

ORDER NO. 24-314

ENTERED Sep 23 2024

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1893

In the Matter of

PUBLIC UTILITY COMMISSION OF  
OREGON,

Waiver of OAR 860-030-0011 for Utility  
Filing of Energy Efficiency Avoided Cost  
Report.

ORDER

**DISPOSITION: STAFF'S RECOMMENDATION ADOPTED**

At its public meeting on September 19, 2024, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:



**Alison Lackey**

Chief Administrative Law Judge



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA6

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: September 19, 2024**

REGULAR  CONSENT  EFFECTIVE DATE \_\_\_\_\_ N/A \_\_\_\_\_

**DATE:** September 9, 2024

**TO:** Public Utility Commission

**FROM:** Peter Kernan

**THROUGH:** Caroline Moore, JP Batmale, and Sarah Hall **SIGNED**

**SUBJECT:** OREGON PUBLIC UTILITY COMMISSION STAFF:  
(Docket No. UM 1893)  
Waiver of OAR 860-030-0011 for utility filing of energy efficiency avoided cost report.

**STAFF RECOMMENDATION:**

Grant the request by Staff of the Public Utility Commission of Oregon (Staff) for a waiver of the OAR 860-030-0011(1) requirement for utilities to file energy efficiency avoided cost reports by October 15, 2024, and instead direct the subject utilities to file the required report by November 30, 2024.

**DISCUSSION:**

Issue

Whether the Commission should grant Staff's request for waiver of the OAR 860-030-0011(1) requirement for utilities to file energy efficiency avoided cost reports by October 15, 2024.

Applicable Rule or Law

Under OAR 860-030-0011(1), every energy utility that provides customer funds to Energy Trust of Oregon (Energy Trust) 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 is required to report data used to calculate its

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energy efficiency (EE) avoided costs on a form approved by the Commission by October 15 of each year.<sup>1</sup>

Under OAR 860-030-0000(3), the Commission may waive any of the Division 030 rules upon a showing of good cause, on its own motion or a written request.

### Analysis

#### *Background*

For clarity and transparency, the Commission in 2019 adopted a process for the approval of utility-specific EE avoided cost data for use by Energy Trust.<sup>2</sup> First, the Commission requires energy utilities that provide customer funds to Energy Trust to report their EE avoided cost data to the Commission. This data must be submitted on a Commission-approved form. The required data, format and methodology in this form may change over time, with Commission-approved changes to take effect no less than 60 days following approval.<sup>3</sup>

Under OAR 860-030-0011(2), each energy utility must use data to support the values in its EE avoided cost form that are taken from the utility's most recently acknowledged Integrated Resource Plan (IRP) or update, or from the energy utility's most recent general rate case that has been resolved by a final order of the Commission. The Commission may approve, at its discretion, the use of more recent data.<sup>4</sup>

Second, the Commission considers whether to approve use of the EE avoided cost data by Energy Trust within 60 days of submission. Once approved by the Commission, Energy Trust may use the EE avoided cost data in its energy efficiency program budget cycle for the next year.<sup>5</sup>

In lieu of updates in 2023, Staff requested a waiver of OAR 860-030-0011(1), requiring utilities to file energy efficiency avoided cost reports by October 15 of each year. Staff requested, and the Commission approved with Order No. 23-362, a waiver to allow time to consider data changes in response to pending utility Integrated Resource Plans (IRPs).<sup>6</sup> For the first time, 2023 IRPs included planning to meet new state

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<sup>1</sup> PacifiCorp, Portland General Electric Company, Avista Corporation, Cascade Natural Gas Company, and Northwest Natural Gas Company are the subject utilities.

<sup>2</sup> See In the Matter of Rulemaking to Adopt Energy Efficiency Avoided Cost Reporting Rules, Docket No. AR 621, Order No. 19-177 (May 22, 2019).

<sup>3</sup> OAR 860-030-0011(3).

<sup>4</sup> OAR 860-030-0011(2).

<sup>5</sup> OAR 860-030-0013.

<sup>6</sup> See Docket No. UM 1893, Order No. 23-362, (Oct. 6, 2023), <https://apps.puc.state.or.us/orders/2023ords/23-362.pdf>.

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decarbonization policy including House Bill 2021 for electric utilities and the since invalidated Climate Protection Program for gas utilities. In December 2022, Staff noted in anticipation of those IRPs that decarbonization driven changes “could have significant impacts on avoided cost values.”<sup>7</sup>

In Order No. 23-362, the Commission required utilities to file their most recent avoided cost data on March 1, 2024. In December 2023, Staff published an update to Docket No. UM 1893 outlining a two-phase process for updating avoided costs in 2024 and an updated electric avoided cost data template.<sup>8</sup>

Phase 1 completed when the Commission approved new avoided cost values for use in Energy Trust’s 2025 planning with Order No. 24-119 on April 30, 2024.<sup>9</sup> Subsequently, Staff launched Phase 2 on June 3, 2024, the same day that PGE published its proposal for an updated methodology per Commission direction from Order No. 24-096, partially acknowledging PGE’s 2023 IRP. The Commission adopted Staff Recommendation 4:

Direct PGE to work with Staff to propose a new method for calculating avoided costs in docket No. UM 1893. The avoided cost proposal should resolve the shortcomings identified by PGE and Staff, including but not limited to the shift from one avoided capacity value to annual values, the impact of constraints observed in the model, and the need to procure clean electricity not captured by forward market prices.<sup>10</sup>

Phase 2 has included two public workshops to focus on methodology changes to address areas where avoided costs were not reflecting the true costs of acquiring energy in compliance with clean energy regulations. PGE presented its proposal at the first workshop on June 20,<sup>11</sup> and PacifiCorp shared its ongoing considerations of avoided cost value at the second workshop on July 16.<sup>12</sup>

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<sup>7</sup> See Docket No. UM 1893, *Staff Memo: Request for approval of energy efficiency avoided cost data to be used by Energy Trust*, (Dec. 13, 2022), <https://edocs.puc.state.or.us/efdocs/HAU/um1893hau15168.pdf>.

<sup>8</sup> See Docket No. UM 1893, *Docket update for energy efficiency avoided cost utility submissions*, (Dec. 20, 2023), <https://edocs.puc.state.or.us/efdocs/HAH/um1893hah325700023.pdf>.

<sup>9</sup> See Docket No. UM 1893, Order No. 24-119, (April 30, 2024), <https://apps.puc.state.or.us/orders/2024ords/24-119.pdf>.

<sup>10</sup> See Docket No. LC 80, Order No. 24-096, (April 18, 2024), p. 10, <https://apps.puc.state.or.us/orders/2024ords/24-096.pdf>.

<sup>11</sup> See Docket No. UM 1893, *PGE’s Phase II Slides*, (June 3, 2024), <https://edocs.puc.state.or.us/efdocs/HAH/um1893hah329014025.pdf>.

<sup>12</sup> See Docket No. UM 1893, *Presentation from PacifiCorp*, (July 18, 2024), <https://edocs.puc.state.or.us/efdocs/HAH/um1893hah330174033.pdf>.

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### *Analysis*

Due to ongoing Phase 2 conversations, the timing for submitting EE avoided cost data—October 15—is not optimal. Given the requisite 60-day advance notice, a finalized data template would have been due by August 15. In addition to the two public workshops and the first comment period, the Phase 2 docket schedule included a second public comment period ending on August 9.<sup>13</sup> On August 9, Staff submitted written comments detailing Phase 2 activities, reviewing utility and stakeholder positions, and clarifying Staff's Phase 2 prioritization framework.<sup>14</sup> Given the robust engagement in workshops and via public comments, Staff extended the public comment period to August 23, 2024. Staff received nine public comments during the two comment periods. Staff appreciates the significant effort from the docket's participants in Phase 2.

Due to the active engagement and compressed timeline, Staff proposes delaying the utility filing date by six weeks to allow additional time to finalize the data template. Staff is balancing the need to delay final data template with Energy Trust's need for final avoided costs values early in 2025. Staff has conferred with Energy Trust and understands that Energy Trust can accommodate the need for flexibility in its budgeting and multiyear planning, which will launch in 2025. Energy Trust can use utility-specific EE avoided cost data approved within 60 days of a November 30, 2024, filing date. Staff anticipates Commission approval prior to September 30, 2024. Staff will also endeavor to expedite its review process and bring the filed data to the Commission for approval in less than 60 days, to the extent feasible.

### Conclusion

Staff finds that a waiver of the filing date of October 15, 2024, per OAR 860-030-0011(1), allows for adequate review of EE avoided cost data most relevant for Energy Trust's future budget planning, given the robust utility and stakeholder engagement in Docket No. UM 1893's Phase 2. Staff recommends approval of this waiver request and recommends directing the subject energy utilities to file their EE avoided costs data on or before November 30, 2024.

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<sup>13</sup> See Docket No. UM 1893, *Staff's Workshop Announcement and Other Dates*, (June 3, 2024), <https://edocs.puc.state.or.us/efdocs/HAH/um1893hah329025025.pdf>.

<sup>14</sup> See Docket No. UM 1893, *Staff's Phase 2 Update*, (Aug. 9, 2024), <https://edocs.puc.state.or.us/efdocs/HAH/um1893hah330629025.pdf>.

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**PROPOSED COMMISSION MOTION:**

Grant Staff's request for waiver of the OAR 860-030-0011(1) requirement for energy utilities to file energy efficiency avoided cost reports by October 15, 2024. Direct the subject energy utilities to file the required report by November 30, 2024.

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