

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

AR 621

In the Matter of

Rulemaking to Adopt Energy Efficiency  
Avoided Cost Reporting Rules

ORDER

DISPOSITION: ADMINISTRATIVE HEARINGS DIVISION'S  
RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at our May 21, 2019 Regular Public Meeting to adopt the Administrative Hearings Division's (AHD) recommendation in this matter to adopt permanent rules on energy efficiency (EE) avoided cost reporting.

At our January 29, 2019 Public Meeting, we took action to adopt revised proposed rules with edits proposed by AHD. We discussed how the rules will establish an annual reporting process for the utilities' EE avoided cost data. Under the new process, the utilities will submit data via a Commission form or workbook, Staff and stakeholders will review the data, and we will adopt the data prior to the data being used by the nongovernmental entity, Energy Trust of Oregon, in its budget process.

At the January 29, 2019 Public Meeting, AHD proposed edits to the rules that mainly intended to move the rules into Division 30 and to remove language that AHD found unnecessary. We adopted the rules with those edits, while discussing that in the future, Staff may open a rulemaking to further clean up Division 30. We also discussed that Staff's work to develop the EE avoided cost reporting form is ongoing in a parallel investigation in UM 1893, and Staff may continue to update us on that work with its regular UM 1893 informational updates every six months.

After the January 29, 2019 Public Meeting, AHD published another notice of rulemaking with the Secretary of State, with the notice reflecting that the rules would be placed in Division 30, not in a new Division 90. No additional changes were made to the rules. At the May 21, 2019 Public Meeting, we adopted the rules without changes.

**ORDER**

IT IS ORDERED that:

1. The changes to Division 030 administrative rules are adopted as set forth in Appendix A to this order.
2. The rule changes become effective upon filing with the Secretary of State.

Made, entered, and effective May 22, 2019.



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**Megan W. Decker**  
Chair



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**Stephen M. Bloom**  
Commissioner



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**Letha Tawney**  
Commissioner



A person may petition the Public Utility Commission of Oregon for the amendment or repeal of a rule under ORS 183.390. A person may petition the Oregon Court of Appeals to determine the validity of a rule under ORS 183.400.

**860-030-0007****Gas Utility Avoided Costs**

(1) Investor-owned gas utilities shall file a proposed avoided-cost method and draft avoided costs with their ~~least-cost~~**integrated resource** plans pursuant to Order No. 89-507. ~~Final avoided-cost information shall be filed within 30 days of Commission acknowledgment of the least-cost plan to become effective 30 days after filing.~~ The avoided-cost method filed should be appropriate for determining the cost effectiveness of weatherization measures from the gas utility's perspective.

(2) A gas utility may propose or the Commission may require a gas utility to file the data described in OAR 860-030-0007(1) during the two-year period between filing ~~least-cost~~**integrated resource** plans pursuant to Order No. 89-507 to reflect significant changes in circumstances, such as acquisition of a major block of resources. Such a revision will become effective 90 days after filing.

(3) At least every two years, the gas utility must file with the Commission the data described in section (1) of this rule.

Stat. Auth.: ORS Ch. 183 469, 756 & 757

Stats. Implemented: ORS 756.040 & 469.631 through 469.645

Hist.: PUC 2-1993, f. & ef. 1-8-93 (Order Nos. 92-1793 & 93-035); PUC 1-1998, f. & ef. 1-12-98 (Order No. 98-016)

**860-030-0011****Avoided Cost Data Reporting For Energy Efficiency**

**(1) An energy utility that provides customer funds to a third-party nongovernmental entity approved by the Commission to administer energy efficiency measures and programs, market transformation, or the above-market costs of new renewable energy resources in the utility's service area must submit data necessary to calculate its energy efficiency (EE) avoided costs for energy efficiency measures and programs in the manner and method specified in the Commission-approved reporting form. This form is available at:**

**[https://www.puc.state.or.us/Pages/electric\\_gas/formrpts.aspx](https://www.puc.state.or.us/Pages/electric_gas/formrpts.aspx). The EE avoided cost report must be submitted on or before October 15 of each year for use in the next energy efficiency program budget cycle.**

**(2) An energy utility must include all data to support the values in its EE avoided cost form.**

**(a) Relevant data may come from the energy utility's most recent integrated resource plan or integrated resource plan update that has been acknowledged by the Commission, or was used in the energy utility's most recent general rate case that has been resolved by a final order of the Commission; and**

**(b) An energy utility may include more recent data with a supporting explanation as to why the Commission should approve its avoided costs based on such data. The Commission may approve the use of more recent data at its discretion.**

(3) At any time, the Commission may update the required data, format and methodology used to report specific values on the Commission-approved EE avoided cost reporting form. Any changes to the form that are approved by the Commission will take effect no less than 60 days following approval.

(4) For purposes of this report, unless the context requires otherwise:

(a) “Energy Efficiency avoided cost” or “EE avoided cost” means the value to an energy utility of avoiding the use of other resources to provide energy services to its customers through the use of an energy efficiency measure or program.

(b) “Energy efficiency measure” or “energy efficiency program” refers to a measure or program that is designed to reduce energy consumption as a result of improved efficiency of energy use.

(c) “Energy utility” means a public utility as defined in ORS 757.005 to which these rules apply.

STATUTORY/OTHER AUTHORITY: ORS 756.060

STATUTES/OTHER IMPLEMENTED: ORS 756.040, 756.070

HISTORY: NEW

860-030-0013

Approval of EE Avoided Costs for Energy Efficiency Measures

The third-party nongovernmental entity identified in OAR 860-030-0011 may not use utility-specific EE avoided cost data in the administration of such measures and programs until the data is approved by the Commission. The Commission will generally consider approval of EE avoided costs for this purpose within 60 days from the filing deadline for the EE avoided cost report.

STATUTORY/OTHER AUTHORITY: ORS 756.060

STATUTES/OTHER IMPLEMENTED: ORS 756.040, 756.070

HISTORY: NEW