

ORDER NO. 25-297

ENTERED Aug. 6, 2026

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 2281(2)

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY,

Application for Reauthorization to Defer  
Certain Expenses Associated with an  
Independent Evaluator and Third-party  
Consultants for a Request for Proposal.

ORDER

**DISPOSITION: STAFF'S RECOMMENDATION ADOPTED**

At its public meeting on August 5, 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:

A handwritten signature in blue ink, appearing to read "Alison Lackey".

**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.

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: August 5, 2025**

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

**DATE:** July 28, 2025

**TO:** Public Utility Commission

**FROM:** Madison Bolton

**THROUGH:** Scott Gibbens and Curtis Dlouhy **SIGNED**

**SUBJECT:** PORTLAND GENERAL ELECTRIC:  
(Docket No. UM 2281(2))  
Deferred Accounting of Certain Expenses Associated with an Independent Evaluator and Third-party Consultants for a Request for Proposal.

**STAFF RECOMMENDATION:**

Staff recommends that the Commission approve Portland General Electric’s (PGE or Company) application for reauthorization to defer costs associated with an independent evaluator (IE) in its 2023 All Source Request for Proposals (RFP) for the 12-month period April 21, 2025 through April 20, 2026.

**DISCUSSION:**

Issue

Whether the Commission should approve PGE’s request for reauthorization to defer costs associated with an IE in its 2023 All Source RFP.

Applicable Law

ORS 757.259 allows the Commission to authorize deferred accounting for later incorporation into rates. Specific amounts eligible for deferred accounting treatment with interest authorized by the Commission include, "[i]dentifiable utility expenses or revenues, the recovery or refund of which the Commission finds should be deferred in order to minimize the frequency of rate changes or the fluctuations of rate levels or to match appropriately the costs borne by and benefits received by ratepayers."  
ORS 757.259(2)(e).

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Applications for reauthorization must include that information along with a description and explanation of the entries in the deferred account to the date of the application for reauthorization and the reason for continuation of deferred accounting.

OAR 860-027-0300(4). Notice of the application must be provided pursuant to OAR 860-027-0300(6).

ORS 757.259(5) provides that amounts deferred under ORS 757.259(2) are allowed in rates only to the extent authorized by the Commission in a proceeding under ORS 757.210 to change rates and upon a prudence review. A review of the utility's earnings is required, unless subject to an automatic adjustment clause. With some exceptions, a company's amortization of amounts deferred cannot exceed an amount equal to three percent of the company's gross revenues from the preceding year. ORS 757.259(6).

The rules for engaging an IE to oversee a competitive resource procurement process are prescribed within OAR 860-089-0200, which states in part: "[t]he electric company may request recovery of fees and expenses associated with engaging an IE in customer rates." OAR 860-089-0200(3).

OAR 860-089-0450(10) states that an "IE must participate in the final short list acknowledgment proceeding initiated by the electric company, and must continue to participate if, at the time of acknowledgment of the electric company's final shortlist, the Commission chooses to require IE involvement through final resource selection."

## Analysis

### *Background*

PGE conducted a 2023 All-Source RFP, docketed under UM 2274, for carbon-free energy resources resulting in a final short list.<sup>1</sup>

As part of PGE's notice of the commencement of the process for a 2023 RFP, PGE also sought a partial waiver of OAR 860-089-0200, to allow Bates White, the IE used for PGE's 2021 RFP, to continue and serve as the IE for UM 2274. PGE's waiver request, allowing for the continuation of Bates White, was granted by the Commission at the April 18, 2023 Commission Public Meeting.

At the December 31, 2024 Public Meeting, the Commission approved PGE's request for reauthorization to defer costs associated with the IE's assessment of short-listed proposals for wind and solar bids, as well as costs for a third-party Owner's Engineer to conduct technical compliance review of short-listed proposals for renewable energy

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<sup>1</sup> See Commission Order No. 24-425.

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bids.

Pursuant to OAR 860-089-0450(10), the Commission ordered that PGE abide by Staff's recommended RFP Condition 11, which states in part,

PGE shall retain the IE through final resource selection. PGE will require the IE to monitor all contract negotiations. In addition to filing a final resource selection closing report with the Commission no later than 30 days after final resource selection, the IE will report at least monthly on contract negotiations and any impacts to pricing or bid withdrawals.<sup>2</sup>

As contract negotiations are ongoing prior to final resource selection, PGE will continue to retain the IE and requests the reauthorization of deferred accounting to track the costs of the IE for later prudency review and inclusion in rates.

#### *Reason for Deferral*

PGE expects to incur incremental costs to pay for the IE to monitor contract negotiations that were not included in the costs used to set rates in PGE's most recent general rate case, UE 435. PGE states that "Deferring the costs will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers. Approving this application will not authorize a change in rates but will permit the Commission to consider allowing such deferred amounts in rates in a subsequent proceeding."<sup>3</sup>

#### *Proposed Accounting*

PGE proposes to record deferred amounts to Federal Energy Regulatory Commission (FERC) Account 182.3, Other Regulatory Assets, with a credit to FERC Account 407.4, Regulatory Credits.

#### *Description of Utility Expense*

Some examples of these functions, as specified in OAR 860-089-0450, include the IE being available and responsive to the Commission throughout the process, PGE consulting with the IE in preparing the RFP, the IE submitting its assessment of the final draft RFP, and the IE preparing a closing report for the Commission after the final short-list of bids are selected. Additionally, pursuant to conditions in the 2023 RFP, the IE will continue to be retained following the selection of final short-list bids to oversee contract negotiations and through final resource selection.

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<sup>2</sup> See Commission Order No. 24-011, Appendix A, 75-76.

<sup>3</sup> UM 2281(2) - *In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, Application for Reauthorization to Defer Certain Expenses Associated with an Independent Evaluator and Third-party Consultants for a Request for Proposal*, Page 3, April 21, 2025.

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#### *Estimated Deferrals in Authorized Period*

When PGE filed for deferral of IE costs in April 2024, it estimated the amount subject to the deferral would total approximately \$400,000 for the IE and third-party experts required for PGE's 2023 All-Source RFP. PGE now estimates that no more than \$100,000 in additional costs will be incurred over the reauthorization period from April 21, 2025 to April 20, 2026.

#### *Information Related to Future Amortization*

- Earnings Review – ORS 757.259(5) requires an earnings review prior to amortization of amounts deferred under ORS 757.259(2)(e). Staff does not propose an earnings test be applied for this deferral due to OAR 860-089-0200(1), which requires utilities to engage the services of an IE to oversee the competitive bidding process and OAR 860-089-0400(5)(a) which requires utilities to engage the services of a qualified and independent third-party expert to review site-specific critical performance factors for wind and solar resources on the initial shortlist.
- Prudence Review – Should be performed by the OPUC Staff after PGE files for amortization.
- Sharing Percent – There should be no sharing between PGE and its customers for this deferral. PGE is incurring the IE and third-party Owner's Engineer costs in this deferral application pursuant to the provisions included within OAR 860-089-0200(1).
- Rate Spread/Rate Design – Costs recovered through this deferral will be allocated to each schedule using the applicable schedule's forecasted energy on the basis of an equal percent of generation revenue applied on a cents per kWh basis to each applicable rate schedule.
- Three Percent Test – The amortization of the deferred IE costs will be subject to the three percent test in accordance with ORS 757.259(6), which limits aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year.

#### Conclusion

As the Company's application meets the requirements of ORS 757.259 and OAR 860-027-0300, and the reason for the deferral reauthorization is valid, Staff recommends the Commission approve PGE's application.

The Company has reviewed this memo and has no objection.

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**PROPOSED COMMISSION MOTION:**

Approve Portland General Electric's request for reauthorization for deferred accounting of certain expenses associated with an Independent Evaluator and third-party Owner's Engineer for its 2023 All Source RFP, for the 12-month period beginning April 21, 2025 through April 20, 2026.

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