

ORDER NO. 25-462

ENTERED Nov 25 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1483(15)

In the Matter of

PACIFICORP dba PACIFIC POWER,

Application for Reauthorization for
Deferred Accounting of Costs Associated
with the Oregon Solar Incentive Program.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on November 25, 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. CA6

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 25, 2025**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** _____ **N/A**

DATE: November 5, 2025

TO: Public Utility Commission

FROM: Kathy Zarate

THROUGH: Scott Gibbens and Michelle Scala **SIGNED**

SUBJECT: PACIFIC POWER:
(Docket No. UM 1483(15))
Reauthorization of Deferred costs associated with photovoltaic feed-in tariff.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Pacific Power's (PacifiCorp or Company) request for reauthorization to defer costs associated with the Oregon Solar Incentive Program (OSIP) for the 12-month period beginning May 19, 2025.

DISCUSSION:

Issue

Whether Commission should reauthorize deferral of costs associated with the Oregon Solar Incentive Program.

Applicable Law

The Company makes this filing pursuant to ORS 757.365(10), ORS 469A.120(1) and (3), ORS 757.259, and OAR 860-027-0300.

ORS 757.365 required the Commission to establish a pilot program for small solar energy systems. ORS 757.365(10) provides that all prudently incurred costs associated with compliance with ORS 757.365 are recoverable in a utility's rates.

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ORS 469A.120(1) and (3) address costs associated with the Oregon Renewable Portfolio Standards (RPS). These statutes provide that prudently incurred costs associated with the renewable portfolio standards are recovered through an automatic adjustment clause or similar cost recovery mechanism.

Under ORS 757.259(2), the Commission may authorize a deferral of the following amounts for later incorporation into rates:

- a) Amounts incurred by a utility resulting from changes in the wholesale price of natural gas or electricity approved by the Federal Energy Regulatory Commission;
- b) Balances resulting from the administration of Section 5(c) of the Pacific Northwest Electric Power Planning and Conservation Act of 1980;
- c) Direct or indirect costs arising from any purchase made by a public utility from the Bonneville Power Administration pursuant to ORS 757.663, provided that such costs shall be recovered only from residential and small-farm retail electricity consumers;
- d) Amounts accruing under a plan for the protection of short-term earnings under ORS 757.262 (2); or
- e) Identifiable 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 fluctuation of rate levels or to match appropriately the costs borne by and benefits received by ratepayers.

OAR 860-027- 0300(3) requires that applications for deferred accounting include:

- (a) A description of the utility expense or revenue for which deferred accounting is requested;
- (b) The reason(s) deferred accounting is being requested and a reference to the section(s) of ORS 757.259 or 759.200 under which deferral may be authorized;
- (c) The account proposed for recording of the amounts to be deferred and the account which would be used for recording the amounts in the absence of approval of deferred accounting;
- (d) An estimate of the amounts to be recorded in the deferred account for the 12-month period subsequent to the application; and
- (e) A copy of the notice of application for deferred accounting and list of persons served with the notice.

OAR 860-027- 0300(4) requires electric companies to file applications for reauthorization of a deferral no more than 60 days prior to the expiration of the previous

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authorization for the deferral. In addition to the requirements listed above, an application for reauthorization must include:

- a) A description and explanation of the entries in the deferred account to the date of the application for reauthorization; and
- b) The reason(s) for continuation of deferred accounting.

Deferral of OSIP costs were originally granted by the Commission in Order No. 11-021 and has been annually reauthorized, most recently by Order No. 24-468.

Analysis

Background

On May 16, 2025, the Company submitted a filing requesting approval of the fifteenth reauthorization of Docket No. UM 1483.

In Docket No. AR 538, the Commission adopted rules to establish a solar photovoltaic feed-in tariff pilot program, as required by ORS 757.365. In Docket No. UM 1452, the Commission established volumetric incentive rates for solar photovoltaic energy systems.

The Company is implementing the solar photovoltaic feed-in tariff program, known as the Oregon Solar Incentive Program, through Schedules 136 and 137. Additionally, the Commission approved Schedule 204 for recovery of the costs authorized under the deferral approved in the docket, Order No. 17-516.

After PacifiCorp filed its initial application to defer the costs on May 19, 2010, in Docket No. UM 1483, Commission Staff convened two workshops with interested parties on August 18, 2010 and September 21, 2010, to discuss PacifiCorp's deferral application, along with Portland General Electric Company's similar deferral application.

Through workshops, the utilities, Commission Staff, and interested stakeholders reached agreement on several issues related to the deferrals for solar incentive programs, including the timing of filings, formats, and types of costs to be recovered through the deferral.

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Description of the Expenses

Costs and expenses of the Oregon Solar Incentive Program include the payment of volumetric incentive rates and program administration costs to implement and administer the program.

The expenses to be deferred would include any administrative, marketing, metering, incentive payments and any other costs incurred by PacifiCorp for the purpose of implementing the pilot program.

Reasons for Deferral

As described above, ORS 757.365 requires the implementation and administration of the Oregon Solar Incentive Program. The statute also provides that prudently incurred costs associated with compliance with the statute are recoverable in rates.

The renewable energy certificates associated with generation sold to the utility under ORS 757.365 may be used to comply with the Oregon RPS, which also requires cost recovery of prudently incurred costs associated with compliance.

Reauthorization of deferred accounting will allow the Company to continue to match the benefits that customers will be receiving with the costs to the Company of providing those benefits.

Proposed Accounting

The Company proposes to account for the deferred costs of the Oregon Solar Incentive Program by recording the deferral in Account 182.3, Other Regulatory Assets.

Estimate of Amounts

The Company estimates that the costs may range from \$4.4 million to \$4.7 million during the May 19, 2025 through May 18, 2026, deferral period. Changes in the incentive rate established by the Commission, as well as differences between actual and projected generation due to weather conditions, may impact this estimate.¹

Information Related to Future Amortization

- Earnings Review – Staff recommends no earnings test be applied on this deferral given the type of costs being deferred.
- Prudence Review – A review to determine that costs were prudently incurred must be done prior to amortization. The costs to be deferred would include any administrative, marketing, metering, incentive payments, and any other costs

¹ See, Attachment 2 to PacifiCorp's Advice No. 10-029 contains a description of the types of incremental costs, by cost category, to be included in the deferral.

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incurred by PacifiCorp for the purpose of implementing the pilot program, consistent with this agreement.

- Sharing – This deferral is not subject to a sharing mechanism. Staff proposes that during amortization, the costs be spread on an equal percent of generation basis.
- Three Percent Test – The three percent test limits (exceptions at ORS 757.259(7) and (8)) the aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year. Because PacifiCorp is an electric utility, ORS 757.259(8) allows the Commission to consider up to a six percent limit. The limit for these deferrals will be determined at the time of amortization.

Conclusion

Staff finds that Pacific Power's application to defer is appropriately made under the statutes, and the application meets the requirements of OAR 860-027-0300. Therefore, Staff recommends approval.

The Company has reviewed this memo and voiced no concerns.

PROPOSED COMMISSION MOTION:

Approve Pacific Power's request for reauthorization to defer costs associated with the Oregon Solar Incentive Program for the 12-month period beginning May 19, 2025.

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