

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UE 454

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Advice No. 25-02 (ADV 1699), Schedule
151 Wildfire Mitigation Cost Recovery
Update.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on May 27, 2025, 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. RA1

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: May 27, 2025**

REGULAR X **CONSENT** **EFFECTIVE DATE** June 1, 2025

DATE: May 19, 2025

TO: Public Utility Commission

FROM: Luz Mondragon

THROUGH: Caroline Moore, Scott Gibbens, and Matt Muldoon **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. ADV 1699/Advice No. 25-02)
Requests approval of Schedule 151 to recover Wildfire Mitigation Plan costs through the automatic adjustment clause.

STAFF RECOMMENDATION:

Staff recommends the Commission:

1. Authorize Portland General Electric (PGE or Company) to recover prospective amounts associated with the development and implementation of PGE's annual Wildfire Mitigation Plan (WMP) through its Automatic Adjustment Clause (AAC), subject to the adjustments recommended by Staff;
2. Permanently suspend the tariff filed by PGE; and
3. Direct PGE to make a compliance filing reflecting rates that would recover the Staff-adjusted amount of \$60.8 million.

DISCUSSION:

Issue

Whether the Commission should approve Advice No. 25-02, PGE's request to update Schedule 151 Wildfire Mitigation Cost Recovery for costs associated with the development and implementation of PGE's annual Wildfire Mitigation Plan (WMP).

Applicable Law

ORS 757.205 requires public utilities file all rates, rules, and charges with the Commission. ORS 757.210 establishes a hearing process to address utility filings and requires rates be fair, just, and reasonable. ORS 757.210(1)(a) assigns the burden of proof to the utility to demonstrate that the rates it proposes are "fair, just and reasonable." ORS 757.220 provides that no change shall be made in any schedule, except upon 30 days' notice to the Commission prior to the time the changes are to take effect.

OAR 860-022-0025 and 860-022-0030 require that filings revising tariffs include statements showing the change in rates, the number of customers affected and resulting change in annual revenue, and the reasons for the tariff revision.

ORS 757.963(1) provides that "[a] public utility that provides electricity must have and operate in compliance with a risk-based wildfire protection plan that is filed with the Public Utility Commission and has been evaluated by the commission." ORS 757.963(8) provides that "[a]ll reasonable operating costs incurred by, and prudent investments made by, a public utility to develop, implement or operate a wildfire protection plan are recoverable in the rates of [a] public utility...." ORS 757.963(8) further provides that the Commission "shall establish an automatic adjustment clause, as defined in ORS 757.210, or another method to allow timely recovery of these costs."

Order No. 23-173 permitted use of an automatic adjustment clause (AAC) to recover PGE's wildfire mitigation costs, prohibited use of performance-based rate mechanisms or earnings tests, and excluded indirect loadings from future Wildfire Mitigation cost recovery filings.

Analysis

Background

In June 2021, Oregon legislature passed Senate Bill (SB) 762, codified at ORS 757.960 through ORS 757.969, which directs investor-owned utilities (IOU) that provide electricity to have a wildfire mitigation plan (WMP) filed with, and evaluated by, the Commission.¹ ORS 757.963 outlines the utility's responsibilities and requirements, such as a plan that is based on reasonable and prudent practices that seeks to protect public safety, reduce risk to utility customers, and promote electrical system resilience to wildfire damage.

In UE 412, the Commission issued Order No. 23-173 adopting a stipulation (Stipulation) agreeing to an automatic adjustment clause (AAC) for PGE's wildfire mitigation costs.²

¹ Senate Bill 762 (2021).

² *In the Matter of Portland General Electric Company, Advice No. 22-18, New Schedule 151, Wildfire Mitigation Cost Recovery*, UE 412, Order No. 23-173 (May 10, 2023).

The Stipulation, adopted by the Commission, does not include the use of performance-based rate mechanisms or earnings tests for these costs and excludes indirect loadings from future Wildfire Mitigation cost recovery filings. The Stipulation required PGE to remove all WM-related O&M costs from base rates and specified that the WM Mechanism would include projected ongoing O&M costs for WM-related activities, including AWRR activities and other activities that occur in High Fire Risk Zones.³

In May 2023, PGE submitted Advice No. 23-08, its first filing to recover Wildfire Mitigation costs. Since then, PGE has filed to update Schedule 151 four times, including two retrospective true-ups Advice Nos. 23-08 and 25-01.

Summary of Filing

Schedule 151 affects approximately 953,000 customers. The overall impact of the update PGE is proposing to Schedule 151, as well as the impact of Staff's recommendation, are pictured in Figure 2 below, assuming a residential customer using 784 kilowatt-hours per month.

Figure 1: Rate Impact of PGE's Filing

	Company filing update	Staff Recommended
Advice No. 25-02		
RR on WM Plant in Service thru April 2025	9,117,640	8,836,013
Second Half of 2025 Prospective amount	31,851,700	11,945,566
2023 Incremental O&M	213,386	213,386
2022-2023 Deferred Capital	(151,836)	(151,836)
Rev Sensitive	1,122,278	425,563
Removal of 2024 Prospective amount	(23,950,000)	(23,950,000)
Advice No. 25-02 Increase/Decrease	18,203,168	(2,681,307)
Advice No. 25-02 Revenue Requirement	\$ 81,671,054	\$ 60,786,578
Monthly Impact to Residential customer-795 kWhs		
Bill change \$\$	\$ 0.48	\$ (0.92)
Bill change %	0.3%	0.4%

PGE updated the Company's Advice filing three times, on January 24, 2025, April 18, 2025, and May 8, 2025.

Burden for Cost Recovery

ORS 757.963 only permits cost recovery of reasonable O&M costs and prudent capital investments if those costs and investments are related to developing, implementing or operating pursuant to a wildfire mitigation plan. In general, the utility bears the burden of

³ *Id.* at Appendix B, pages 2 and 3.

bears the burden of proof in demonstrating that proposed rates are “fair, just, and reasonable.”⁴

In the order allowing the AAC, the Commission specified that the AAC would be revisited at a special public meeting in three-years’ time, May 2026, to assess if the current AAC structure provides “sufficient opportunity to review prudence and reasonableness, which requires the Commission to determine whether utilities have sufficiently disciplined and optimized wildfire mitigation spending.”⁵

Staff Review

Staff completed a series of checks and analyses, and issued Information Requests to assess whether the costs proposed for recovery were consistent with Commission Order No. 23-173. The following tasks were completed:

- Confirmed that prospective and incremental recovery amounts were consistent with Commission Order No. 23-173 and the Stipulation reached in UE 412/Advice 23-08.
- Confirmed revenue targets and amortizations were correctly calculated and consistent with Commission Order No. 23-173.
- Confirmed Rate Spread and Design were calculated to produce revenues in accordance with Commission Order No. 23-173.
- Reviewed and reconciled Plant additions and associated revenue requirement.
- Reviewed transactional data of Plant additions for prudence.
- Reviewed amortization schedules calculations.

Staff also communicated via email and met with the Company between March 14, 2025, and May 14, 2025, to discuss the filing.

Wildfire Mitigation Plant in Service

In this filing PGE is requesting to update the WM Plant to \$86.03 million (gross) for Plant in Service through April 2025. The addition of Plant in the AAC is made up of:

⁴ ORS 757.210(1)(a); see also *In the Matter of PacifiCorp Request for a General Rate Revision*, Docket UE 374, Order No. 20-473 at 5 (Dec. 18, 2020) (Explaining the utility must show, by a preponderance of evidence, that the change is just and reasonable. If the company fails to meet that burden, either because the opposing party presented persuasive evidence in opposition to the proposal, or because the utility failed to present adequate information in the first place, then the utility does not prevail because it has not carried its burden of proof.).

⁵ Order No. 23-173 at 1, (providing that the Commission “will inquire into whether the AACs have allowed us adequate opportunity to review prudence and reasonableness, which requires us to determine whether utilities have sufficiently disciplined and optimized wildfire mitigation spending. If we have concerns, we may at that time direct parties to file proposals to enhance our review, including through tailored performance-based mechanisms or earnings tests.”).

- WM Capital transferred out of Base Rates and into the AAC in the amount of \$7.2 million.⁶
- Plant additions that have gone into service since the Company's last AAC,⁷ WM Capital update of \$39.9 million.
- Forecasted Plant additions January through April 2025 of \$9.4 million. This represents an increased forecast of Plant in Service from \$6.6 million forecasted in the original January 2025 filing.⁸

Staff's analysis of Plant in service consisted of a reconciliation of plant, confirmation of application of previously agreed adjustments, reviewing transactional data in order to assess prudence of spend, and confirmation of exclusion of agreed upon indirect loadings. Staff review resulted in a decrease to Plant in Service of \$ 3.1 million to a recommended \$ 82.9 million in WM Plant in Service. The recommendation includes rejecting the increase to the Jan-April 2025 forecast included in the April 18, 2025, updated filing. Staff's recommendations result in a decrease to the requested annual revenue requirement on Capital of approximately \$282,000. A full analysis of the WM Plant additions can be found in Attachment A of Staff's memo.

Removal of 2024 Prospective Amount

In PGE's Advice No. 23-16 the Commission approved recovery of \$23.95 million in forecasted Operations and Maintenance (O&M) expenses for 2024. In this filing PGE is proposing to remove this amount from Schedule 151 as the amortization period is over. It is estimated that PGE will have collected \$23.8 million by the effective date of this filing. This amount is to be reconciled or true-up with PGE's actual 2024 spend in a forthcoming 2024 true-up filing. The incremental amount is eligible for recovery after a prudence review of expenditures.

2023 Incremental O&M-Correction

In Advice filing 25-01, recovery for 2023 incremental O&M was approved in the amount of \$0.5 million. In this filing PGE is requesting to update the 2023 incremental amount to \$0.8 million after PGE identified incentives and indirect loadings expenses already excluded in Advice filing 23-08 were being excluded in this filing as well.

2025 Prospective Wildfire Mitigation O&M (Second Half)

PGE is forecasting O&M expenditures in 2025 to range from \$53.3 to \$56.6 million.⁹ The Company is filing 2025 cost recovery in two parts to phase into rates its 2025 projected O&M costs and mitigate bill impacts to customers. In Advice filing 25-01 the Commission approved the recovery of \$23.95 million effective March 1, 2025, which

⁶ UE 412 In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Advice No. 22-18, New Schedule 151, Wildfire Mitigation Cost Recovery. Order 23-173 (May 10, 2023). Stipulation 1b.

⁷ PGE UE 412/Advice 23-16. Effective 8/1/24. Included 2023 actual plant additions of \$10.1 million, and \$3.8 million forecasted.

⁸ ADV 1699 updated filing 4/18/25.

⁹ UM 2208, PGE 2025 Wildfire Mitigation Plan, p.21, Table 2, Dec. 21, 2024.

represents the first half of the prospective amount. In this filing, PGE is proposing to update Schedule 151 to include the second half of the 2025 Forecast in the amount of \$31.9 million (inclusive of interest).

Figure 2: Comparison of WMP Costs by Initiative Category¹⁰

Initiative Category	2025 Forecast (2024 WMP)		2025 Forecast (2025 WMP Update)		Difference	
	Capital	O&M	Capital	O&M	Capital	O&M
Community Outreach & Public Awareness	\$0	\$837	\$0	\$1,050	\$0	\$213
Grid Design & System Hardening	\$69,840	\$0	\$63,862	\$200	(\$5,978)	\$200
Grid Operations & Protocols	\$0	\$701	\$140	\$680	\$140	(\$21)
Industry Engagement	\$0	\$100	\$0	\$100	\$0	\$0
Inspect / Correct	\$5,800	\$3,700	\$3,992	\$4,125	(\$1,808)	\$425
Overview of the Service Territory	\$0	\$0	\$0	\$0	\$0	\$0
PSPS / Emergency Preparedness	\$0	\$1,095	\$460	\$1,420	\$460	\$325
Risk Methodology & Assessment	\$0	\$794	\$1,050	\$5,490	\$1,050	\$4,696
Situational Awareness & Forecasting	\$1,750	\$794	\$3,286	\$2,260	\$1,536	\$1,466
Vegetation Management	\$0	\$39,270	\$70	\$37,000	\$70	(\$2,270)
Wildfire Mitigation Strategy Development	\$0	\$2,611	\$0	\$2,585	\$0	(\$26)
Total	\$56,600 to \$78,300	\$48,000 to \$50,000	\$56,600 to \$78,300	\$53,260 to \$56,560	\$0	\$5,008

Staff's review focused on the same questions previously to evaluate Schedule 151 costs:¹¹

- **What are the areas of focus in the 2025 WMP and do the dollars in the tariff filing support those areas?**

Staff reviewed the 2025 WMP as well as the Staff and Independent Evaluator recommendations provided during the 2024 WMP process.¹² Staff found effort on PGE's behalf to implement the recommendations and in doing so, recognized the need for initiatives that may require additional spend.

Staff observed that the rate at which PGE proposes to escalate administrative overhead costs is notably higher than that for the projections for physical mitigation work. This observation highlights the current efforts to connect WMP budgets to a demonstration of efficiency in spend and demonstration of cost

¹⁰ PGE 2025 Wildfire Mitigation Plan, p.21.

¹¹ UE 412/Advice No. 23-16, Staff Report, July 18, 2024 (adopted in Order 24-251)
<https://edocs.puc.state.or.us/efdocs/HAU/ue412hau330161025.pdf>.

¹² See UM 2208, Staff Report for the July 9, 2024, Public Meeting (Item No. RA3).

containment. Until that framework is ready, Staff has limited information to evaluate whether the increased administrative costs will deliver cost efficiency over the long-term.

- **Does the tariff filing provide evidence of thoughtful development of forecasted amounts?**

Staff reviewed the 2025 WMP and issued Information Requests for the calculations of each initiative forecasted. PGE provided narrative explanation of calculations and a workbook that showed the amounts requested by department within each initiative. These responses were informative and proved to be a good resource in analyzing PGE's request. There is still room for improvement in the justification for the underlying inputs used in these budget calculations, such as detail about the assumptions for cost per unit. In future prospective filings Staff would also like see more ongoing analysis of existing initiatives and evidence that roll-forward budgets are analyzed and right sized to continued need.

- **What is the change in forecast amount over the previous year (2024) and what factors are driving the variances?**

Figure 3 below shows the change in forecasted spending between the 2024 Prospective and the 2025 Prospective filed by PGE. In the 2024 Prospective filing,¹³ PGE proposed \$45.3 million, and the Commission approved Staff's recommended forecasted spend for recovery of \$23.9 million.

The 2025 O&M Prospective amount proposed in this filing resembles the Company's initial 2024 Prospective request of \$45.3 million.

PGE explains that the forecast costs for 2025 are similar to costs incurred in 2024, yet to be reviewed for prudence in a forthcoming true-up filing, and are needed to implement Staff's and the Independent Evaluator's recommendations provided during the 2024 WMP process and 2025 processes. Most notably, PGE is making efforts to make improvements in the Risk Modeling and Assessment initiative where they are working towards improvements to their risk modeling service, remote sensing, improved reliability, and evidence of prudence. Expenditures are also included in this initiative to execute the joint recommendations provided to all investor-owned utilities which are currently being addressed in UM 2340.¹⁴

¹³ UE 412/Advice No. 23-16. PGE Supplemental Filing of Advice No. 23-16, Schedule 151 Wildfire Mitigation Cost Recovery Update.

¹⁴ See UM 2208 Staff Report for the July 9, 2024, Public Meeting (Item No. RA3).

Figure 3: 2024 Approved O&M Forecast vs 2025 O&M Forecast

	2024 PUC Approved Budget	2025 PGE Forecast
Initiative Category (In thousands)		
Community Outreach and Public Awareness	650	1,050
Grid Design and System Hardening	-	200
Grid Operations and Protocols	544	680
Industry Engagement	84	100
Inspect/Correct	3,700	4,125
PSPS/Emergency Preparedness	850	1,420
Risk Methodology and Assessment	391	5,490
Situational Awareness and Forecasting	934	2,260
Vegetation Management	14,850	37,000
Wildfire Mitigation Strategy Development	2,022	2,585
TOTAL	\$ 23,950	\$54,910

Summary of 2025 O&M Prospective Analysis and Recommendations

In 2024, Staff encouraged PGE to prioritize spend, find means of efficiency, and become more innovative in the effort to contain costs, not only to provide mitigation benefits comparable to dollars spent but to “furnish adequate and safe service at reasonable rates.”¹⁵ Staff acknowledges the importance of wildfire risk mitigation efforts, as well as the current uncertainty on wildfire policy, but these must be balanced with customer affordability.¹⁶

Staff recognizes that the state policy and litigation landscape has created uncertainty about utilities’ approach to mitigating wildfire risk. Staff also recognizes that PGE has made efforts to be responsive to direction relating to its WMP strategy and AAC workpapers. During a time of escalating affordability challenges, Staff has prioritized working with the Utility companies to ensure well justified strategies for prudent spending, efficiency, and cost containment. Staff’s review of the 2025 Prospective seeks to balance several factors.

In compliance with direction in Docket No. UM 2340, Staff is working to develop a thoughtful spending framework that connects proposed investments, initiatives, and spending levels with well justified prioritization and right sizing of spend to risk. The hope is that implementation of the guidelines will aid Companies in selecting cost-effective mitigation efforts and will help Staff understand and better determine prudence of the spend during retrospective reviews. For the 2025 prospective, Staff proposes to

¹⁵ ORS 757.020.

¹⁶ ORS 757.963(2)(b) states that the wildfire mitigation plan must, at a minimum, “Identify a means for mitigating wildfire risk that reflects a reasonable balancing of mitigation costs with the resulting reduction of wildfire risk.”

take a more limited approach to including forecasted spending increases in rates on a prospective basis until these frameworks can be established. These simplified metrics are intended as a bridge to the UM 2340 methodology.

Staff Recommendation for Recovery of 2025 O&M Prospective Costs

To bridge the gap between this filing and the time when guidelines for cost valuation will be ready, Staff recommends decreasing the 2025 O&M Prospective amount to \$35.39 million, a reduction of \$19.91 million from PGE's proposal.¹⁷

Staff wants to be clear of its support of the Utility's wildfire mitigation program and would support the Utility's cost recovery, provided the valuation metrics justify the spend. The importance of the cost valuation guidelines cannot be overemphasized and Staff expects future cost recovery updates through Schedule 151 to be accompanied by the uniform cost valuation metrics to demonstrate risk buy down, efficiency, and prudence.

Figure 7: Staff's Recommended 2025 Prospective Cost Recovery

Initiative Category	2025 Forecast	Staff Recommendation	Staff Logic
Community Outreach and Public Awareness	1,050	650	2024 Forecast.
Grid Design and System Hardening	200	66	Cap increase at 10%
Grid Operations and Protocols	680	563	Cap increase at 10%
Industry Engagement	100	100	Keep PGE forecast
Inspect/Correct	4,125	3,863	Cap increase at 10%
PSPS/Emergency Preparedness	1,420	793	Cap increase at 10%
Risk Methodology and Assessment	5,490	3,500	PGE 2025 forecast adjusted
Situational Awareness and Forecasting	2,260	1,018	Cap increase at 10%
Vegetation Management	37,000	22,813	3 year average 2022-2024 excluding Burn Scar costs 2022
Wildfire Mitigation Strategy Development	2,585	2,022	2024 Forecast as items were moved out of this initiative into others.
TOTAL	\$ 54,910	\$ 35,389	

Staff's adjustments to PGE initiative costs, as shown in Figure 7, reflect the following:

- Using the 2024 forecast without a percentage increase on initiatives where 2024 actuals were below forecast,¹⁸ to allow for implementation of recommendations during the 2024 WMP process.
- Capping the 2024 O&M Forecast with ten percent increase to facilitate gradualism and balance customer affordability.

¹⁷ Inclusive of interest. \$19.52 million reduction before interest.

¹⁸ It should be noted that PGE has not filed its 2024 Retrospective filing and a full prudence review on that spend has not been completed. Mention of 2024 actuals are based on preliminary observations of the 2024 Full-Year report filed in UE 412.

- Accepting PGE's 2025 forecast for initiatives where the 2025 proposed amounts were below 2024 forecast and actuals.
- Three-year averages, excluding anomalies.

Conclusion

For the reasons stated above, Staff recommends the Commission authorize PGE to recover amounts associated with the development and implementation of PGE's annual Wildfire Mitigation Plan through its Automatic Adjustment Clause, suspend the tariff sheets filed by PGE in this docket, and direct PGE to make a compliance filing reflecting rates that would recover the Staff-adjusted amount of \$60.8 million through Schedule 151.

Staff encourages PGE to continue to manage spend, prioritize efforts and find ways to become more efficient and innovative. Staff's recommendation is based upon its review of the costs that were justified to recover from ratepayers on a prospective basis, but does not limit the Company's ability to use its best judgement to invest in wildfire mitigation as it deems warranted. PGE may choose to spend amounts above the amount approved for recovery at this time, accrue such incremental cost in the balancing account under Schedule 151, and seek to recover such incremental costs through a subsequent retrospective filing. PGE and Staff will continue to work together throughout the year to ensure that there is clarity about how spend will be reviewed in the retrospective filings. Staff's prudence review of any actual amounts that PGE spends and seeks to recover will leverage the work in the WMP dockets.¹⁹

The Company has reviewed this memo and PGE is amenable to Staff's recommendation to authorize recovery of capital and projected costs associated with the development and implementation of PGE's annual Wildfire Mitigation Plan through its Automatic Adjustment Clause, subject to the adjustments recommended by Staff.

PROPOSED COMMISSION MOTION:

1. Authorize Portland General Electric to recover capital and projected costs associated with the development and implementation of PGE's annual Wildfire Mitigation Plan through its Automatic Adjustment Clause, subject to the adjustments recommended by Staff;
2. Permanently suspend the tariff filed by PGE; and
3. Direct PGE to make a compliance filing reflecting rates that would recover the Staff-adjusted amount.

¹⁹ UM 2208 and UM 2340.

Attachment A

Wildfire Mitigation Plant in Service

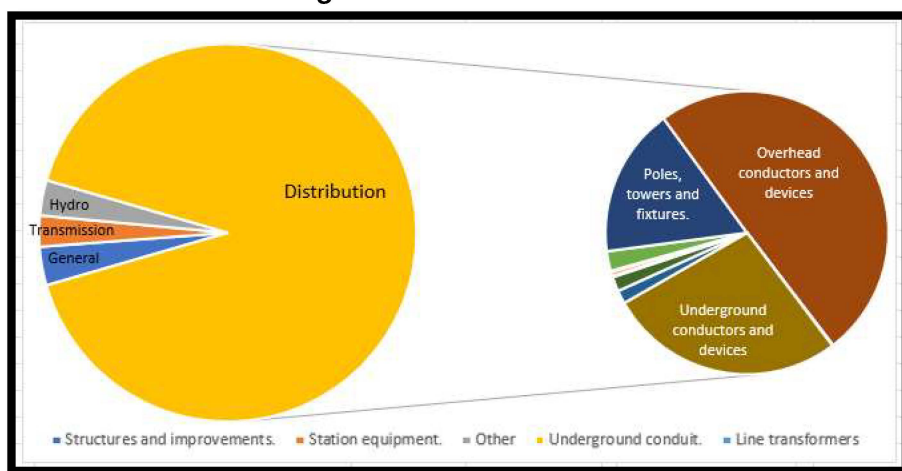
In this filing PGE is requesting to update the WM Plant to \$86.03 million (gross) for Plant in Service through April 2025. The addition of Plant in the AAC is made up of

- WM Capital transferred out of Base Rates and into the AAC in the amount of \$7.2 million.¹
- Plant additions since the Company's last AAC,² WM Capital update of \$39.9 million.
- Forecasted Plant additions through April 2025 of \$9.4 million³.

The update to WM Plant in Service results in an annual revenue requirement of \$11.5 million, an increase of \$6.9 million. Staff notes that the revenue requirement for this filing is based on the "year-end" methodology for calculating the rate base value of WM capital additions. In Order No. 24-454, the Commission directed PGE to propose a different methodology for calculating its rate base that better balances regulatory lag.⁴ While Staff is not proposing a change to PGE's methodology here, Staff does want to highlight that any changes made to PGE's rate base calculation methodology in the future should be reflected in Automatic Adjustment Clause filings as well.

Of the WM Plant additions, 91 percent is in Distribution with the majority in Overhead and Underground conductors and devices as part of the Grid Design and System hardening initiative.

Figure 3: Plant Additions



¹ UE 412 In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Advice No. 22-18, New Schedule 151, Wildfire Mitigation Cost Recovery. Order 23-173 (May 10, 2023). Stipulation 1b.

² PGE UE 412/Advice 23-16. Effective 8/1/24. Included 2023 actual plant additions of \$10.1 mil, and \$3.8 mil forecasted.

³ ADV 1699 updated filing 4/18/25.

⁴ UE 435, In the Matter of Portland General Electric Company, Request for a General Rate Revision. Order No. 24-454 (December 20, 2024)

Another noteworthy WM Capital project is the Generation Resilience project which aims to reduce PSPS consequence, and perhaps wildfire risk, should the projects be kept in service during a PSPS event, in PGE's generation facilities by installing temporary emergency generators at selected dams and control houses to help keep those spillways operating during PSPS events. PGE is forecasting to spend approximately \$1.466 million on this temporary solution.⁵

In conversation with PGE, Staff inquired on what the long-term plan is and why they felt the need to spend on a temporary solution. PGE responded that undergrounding in the area around the generation facilities is the long-term plan and the generators will be used to bridge the gap until undergrounding is complete. Staff does not oppose the idea of the emergency generators but has concerns about the continued spend for a low-risk event. Historically, a shut down due to fire at the selected dams and control houses has only occurred once, during the 2020 wildfires, out of decades of "generating electricity with the power of water."⁶

Staff's analysis of Plant in service consisted of a reconciliation of plant, confirmation of application of previously agreed adjustments, reviewing transactional data in order to assess prudence of spend, and confirmation of exclusion of agreed upon indirect loadings. Staff review resulted in a decrease to Plant in Service of \$3.1 million to a recommended \$82.9 million in WM Plant in Service. The recommendation includes rejecting the increase to the Jan-April 2025 forecast included in the April 18, 2025, updated filing.⁷ Staff's recommendations result in a decrease to the requested annual revenue requirement on Capital of approximately \$282 thousand.

⁵ UM 2208. PGE 2025 Wildfire Mitigation Plan. Page 113.

⁶ PGE Energy Sources. <https://portlandgeneral.com/about/who-we-are/how-we-generate-energy/energy-sources>

⁷ From \$6.6 million to \$9.4 million