

ORDER NO. 25-464

ENTERED Nov 25 2025

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 2027(6)

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Application for Reauthorization to Defer  
Costs Associated with Energy Storage  
Projects.

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:



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**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. CA8

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

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

**DATE:** November 18, 2025

**TO:** Public Utility Commission

**FROM:** Kathy Zarate

**THROUGH:** Scott Gibbens and Bret Stevens **SIGNED**

**SUBJECT:** PACIFIC POWER:  
(Docket No. UM 2027(6))  
Authorization of Deferred Accounting for Energy Storage Projects.

**STAFF RECOMMENDATION:**

Staff recommends the Commission approve Pacific Power's (PacifiCorp or Company) application for reauthorization of deferred accounting for Energy Storage projects docketed as UM 2027(6) for the 12-month period beginning June 17, 2025

**DISCUSSION:**

Issue

Whether the Commission should approve PacifiCorp's application for deferred accounting for its Energy Storage Projects.

Applicable Law

In accordance with Oregon Revised Statutes (ORS) 757.259 and OAR 860-027-0300, PacifiCorp applied to the Public Utility Commission of Oregon (Commission) for an order authorizing deferral of the costs associated with PacifiCorp's energy storage pilot programs (Deferred Amount).

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## Analysis

### *Background*

In this application, the Company is requesting reauthorization to defer all costs associated with the energy storage projects for the 12 months beginning June 17, 2025.

Oregon House Bill (HB) 2193 required PacifiCorp to submit to the Commission a proposal to develop energy storage systems and procure any authorized projects by January 1, 2020.

In July 2018, the Company reached a stipulation with the Staff of the Commission and the Oregon Citizen's Utilities Board on the project proposals and evaluation plan. This included two projects:

- Pilot Project #1 involved building a 2 megawatt/6 megawatt-hour battery to meet the requirements of HB 2193.
- Pilot Project #2 is a Community Resiliency Pilot to provide technical and financial assistance to study and deploy energy storage resources to facilities critical to emergency response or disaster recovery.

### *Proposed Accounting*

The Company plans to record the deferral amount as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets), crediting various applicable FERC accounts.

### *Reasons for Deferral*

ORS 757.259(2)(e) allows the deferral of identifiable utility expenses in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne and benefits received by customers.

### *Description of expenses*

The expenses are associated with implementing the energy storage pilot projects approved in Order No. 18-327.

### *Estimate of Amounts*

The Company anticipates it will defer up to approximately \$160,000 over the next 12 months. Pilot Project #1 is a capital project that Staff understands is still in development and delayed several years after recently going through a rebid of the supply contract. Pilot Project #2 has been limited for cost recovery at \$1,800,000, and the Company seeks reauthorization to defer up to that amount.

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Staff understands the \$160,000 anticipated for the next 12 months is for one outstanding grant award for Pilot Project #2. Upon award of the outstanding grant, PacifiCorp intends to sunset Pilot Project 2.<sup>1</sup>

The Company did not recover costs relating to Pilot Project #2 in 2024. The Company requests that, under Order No. 08-263 as modified by Order No. 10-279, be allowed to accrue interest on the unamortized balance, consistent with the treatment of interest rates during accrual and amortization described in those orders. The Company will seek amortization of the deferred amount in future Commission proceedings.

Staff also requested from the Company a detailed cost breakdown regarding previous costs for each calendar year 2020, 2021, 2022, 2023, and 2024.<sup>2</sup> Staff's review of this information raised no concerns. However, Staff recommends the Company file soon for recovery of some amounts to avoid excessive accumulation of interest charges.

#### *Information Related to Future Amortization*

- Earnings Review – Staff anticipates determining whether an earnings review is appropriate at the time PacifiCorp seeks to amortize these amounts.
- Prudence Review – PacifiCorp will submit Pilot evaluation reports that will provide detailed cost summaries. A prudence review can also be performed during the Pilots' operations.
- Sharing – Does not include a sharing mechanism.
- Rate Spread/Rate Design – Applicable costs will be allocated to each schedule using the applicable schedule's forecasted energy on the basis of an equal percent of revenue applied on a cents-per-kWh basis.
- Three Percent Test (ORS 757.259(6)) – The amortization of the Pilot's deferred costs will not be subject to the three percent

#### Conclusion

Staff concludes that PacifiCorp's request to re-authorize the deferral meets the requirements of ORS 757.259 and OAR 860-027-0300 and is consistent with the Company's initial application for deferral.

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<sup>1</sup> See December 2024 Energy Storage Pilot and Evaluation Plan Update, page 4, <https://edocs.puc.state.or.us/efdocs/HAD/um1857had333292114.pdf>.

<sup>2</sup> Confidential Information Request No. 1.

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**PROPOSED COMMISSION MOTION:**

Approve PacifiCorp's application for reauthorization of deferred accounting for Energy Storage projects docketed as UM 2027 for the 12-month period beginning June 17, 2024. The Company is directed to make a filing no later than 3 months after this order to begin recovery of these deferrals to the extent the Commission finds the costs prudently incurred.

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