

OFFICE OF THE SECRETARY OF STATE
TOBIAS READ
SECRETARY OF STATE

MICHAEL KAPLAN
DEPUTY SECRETARY OF STATE



ARCHIVES DIVISION
STEPHANIE CLARK
DIRECTOR

800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701

NOTICE OF PROPOSED RULEMAKING
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 860
PUBLIC UTILITY COMMISSION

FILED

11/25/2025 7:11 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Small Scale Renewable (SSR) Energy Rule Amendments in Division 091 (AR 674)

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 01/23/2026 3:00 PM

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

CONTACT: Diane Davis
971-375-5082
diane.davis@puc.oregon.gov

PO Box 1088
Salem, OR 97308

Filed By:
Diane Davis
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 01/13/2026

TIME: 9:30 AM

OFFICER: Brent Coleman

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 1-669-254-5252

CONFERENCE ID: 1617405729

NEED FOR THE RULE(S)

ORS 469A.210(2) currently specifies that by the year 2030, at least 10 percent of the aggregate electrical capacity of all electric companies that serve more than 25,000 retail customers in Oregon must come from small-scale renewable (SSR) energy projects or biomass co-generation facilities. OPUC first adopted administrative rules addressing compliance with this SSR standard in 2021. In May 2025, one of the electric companies subject to this standard filed a petition for a declaratory ruling as to the application of the SSR standard to several compliance scenarios. While the OPUC declined to consider the declaratory ruling, the OPUC found that amendments to the Chapter 860, Division 091 rules are needed to clarify the calculation of the statutory compliance obligation and SSR project eligibility.

Any person may file comments by January 23, 2026. The Commission encourages participants to file written comments concerning the proposed rule revisions as early as practicable in the proceeding so that other participants can consider and respond to the comments before the deadline.

Participants who present oral comment at the January 13, 2026 hearing will be asked, but not required, to also submit written comments before the comment period closes on January 23, 2026.

Please reference Docket No. AR 674 on comments and attach them as a Word or pdf file to an e-mail to the

Commission's Filing Center at PUC.FilingCenter@puc.oregon.gov.

Although the submission of comments by email is preferred, comments may be submitted by mail but must be received by January 23, 2026. Written comments may be sent to: Oregon Public Utility Commission, Attn: Filing Center, PO Box 1088, Salem, OR 97308-1088.

Interested persons may review all filings online at <https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=24617>.

For guidelines on filing and participation, please see OAR 860-001-0140 through 860-001-0160 and OAR 860-001-0200 through 860-001-0250 found online at <https://secure.sos.state.or.us/oard/displayDivisionRules.action?selectedDivision=4027>.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

OPUC Order No. 21-464, available online at <https://apps.puc.state.or.us/orders/2021ords/21-464.pdf>

OPUC Order No. 25-232, available online at <https://apps.puc.state.or.us/orders/2025ords/25-232.pdf>

OPUC Staff materials and stakeholder comments submitted in Docket AR 674, available online at <https://apps.puc.state.or.us/edockets/DocketNoLayout.asp?DocketID=24617>

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

OPUC Staff anticipates that the proposed rules will have a neutral impact, or potentially, a positive impact, on racial equity in Oregon. In clarifying SSR project eligibility for electric utilities, the proposed rules provide that certain Community Solar Program projects and front-of-meter resources incorporated into a microgrid or other resilience project configuration are SSR eligible. The added clarity concerning the eligibility of these types of projects may indirectly support racial equity by improving opportunities for the development of safer, more resilient communities in Oregon. Though the location of any such projects cannot be determined at this time, utility acquisition of these resources to meet the statutory SSR standard in a manner that is consistent with the proposed rules may mitigate the impact of any utility service interruptions for customers served by these resources, which may in turn reduce the exacerbated risk that underserved communities experience during power outages.

FISCAL AND ECONOMIC IMPACT:

The proposed rules clarify the compliance obligation for electric utilities under the SSR standard in ORS 469A.210 and further clarify SSR project eligibility. Portland General Electric Company (PGE) and PacifiCorp, dba Pacific Power, are the electric companies that are subject to the rules and the underlying statute, each serving more than 25,000 customers. The rules clarify how electric companies are required to calculate their compliance obligation as well as clarify SSR project eligibility. These clarifications may impact the amount of professional services and administrative expense incurred by the electric companies in calculating their compliance obligation under the rules, though the amount of any such impact cannot be quantified. Any increase in such expenses is not expected to be significant, and the clarifications provided in the rules may decrease the amount of expenses incurred by electric companies, as compared to the existing rules. Any expense incurred by electric companies as a result of the rules may be passed on to utility customers through electricity rate increases, the amount of which cannot be quantified at the present time. The impact of expenditures to meet the ORS 469A.210(2) standard by 2030 is the result of the statutory obligation, not the proposed rules. However, because the proposed rules clarify the compliance obligation, electric companies may avoid acquiring more resources than necessary to meet the standard.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

(1) No state agencies, or units of local government are likely to be economically affected by the proposed rules, except as utility customers. As described above, members of the public that are customers of electric companies may be economically affected by the rules with any expenses incurred and passed on through utility rates, but this amount cannot be quantified.

(2)(a) Electric companies that do not qualify as small businesses are subject to these rules. However, electric companies may request recovery of their costs of compliance from customers, which include small businesses, through electricity rate increases. Their number cannot be quantified.

(2)(b) Electric companies may incur administrative, record-keeping and reporting costs associated with the calculation of their compliance obligation consistent with these rules. As the amount may vary by company, and the compliance obligation is not until 2030, the amount cannot be quantified.

(2)(c) Electric companies may incur professional services and labor costs associated with the calculation of compliance with the statutory compliance standard as required under the rules. As the amount may vary by company, and the compliance obligation is not until 2030, the amount cannot be quantified.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

The proposed rules were developed through an extensive public process in OPUC Docket AR 674. OPUC Staff circulated a straw proposal, conducted a workshop, and considered two rounds of public comments in developing the proposed rules. Advance notice of these opportunities was provided, and any member of the public could participate. Several stakeholders, including both electric companies subject to the rules, a commercial customer advocacy organization, and renewable energy industry representatives provided significant feedback in the creation of the proposed rules. There were no specific small business advocates who participated in the development of the proposed rules, but the process was open to all members of the public and other ratepayer advocates did participate.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? NO IF NOT, WHY NOT?

A collaborative informal process was used to promulgate these rule changes.

RULES PROPOSED:

860-091-0000, 860-091-0020, 860-091-0030

AMEND: 860-091-0000

RULE SUMMARY: This rule change adds the applicability of the rules in division 91 by stating that they apply to certain electric companies.

CHANGES TO RULE:

860-091-0000

Applicability of Rules

(1) The provisions of this division apply to electric companies subject ORS 469A.210.¶

(2) Upon request or its own motion, the Commission may waive any of the division 091 rules for good cause shown. A request for waiver must be made in writing, unless otherwise allowed by the Commission.

Statutory/Other Authority: ORS 756.060, ORS 469A.200, ORS 469A.210
Statutes/Other Implemented: ORS 469A.210

AMEND: 860-091-0020

RULE SUMMARY: This rule change clarifies what "aggregate electrical capacity" includes and does not include and establishes when aggregate electrical capacity is calculated for compliance reporting purposes.

CHANGES TO RULE:

860-091-0020

Aggregate Electrical Capacity

(1) For purposes of compliance with the standard in ORS 469A.210(2), each electric company's aggregate electrical capacity is the total nameplate capacity of the electric company's generation resources to serve Oregon load. ~~These resources~~

(a) Aggregate electrical capacity includes:

(A) The nameplate capacity of all owned generation resources used to serve Oregon load; and

(B) The annual average of all resources under a power purchase agreement with a term of at least five years.

~~(2) For electric companies making retail sales in multiple jurisdictions, the nameplate capacity of generation resources to serve Oregon load is the total nameplate capacity of the electric company's system generation allocated to Oregon retail customers~~
nameplate capacity of all generation resources used to serve Oregon load under a power purchase agreement with a term of at least five years.

(b) Aggregate electrical capacity does not include:

(A) The nameplate capacity of storage resources;

(B) The nameplate capacity of small-scale energy resources that the electric company applies to meeting the standard in a compliance period, consistent with OAR 860-091-0030(3); and

(C) The nameplate capacity of behind-the-meter resources.

(2) For electric companies making retail sales in multiple jurisdictions, the nameplate capacity of generation resources to serve Oregon load is the total nameplate capacity of the electric company's system generation allocated to Oregon retail customers.

(3) For purposes of establishing compliance with the standard in ORS 469A.210(2), an electric company shall calculate its aggregate electrical capacity based on a measurement taken 12 months prior to the date on which it is required to file a compliance report under OAR 860-091-0040.

Statutory/Other Authority: ORS 756.060, ORS 469A.200, ORS 469A.210

Statutes/Other Implemented: ORS 469A.210

AMEND: 860-091-0030

RULE SUMMARY: The changes to this rule include clarifying the contribution of each eligible renewable energy project toward compliance with the standard and specifying the resources and project types that an electric company may and may not use to comply with the standard.

CHANGES TO RULE:

860-091-0030

Eligible Renewable Energy Projects

~~(1) Projects used to comply with the standard in ORS 469A.210(2) must be an Oregon Renewable Portfolio Standard-approved generator; and~~

~~(2) For purposes of compliance with the standard in ORS 469A.210(2), the contribution of each eligible renewable energy project towards an electric company's compliance with the standard is its total nameplate capacity.~~

~~(2) An electric company may use one or more of the following resources and project types to comply with the standard in ORS 469A.210(2) when they also meet the criteria in ORS 469A.210(2)(a) or (b):~~

~~(a) An Oregon Renewable Portfolio Standard-eligible generation type. An electric company is not required to obtain or retain for retirement purposes the renewable energy certificates that may be associated with a project;~~

~~(b) Community Solar Program projects that are certified by the Commission under OAR Chapter 860, Division 088 and to which the electric company's customers are eligible to subscribe; and~~

~~(c) Front-of-meter resources incorporated into a microgrid or other resilience project configuration.~~

~~(3) Resources and project types that may not be used to comply with the standard in ORS 469A.210(2) include:~~

~~(a) Behind-the-meter resources; and~~

~~(b) Energy storage systems as defined in OAR 860-082-0015.~~

~~(4) The eligible portion of a project's capacity used to comply with the standard in ORS 469A.210(2) is the percentage of annual project costs paid for by Oregon retail customers.~~

Statutory/Other Authority: ORS 756.060, ORS 469A.200, ORS 469A.210

Statutes/Other Implemented: ORS 469A.210