

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2273

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Investigation Into House Bill 2021
Implementation Issues.

MEMORANDUM

On January 5, 2024, the Commission issued Order No. 24-002 resolving the first phase of this docket. That order directed the Administrative Hearings Division to establish a procedural schedule for the second phase of this docket and included a list of questions to be briefed by the parties on HB 2021 section 10's cost cap provisions.

Although Order No. 24-002 contemplated an initial scoping process to refine the questions to be briefed by the parties, I have determined that to facilitate an expeditious briefing process, we will move directly to briefing. Parties are requested to answer the questions as presented but may also, at their discretion, answer modified questions or pose additional questions related to section 10 cost cap issues they believe should be addressed in their briefs and other parties' response briefing.

Accordingly, I adopt the following procedural schedule:

Event	Date
All Party Opening Briefs	May 23, 2024, 3:00 p.m.
All Party Response Briefs	June 20, 2024, 3:00 p.m.

The questions the Commission requests the parties address are as follows:

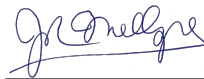
- a. Section 10 uses two different phrases to describe applicable investments and costs. Subsection (1) describes an investigation into investments made, costs incurred, or forecasted costs estimated "for the purpose of compliance." Everywhere else in section 10, the statute refers to whether an investment or cost "contributes to compliance." Did the Legislature intend to capture only those actions that the petitioner can prove the utility would not have taken, except to meet the requirements of HB 2021? Or does Section 10 capture a broader category of actions?
- b. Section 10 contemplates the Commission consider not only investments made and costs incurred but also "forecasted costs estimated by the electric company." Does the inclusion of "forecasted costs" mean estimated future costs associated with an action the utility has already taken? Or should section 10 be interpreted also to encompass anticipated actions and their anticipated costs (i.e., actions acknowledged in an IRP, CEP,

or RFP but not yet taken) and, if so, how much certainty should be required to recognize a cost under Section 10?

- c. HB 2021, section 10 does not address interactions with the cost cap in Oregon’s RPS law. How should the HB 2021 cost cap be applied to investments and costs required to satisfy the RPS?
- d. Section 10 appears to contemplate that the Commission will forecast and then track the revenue requirement impact of all investments or costs determined to “contribute to compliance,” authorizing a pause in utility compliance if their “actual or anticipated cumulative rate impact * * * exceeds six percent of revenue requirement for a year.” Is the statute clear that the cost cap applies only in individual years, based on the relevant costs experienced in a single year as a percentage of that same year’s revenue requirement (i.e., without considering past or future years)?

Filings received after 3:00 p.m. may not be docketed until the following business day.

Dated this 15th day of April 2024, at Salem, Oregon.



John Mellgren
Administrative Law Judge