar and 72.9 MW of battery storage. At the time PGE submitted this filing, only 12.95 MW of solar and 52.96 MW of battery storage were available from bidders due to either disqualification for failing to meet minimum requirements or due to results of interconnection study.

The bids include both physically co-located and virtually paired solar and storage resources. Two projects are co-located solar and storage to establish microgrids, one at a food bank and another at a fire station. One project includes rooftop solar on commercial and industrial roofs. Other projects include ground mount systems. All projects are considered "on-system" and are geographically dispersed across PGE's service territory. Projects are located in **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]**

The initial shortlist, a subset of all bids, included ten solar bids representing 34.95 MW at a weighted average price of **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** per megawatt-hour (MWh), below the IRP modeled price of $114.26/MWh. The initial shortlist included 11 battery storage bids representing 52.69 MW at a weighted average cost of **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** per kilowatt-month (kW-mo), below the $22.86/kW-mo

IRP modeled price. Table 1 details the nameplate capacity and bid price for each project.[14]

[BEGIN HIGHLY CONFIDENTIAL]
Table 1: Initial Shortlist

Project Bid #	Solar Nameplate Capacity (MW)	Solar Price ($/MWh)	Battery Storage Nameplate Capacity (MW)	Battery Storage Price ($/kW-mo)
320	2.48	[redacted]	0.883	[redacted]
325	2.48	[redacted]	0.883	[redacted]
301	0.1	[redacted]	0.25	[redacted]
330	0.04	[redacted]	0.5	[redacted]
405	19.99	[redacted]	19.99	[redacted]
401	2	[redacted]	17.5	[redacted]
310	1.56	[redacted]	4.99	[redacted]
315	3.6	[redacted]	4.99	[redacted]
230	2.7	[redacted]	2.7	[redacted]
Weighted Average	**34.95**	[redacted]	**52.686**	[redacted]

[END HIGHLY CONFIDENTIAL]

PGE's Proposed Shortlist Resources
PGE proposes to advance six solar projects and eight battery storage projects from five different bidders. The cumulative nameplate capacity of the shortlist is 48.7 MW, with 8.7 MW from solar resources and 40 MW of battery storage capacity. Table 2 summarizes the shortlist.

[BEGIN HIGHLY CONFIDENTIAL]
Table 2: CBRE RFO Shortlist Summary

CBRE Resource	# of Projects	Nameplate Capacity (MW)	Weighted Average Price	IRP Modeled Price	Units
Solar	6	8.7	[redacted]	$114.26	$/MWh
BESS	8	40.0	[redacted]	$22.86	$/kW-mo

[END HIGHLY CONFIDENTIAL]

[14] Some projects included multiple storage resources. Table 1 sums the capacity and averages the price for those resources.

Community Benefits
The CBIAG scored 11 bids across the three rounds, including three updated bids that sought to improve their scores. All active projects met the CBRE standard after Round 3 evaluations. PGE highlighted the following community benefits from each of the bid packages that the CBIAG determined met the CBRE standard:

> No. 1: CBRE_401 and CBRE_405: Oregon Tradeswoman workforce development program + community benefits program at Bonneville Environmental Foundation
>
> No. 2 (tie): CBRE_301: Small microgrid at Food Bank providing resiliency and financial benefits via lease payment
>
> No. 2 (tie): CBRE_320: Weatherization of pre-manufactured homes occupied by low-income seniors
>
> No. 2 (tie): CBRE_325: Habitat restoration to reduce contaminated drinking water risk + improve one of few public green spaces
>
> No. 5: CBRE_315: Partnership with Bonneville Environmental Foundation to support Science, Technology, Engineering, and Mathematics (STEM) environmental education and workforce development programs in Portland
>
> No. 6: CBRE_330: Small microgrid at fire department providing resiliency to first responders
>
> No. 7: CBRE_230: Community outreach to establish partnerships

The process surfaced a range of valuable community benefits value streams, which align with Staff's focus areas for small-scale resource procurement: system/flexibility benefits, resilience benefits, direct community and targeted energy burden benefits. There are two microgrids, with resiliency benefits that apply directly to those facilities and the general public that relies on their services. In both cases, a food bank and a fire station, there is a clear public beneficiary of those facilities. Other shortlist projects deliver money from PPAs and SCAs to fund community initiatives from habitat restoration to weatherization to workforce development.

A group of stakeholders provided comments to PGE and Staff on April 16, 2026.[15] The stakeholder group noted that bidders lacked clarity on the types of community benefits required for a successful bid. Thus, these stakeholders requested, with CBIAG

[15] The group included the Green Energy institute, NW Energy Coalition, Climate Solutions, Multnomah County Office of Sustainability, City of Portland Bureau of Planning and Sustainability, City of Tualatin, City of Hillsboro, and Oregon Solar + Storage Industries Association.

approval, that PGE provide an unredacted version of the CBIAG project evaluations to drive additional learnings and illuminate best practices for future bids.

Staff recognizes that community benefits are an evolving area of focus and agree that additional clarity and minimum expectations can help bidders be more successful in the future. In addition, alternative procurement efforts, such as collaborative engagements with local governments and community organizations can build in community benefit from the start.

Staff appreciates the CBIAG's efforts to validate the community benefits of proposed projects and encourages PGE to set clear, minimum expectations in future procurements. Staff is reliant on the CBIAG's review here to justify that each project meets the standard of a CBRE, and Staff concurs that each project on the shortlist demonstrates sufficient community benefit for this inaugural procurement.

Rate Impacts

For compensation, each solar bid on the shortlist proposed a power purchase agreement (PPA) and each battery storage bid requested a storage capacity agreement (SCA). When all resources are online, Staff anticipates the annual cost to be around $10.36 million. Were CBRE shortlist costs assumed to be additional, the upper bound of the rate impact would be 0.314 percent, not accounting for any benefits or considering displaced energy or capacity needs.

Staff also compared the CBRE shortlist to current marginal resources, as reported in UM 2274, PGE's 2023 All-Source Request for Proposals (RFP) results. PGE reported an average final shortlist price of $101.48/MWh for renewable resources and $15.25/kW-mo for non-emitting dispatchable resources.[16] Staff estimates that the incremental cost of these CBRE resources to be $1.3 million, or an estimated 0.041 percent increase. Table 3 summarizes Staff's analysis.

[16] *See* Docket No. UM 2274, *PGE 2023 All-Source Request for Proposals Result Publication,* (March 31, 2026), https://edocs.puc.state.or.us/efdocs/HAD/um2274had345020028.pdf.

Table 3: Staff's Rate Impact Analysis Summary[17]

Annual Cost	$10,363,244	Full cost for PPAs and capacity contracts
Annual Incremental Cost	$1,340,667	Incremental cost above current marginal resources[18]
Simple Rate Impact	0.314%	
Incremental Rate Impact	0.041%	

Staff also conducted a back of the envelope rate impact assessment for the entire shortlist of 34.95 MW of solar resources and 52.69 MW of battery storage. If PGE were to successfully procure the entire initial shortlist of resources, the annual power cost would be around $19.55 million. The simple rate impact before considering benefits or avoided costs would be 0.59 percent and the incremental rate impact would be $3.1 million or 0.093 percent.

Pilot Proposal

PGE proposes to conduct the CBRE RFO shortlist procurement and initial operation as a pilot activity within the Company's Flexible Load Multiyear Plan (MYP). PGE highlights that the Flexible Load MYP is an appropriate oversight venue for a pilot program, with structures for reporting and stakeholder engagement. PGE notes that the MYP can be a vehicle for highlighting RFO outcomes and enable lessons learned to be applied to future planning efforts. PGE mentions that the Company has already communicated lessons learned into IRP Roundtable discussion with stakeholders.

PGE also notes that the CBRE shortlist is intentionally narrow and exploratory and should be viewed as a targeted test of whether new procurement pathways can deliver system and community value and inform future procurement. To that effect, PGE states that valuation of CBRE resources more closely aligns with avoided cost methodologies of flexible load procurement than utility-scale IRP proxy resources.

PGE's proposal includes ongoing administrative and operational costs associated with operating the CBRE pilot, which would be updated in greater detail in future MYP filings. PGE notes that costs could include Staff time to track, analyze and report on CBRE projects and to control the battery for the virtual power plant (VPP). The Company also notes communications costs and technology costs to see and control VPP resources.

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17 Staff used a recent rate base figure from a Docket No. ADV 1847 workpaper. ADV 1847 was approved by the Commission on April 1, 2026. See https://edocs.puc.state.or.us/efdocs/UBF/adv1847ubf344994168.pdf.

18 See Docket No. UM 2274, *PGE 2023 All-Source Request for Proposals (RFP) Result Publication,* (March 31, 2026), https://edocs.puc.state.or.us/efdocs/HAD/um2274had345020028.pdf.

Findings and Learnings

Cost-effectiveness

PGE presents a cost-effective CBRE shortlist aligned with 2023 IRP analysis and modeling. The proposed shortlist resources are, on average, **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** percent less expensive than PGE's modeling assumptions, **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** percent less for solar and **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** percent less for storage. The CBRE RFO effectively answered the Commission's assertion in Order No. 24-096, that "only RFPs and other procurement strategies can illuminate whether actual CBRE eligibility and costs are similar to the assumptions in PGE's IRP analysis."[19]

In addition, Staff appreciates PGE's flexibility and efforts to work with bidders to improve bids and meet the cost requirements. PGE informed Staff that several bids came in above the modeled price for either the solar or storage component, but below the modeled price for the other component. PGE provided such projects an opportunity to rebalance those PPA and SCA prices to meet the IRP modeling prices. Staff highlights this as an important learning that many community based projects might be able to meet pricing requirements with utility guidance and clarity. Staff imagines future CBRE projects where local governments or community organizations might even bring other funding (such as grants) to the table to further reduce rate impacts.

Staff also observed that multiple additional resources not on the shortlist were lower cost than the IRP assumption. The solar bids for CBREs 405 and 401 were at or below the IRP modeling assumptions and represent another 21.99 MW of capacity. The storage bid for CBRE 230 was also below the IRP assumption, representing another 2.7 MW of capacity. In addition, projects at a range of sizes were below IRP modeling assumptions, showing that both relatively small and large SSRs could be cost-effective.

While Staff discusses the rate impact in this memo, such an impact must be interpreted as the balance of near-term and long-term costs. PGE's 2023 IRP/CEP selected 155 MW of CBREs in the preferred portfolio due to their availability in the near-term and their avoidance of off-system resources and the requisite transmission build. The Commission acknowledgement of PGE's CBRE Action was, "based on IRP analysis quantitatively demonstrating that an achievable level of CBREs was a cost-competitive alternative to distant resources accessed by new transmission."[20]

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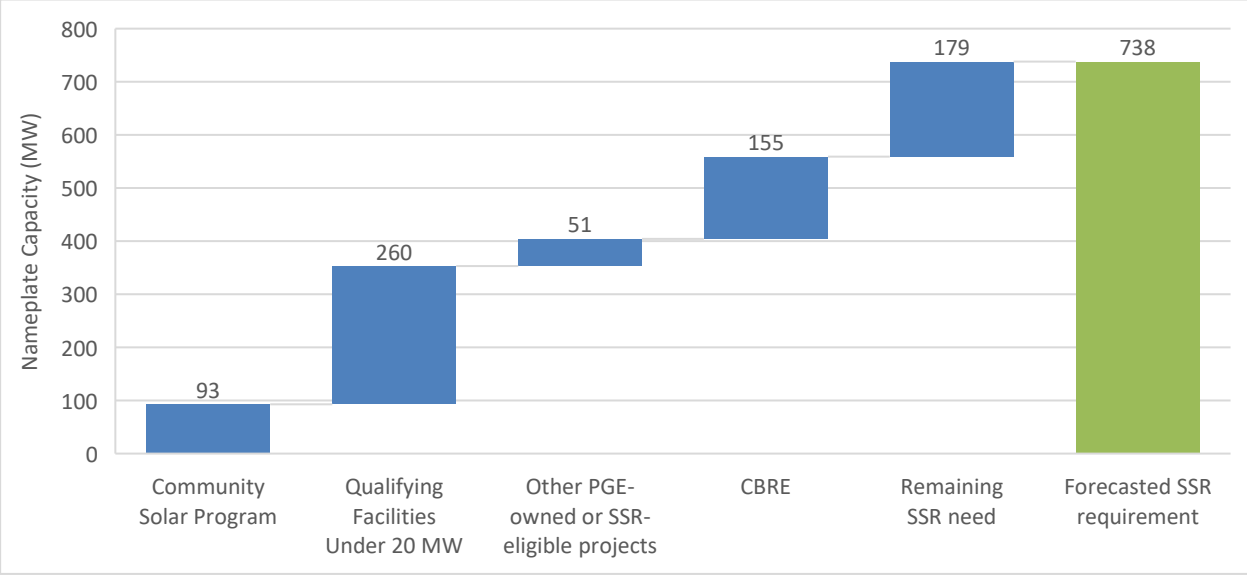
19 See Order No. 24-096 at 19.
20 See Order No. 24-096 at 19.

Small Scale Renewable Requirement

In PGE's 2023 IRP Update, the Company forecasts a 2030 need for 738 MW of SSR resources. The Company reiterated the role of the 155 MW of CBRE resources in meeting its requirements and emphasized the importance of community benefits. The Company wrote, "PGE believes incremental SSR procurement should only be pursued to the extent SSRs provide unique community benefits aligned with the CBRE acquisition pathway."[21]

Staff notes that the draft rules under consideration in Docket No. AR 674,would result in the CBRE RFO containing only 8.7 MW of resources that contribute to the 10 percent SSR requirement.[22] Based on data provided by PGE in the 2023 IRP/CEP Update and represented in Figure 1, PGE will need an additional 146.3 MW of CBREs plus another 179 MW of remaining need that the Company has not yet provided procurement plans.

Figure 1: PGE's Forecasted 2030 SSR Compliance Position from 2023 IRP/CEP Update[23]



21 See Docket No. LC 80, *PGE's 2023 Clean Energy Plan (CEP) and Integrated Resource Plan (IRP) Update* at 181 (June 18, 2025).https://edocs.puc.state.or.us/efdocs/HAD/lc80had337596113.pdf

22 *See* In the Matter *Division 91 Rulemaking Small Scale Renewable Energy Amendments,* AR 674, Order No. 25-434 at 5 (Oct. 28, 2025). https://edocs.puc.state.or.us/efdocs/HAU/ar674hau341053027.pdf

23 *See* PGE 2023 IRP/CEP Update at 168-170.

CBRE Resource Availability and Diversity
Staff is encouraged that PGE's CBRE RFO received bids representing nameplate capacities of 43.7 MW of solar and 72.9 MW of battery storage. Staff highlights that the RFO achieved these results despite the fact that dispatchable capacity was a bid requirement, and thus standalone solar bids were not allowed. Staff opines that more opportunity for standalone solar could result in a broader pool of clean energy and SSR eligible options with direct energy burden and community benefits due to the relative simplicity and familiarity of that technology.

Staff also appreciates PGE's openness to project diversity as reflected in multiple uncommon bids. Two bids on the shortlist are front-of-meter microgrids where PGE will retain operational control of the storage and microgrid controller for curtailment of the solar resource. Those two sites, a food bank and a fire station, will get the resiliency benefit of being able to operate their facility in the event of an outage. Another project on the shortlist will use commercial and industrial rooftops to site front-of-meter solar assets that will sell the generation to PGE in a PPA.

Staff seeks to highlight the relative cost-competitiveness of such resources and notes the vast potential of front-of-meter rooftop solar for future procurement with appropriate pathways that are clear about compensation and requisite community benefits.

Other CBRE Procurement Efforts
In Order No. 24-096, the Commission acknowledged PGE's CBRE Action subject to the condition that PGE "pursue the broader range of procurement actions that it identified in comments in this docket".[24] While Staff commends PGE for running a successful inaugural CBRE procurement, the Company has not reported meaningful progress in developing additional procurement actions.

PGE's proposed shortlist means the Company will not achieve 2023 IRP targets of 66 MW by 2026. Some of these CBRE's will not come online until 2027 or potentially later. In addition, the renewable energy generation portion of this procurement is only 8.7 MW, leaving a 146.3 MW gap for achieving the 2030 target of 155 MW.

In this filing, PGE does not propose any substantive next steps for future CBRE procurement beyond the shortlist from the RFO.

2026 IRP/CEP Impacts
At the February 2026 IRP Roundtable, PGE preliminarily decreased the 2030 forecast for CBRE potential from 155 MW to 60-75 MW based on the results of this CBRE

[24] *See* Order No. 24-096 at 19.

RFO.[25] However, Staff reiterates that this RFO was inherently limited in the types of resources that could be offered, while the 2023 IRP/CEP included 50 MW of standalone solar and 5 MW of in-conduit hydro as a cost-effective resources. Further, those quantities should not be interpreted as high-end limits. Based on their prices, PGE's 2023 IRP preferred portfolio likely would have procured more than 155 MW were additional CBRE resources to be available to the model. Therefore, Staff recommends PGE test multiple volumes of CBRE resources including the 155 MW initial target plus an additional 179 MW volume to represent the SSR gap by 2030. Were the 2026 IRP to select 334 MW of CBRE resources, it would send another clear planning signal.

In addition, PGE's Roundtable suggested that the only CBRE resource that would be available for selection in the 2026 IRP would be the "CBRE-microgrid", which is modeled as a solar plus storage resource. Staff finds that this decision would unnecessarily limit insight. The 2023 IRP's selection of standalone solar and in-conduit hydro suggest that energy resources without dispatchable capacity are also valuable to PGE's system. Artificially limiting which CBRE resources get modeled for selection would obscure valuable insights.

Finally, Staff believes the 2026 IRP should create more clarity around cost-effectiveness and pricing. The selection of CBRE resources in the 2023 IRP assumed certain prices that were used to score projects in this RFO. However, the transmission constraints combined with off-system marginal resource pricing likely confer a higher avoided cost. This dynamic has been noted by Staff and the Company in the past in Docket No. UM 1893, which reviewed avoided costs for PGE's 2023 IRP.[26] For these reasons, Staff recommends PGE model sensitivities around quantity, diversity, and pricing of CBRE resources in the 2026 IRP/CEP.

Staff Recommendations

1. Staff recommends the Commission acknowledge PGE's CBRE resources shortlist.

Staff's basis for this recommendation is from the findings that PGE presents a cost-effective shortlist aligned with the preferred portfolio in the 2023 IRP/CEP. Staff also

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[25] *See* PGE IRP Roundtable, February 24, 2026, p. 41, https://assets.ctfassets.net/416ywc1laqmd/oh36t62jePnaIYjHNBxl6/f6a66f2c61cad892f05b6eff5e1850f6/CEP_IRP_Roundtable_Feb_26-2.pdf.

[26] *See* In the Matter of Oregon Public Utility Commission Request for Approval of Energy Efficiency Avoided Cost Data to be Used by Energy Trust, UM 1893, Order No. 24-119 at 10 (May 2, 2024) ("PGE's 2023 IRP illuminated that other proxy resources, such as solar plus transmission from Nevada, are those that functionally set the avoided cost in the Company's modeling."). https://apps.puc.state.or.us/orders/2024ords/24-119.pdf.

highlights the importance of making progress toward SSR requirements and CBRE targets from the 2023 IRP/CEP. Failure to meet IRP CBRE procurement targets will result in higher cost resource acquisition.

Staff also highlights the timeliness of PGE's proposal to be responsive to Governor Kotek's Executive Order 25-25, to ensure renewable projects receive tax credits and to accelerate deployment of clean energy.

2. Staff also recommends the Commission acknowledge an expanded shortlist that includes the projects discussed above, representing an additional 21.9 MW.

Staff believes approving an expanded shortlist may encourage PGE's consideration of contract negotiations with additional solar CBRE bids below the IRP modeled price. Based on conversations with the Company, Staff understand that there are certain contingencies of grid upgrades required based on the results of interconnection studies. This could add cost or delay the commercial online date for remaining projects, which may have been factors in certain bids exclusion from the shortlist.

However, Staff highlights recent Commission guidance to consider reengaging these bidders. In Docket No. AR 683, Staff supported an Interstate Renewable Energy Coalition (IREC) proposal for utilities to perform studies to determine if limited operation of resources is possible while other utility system upgrades are occurring.[27] Staff is interested in whether the solar component of CBRE bid 405 at 19.99 MW could come online in a limited capacity prior to the system upgrades.

3. Staff recommends the Commission deny PGE's request for approval of a pilot program for CBRE procurement.

Staff believes a pilot is unnecessary. As noted above, PGE is required to acquire small resources under 20 MW and both the legislature and Commission have made clear that acquisition of CBRE is an important objective. The Commission's orders in previous proceedings that address or touch on CBRE have provided significant guidance to PGE regarding the acquisition of CBRE.

Further, Staff sees much of the learnings that PGE notes as features of the CBRE RFO are the results of the past two years running the RFO, not of a future pilot. As PGE notes, learnings are already being applied to future planning efforts. Procurement and integration of resources are expectations of PGE. Rather than investing in pilot design

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[27] *See* Order No. 26-108, *Temporary Interconnection Rules in Response to Executive Order 25-25 Adopted* at 12, (April 1, 2026). https://apps.puc.state.or.us/orders/2026ords/26-108.pdf.

and overhead, Staff believes the Company should initiate more procurement of additional CBRE resources.

Finally, PGE's pilot program proposal would result in incremental costs to customers. PGE's proposal includes projected administrative and operational costs that PGE would presumably seek to recover from ratepayers. However, PGE's base rates include administrative and operational costs. As part of a broader initiative, Staff seeks to reduce the number of single-issue cost recovery proposals.

Staff agrees with the Company that the Annual Power Cost Update Tariff (AUT) is the most appropriate venue for cost recovery for the PPAs. Staff notes that PGE will have opportunity to file the forecasted PPA costs with the July 15, 2026 MONET Update in Docket No. UE 465.

4. In addition, Staff recommends that the Commission direct PGE to:

A. Report on progress of procurement and operation of CBRE resources in its Flexible Load MYP.

Despite Staff's recommendation against a pilot, Staff maintains expectations that PGE will report progress of procurement and operation of the resources. Staff agrees with PGE that the Flexible Load MYP, with its more-recent focus on the entire VPP, is likely the right venue for that reporting. Staff also expects that there will be costs to integrate those resources into the VPP but is wary of the extent of staffing and marketing costs referenced in this filing.

Consistent with feedback in recent MYP proposals, Staff expects operation of CBRE resources to happen within PGE's grid operations, not via separate CBRE pilot staff. Staff would expect staffing and technology costs associated with operating the CBRE resources to show up related to grid operations.

B. Begin additional CBRE resource procurement, including testing new procurement strategies, prior to results of the 2026 IRP.

PGE has yet to meet the Commission's guidance that the Company pursue the additional procurement strategies discussed in the 2023 IRP and directed by the Commission in Order No. 24-096. Staff finds that PGE's RFO indicated there is appetite for these resources and at a price below what the IRP determined cost-effective. Given these factors, PGE could immediately engage in future procurement efforts that are collaborative with community and that are less speculative. To be concrete PGE could

engage local governments and community organizations and target collaborative resource procurement with defined expectations for pricing and community benefits.

Staff believes that PGE's procurement efforts here do not demonstrate reasonable progress toward SSR goals, and the Company should make efforts to acquire additional renewable energy CBREs that do not require dispatchable capacity. Such resources would not have as much of a rate impact.

Staff also notes that CBRE procurement may not be a Company priority due to lack of financial incentives. Delayed procurement may be one manifestation of this Company disposition. Therefore, Staff seeks to start the conversation on what mechanisms might be helpful to incentivize and ensure PGE acts in its customers best interest. Staff is open to suggestions and notes some potential mechanisms, such as performance incentives for acquiring certain thresholds of CBREs or Commission-directed annual budgets and targets for CBRE procurement similar to energy efficiency acquisition.

Conclusion

Staff believes that PGE's approach to CBRE acquisition in the RFO is commendable. PGE recognized the needs of a successful CBRE procurement and reflected the differences between CBRE acquisition and a utility-scale RFP approach. This effort identified a pool of meaningful resources and surfaced a range of important findings about the potential costs and benefits of CBREs. Staff sees this effort as a great first step and appreciates PGE's leadership in developing effective models for CBRE procurement.

Staff believes PGE's procurement of the CBRE resources on the shortlist and expanded shortlist is consistent with the 2023 IRP/CEP selection of CBRE resources as least cost resource. While the CBRE shortlist resources will result in a minor incremental rate impact on the order of 0.041 percent, IRP modeling suggests these resources are cost-effective in the long term by displacing incremental need for off-system resources and associated transmission.

Finally, while Staff encourages additional CBRE procurement beyond the shortlist informed by the learning surfaced by this effort, Staff does not believe a standalone pilot in the Flexible Load Multiyear Plan is necessary. Instead, Staff believes PGE should pursue cost recovery as it would with other PPAs and CPAs.

PROPOSED COMMISSION MOTION:

Acknowledge Portland General Electric's (PGE) Community Based Renewable Energy Shortlist (CBRE) and the expanded shortlist described in this public meeting memorandum;

Deny PGE's proposal to include its Community Based Renewable Energy pilot in its Flexible Load Multi-Year Plan; and

Direct PGE to:

A. Report on progress of procurement and operation of CBRE resources in its Flexible Load Multiyear Plan.

B. Begin additional CBRE resource procurement, including testing new procurement strategies, prior to results of the 2026 IRP.

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