ORDER NO. 25-502

ENTERED Dec 09 2025

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2274

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, 2023 All-source Request for Proposals.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on December 9, 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

ITEM NO. RA4

PUBLIC UTILITY COMMISSION OF OREGON
REDACTED STAFF REPORT
PUBLIC MEETING DATE: December 9, 2025

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

DATE: December 2, 2025

TO: Public Utility Commission

FROM: Sudeshna Pal

THROUGH: Caroline Moore and Kim Herb **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC COMPANY:
(Docket No. UM 2274)
2023 All-Source Request for Proposals Updated Final Shortlist.

STAFF RECOMMENDATION:

Acknowledge Portland General Electric Company's (PGE or Company) 2023 All-Source Request for Proposals (RFP) Updated Final Shortlist (FSL), subject to Staff's proposed conditions.

DISCUSSION:

Issue

Whether the Public Utility Commission of Oregon (Commission or OPUC) should acknowledge PGE's 2023 All-Source RFP Updated FSL.

Applicable Rule or Law

The Commission's Competitive Bidding Rules (CBR) in OAR Chapter 860, Division 89 apply when an electric utility may acquire a resource or a contract for more than an aggregate of 80 megawatts and five years in length, as specified in OAR 860-089-0100(1). Resource acquisitions falling under the CBRs require the use of a request for proposals (RFP) unless an exception applies, or the rules are waived.[1]

[1] OAR 860-089-0250; OAR 860-089-0100; OAR 860-089-0010.

Upon request or its own motion, the Commission may waive any of the Division 089 rules for good cause shown.[2] If a request for waiver is made, it must be made in writing to the Commission prior to or concurrent with the initiation of a resource acquisition.[3,4]

OAR 860-089-0500(1) states that, in an RFP process "Acknowledgment" is a finding by the Commission that an electric company's final shortlist of bid responses appears reasonable at the time of acknowledgment and was determined in a manner consistent with the rules in this division.

OAR 860-089-0500(2) provides that an electric company must request that the Commission acknowledge the electric company's final shortlist of bids before it may begin negotiations. Acknowledgment of a shortlist has the same legal force and effect as a Commission-acknowledged IRP in any future cost recovery proceeding.

Per OAR 860-089-0500(3), requests for acknowledgement must, at minimum, include the independent evaluator's (IE's) closing report, the electric company's FSL, all sensitivity analyses performed, and a discussion of the consistency between the FSL and the electric company's last-acknowledged IRP Action Plan.

The IE's closing report contains an evaluation of the applicable competitive bidding processes in selecting the least-cost, least-risk acquisition of resources and any additional analyses requested by the Commission, under OAR 860-089-0450(9). The IE participates in the final short list acknowledgment proceeding and may be required by the Commission to have expanded involvement through final resource selection.[5]

Executive Order (EO) No. 25-25, recognized the role of federal tax credits in supporting Oregon's climate policy and directed the Commission to accelerate RFP timelines as practicable to support the expedited procurement of clean energy resources.

Analysis

Background
PGE filed a Request for Acknowledgment of an Updated Final Shortlist (FSL) in PGE's 2023 All-Source Request for Proposals (Request for Acknowledgement). This Request for Acknowledgement follows a price refresh analysis of all conforming bids (that is, bids

[2] OAR 860-089-0010(2).
[3] OAR 860-089-0010(2)(a).
[4] "Resource acquisition" is defined in OAR 860-089-0020(9) to refer "to a process for the purpose of acquiring energy, capacity, or storage resources that starts with… [c]ommunication of a final offer or receipt of a final offer in a two-party negotiation."
[5] OAR 860-089-0450(10).

that were eligible for selection in the 2023 RFP FSL) from the 2023 RFP initial short list. PGE identified three projects for selection in the Updated FSL and filed its Request for Acknowledgment for the Updated FSL on October 1, 2025. The Independent Evaluator's (IE) Report on the Updated FSL was included as an attachment to PGE's request for acknowledgement. Staff filed opening comments on PGE's filing on October 29, 2025. No other parties have filed comments.

Price Refresh Analysis
PGE's price refresh analysis is motivated by changes in federal policies on import tariffs and federal tax credits for renewable energy projects. The price refresh incorporates federal changes and their impact on project costs and therefore reflects costs more accurately than the best and final offers in PGE's original 2023 RFP. Project cost-effectiveness (benefit to cost ratios) and execution viability, or ability to meet the 2027commercial online date (COD), were the primary criteria supporting PGE's selection of the Updated FSL.

PGE received renewed price offers on six unique projects and eight projects in total including project variants. All these projects were part of PGE's 2023 Initial Shortlist and were eligible for selection in the 2023 RFP FSL. Two of the three projects (Bid 150 and 88) that got selected in the Updated FSL were also part of the 2023 RFP FSL. Table 1 below lists the projects invited to participate in the price refresh.

Table 1: 2023 RFP Price Refresh Projects

Bid	Participated Yes/No	R/D	Notes
10.1.Alt1	NO	R	Could not meet the 12/31/2027 COD requirement.
23.1Base	NO	D	Could not meet the 12/31/2027 COD requirement.
23.2.Base	NO	D	Could not meet the 12/31/2027 COD requirement.
27.1.Alt3	YES	R	Not on original Final Shortlist
74.1.Base	YES	D	
74.2.Alt1	YES	D	
88.2.Alt2	YES	D	
92.1.Alt4	YES	D	
105.1.Alt1	YES	R	Not on original Final Shortlist
150.1.Alt1	YES	R	

Notes: R = Renewable; D = Dispatchable

Highly Confidential (HC) Attachment 1 presents a comparison of costs and benefits estimates in the 2023 RFP and the 2023 RFP price refresh for the projects that provided renewed price offers.

Updated FSL

The projects in the Updated FSL include two hybrid renewable projects (solar + battery with a total of 615 MW of nameplate capacity) and one battery storage (400 MW nameplate capacity) project. The selected projects target to meet PGE's 2028 capacity need of 797 MW for summer and 465 MW for winter and energy need of 71 MWa, as identified in the Company's 2023 IRP Update. Figure 1 in HC Attachment 1 shows the capacity need build up in PGE's 2028 Reference Case from its 2023 IRP Update after the removal of the 2023 RFP proxy resources.

The projects are expected to be in service by the end of 2027, and if online, are projected to deliver 654 MW of summer and 220 MW of winter capacity, and a net of 67 MWa of energy. Table 1 below presents the Updated FSL bids summary.

Table 2: PGE's 2023 RFP Updated Final Shortlist (Post Errata Filing)

Bidder	MWa	ELCC (MW)	Summer ELCC (MW)	Winter ELCC (MW)	Technology	Ownership Structure
27	54	132	214	49	Solar+Battery	PPA+Own
150	23	116	172	60	Solar+Battery	Own
88	-10	190	268	111	Li-ion Battery	Own

Staff Analysis of Updated FSL Selection

The Staff analysis of the Updated FSL is different than the analysis of the initial FSL in this docket as the Updated FSL was reviewed on an expediated basis without all information, such as information about other potential procurement options available at the same time. While Staff found PGEs filing for acknowledgement of the 2023 RFP Updated FSL to be consistent with the overarching competitive bidding rules, the approved RFP, and Commission Order No. 24-425, its review and analysis is somewhat limited in being expediated and based upon limited information available at this time. However, utilities are required to continue to act reasonably and prudently, and the projects will be reviewed with fuller information when requested in cost recovery.

Staff examined whether PGE adequately considered cost and risk factors associated with the shortlisted projects, and the IE report, to weigh in on the reasonableness of the Updated FSL. For instance, Staff reviewed cost effectiveness of shortlisted bids, competitiveness of shortlisted bids relative to their counterparts that also bid into PGE's 2025 RFP, and, whether PGE provided evidence of impacts on customer costs and protection measures if the selected bids fail to realize federal tax credits.

Additionally, Staff also noted that at present PGE is engaged in a bilateral all call procurement for renewable power purchase agreements (PPA). PGE distributed the All-Call notification to 50 developers and received responses from six developers and seven distinct projects. Of these, the Company said it was moving forward with negotiations on two projects. PGE also provided Staff, in email communication, with a summary of criteria used for selection of the PPA bids for contract negotiations. Table 3 in Staff Opening Comments presents the summary provided by PGE.[6]

The following are Staff's findings and conclusions:

Cost Effectiveness: The projects in the Updated FSL are reasonable based on the cost effectiveness score, as also confirmed by the IE. All projects that submitted renewed prices showed improvement in the cost benefit ratios compared to the 2023 RFP. Staff also agreed with the IE recommendation regarding consideration of a low-cost project that PGE did not select in the Updated FSL based on the Company's estimation of execution risk associated with this project. The IE noted that this low-cost project would help contribute to an unmet need of 300 MW of summer and 180 MW of winter capacity, even if PGE procured all three projects in the Updated FSL. PGE expressed that it would pursue the low-cost project as a full toll agreement or PPA outside of the RFP process. Staff finds PGE's approach to be reasonable. Further, both PGE and the IE provided an execution risk analysis in response to Staff's request and found consistent results that showed the selected renewable projects in the Updated FSL to have the lowest execution risk.

Competitiveness with 2025 RFP Bids: Staff asked for a comparison of bid prices and performance for the renewable bids in the Updated FSL that also bid into the 2025 RFP. Staff's goal was to ensure that the refreshed price offerings in the 2023 RFP Update provided PGE with enough information to make least cost, least risk decisions on behalf of customers and therefore procure these projects sooner rather than later. PGE emphasized that the COD of 2027 was a critical factor in selecting these projects in the 2023 RFP price refresh analysis. All but one 2025 RFP bids have CODs of 2028 or later. At an initial glance, the project counterparts that bid into the 2025 RFP generally appear to perform comparably except for meeting the 2027 COD requirement. However, a more conclusive comparison cannot be made at this time since the 2025 project energy and capacity outputs have not yet received third party verification, and the bidders are yet to provide their best and final price offers (BAFO) for these projects. Staff finds PGE's prioritizing of the COD to be reasonable at this time, given PGE's reliability needs.

[6] UM 2274, PGE 2023 RFP Price Refresh, Staff Opening Comments at 8, um2274hac341315028.pdf.

Recognizing that more up to date information on the 2025 RFP bids is pending, Staff agrees with the IE that the data from the 2025 RFP provides a valuable "sanity check on the path forward."[7] This led Staff to review the 2025 RFP data and to conduct a deeper evaluation of one of the bids in the Updated FSL that also bid into the 2025 RFP, namely, **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL].** The Company sees this bid as bringing capacity and renewable energy; has a path to meet a 2027 COD; and can fully take advantage of tax credits. Staff notes that **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL].** Staff agrees that this bid could help the Company meet its 2028 capacity needs. However, Staff has been unable to fully satisfy concerns about the relative value of pursuing this project through the 2023 RFP as opposed to its consideration as part of the 2025 RFP, into which it has also bid. Staff's concerns are that the bid's ability to capture tax credits may not translate into lower costs for customers and that PGE's selection of this bid is not based on its relative performance to similar bids.

Staff attempted to compare the bid attributes, costs, and benefits between the 2023 RFP FSL update and the bid values as reflected in the 2025 RFP Initial shortlist (before bids could provide a best and final offer). It appears to Staff that the 2023 version of the bid has higher capital costs over the life of the project, as well as higher PPA prices for capacity and energy compared to the 2025 bid. Table 3 below shows some of those elements.

Table 3: 2023 RFP Compared to 2025 RFP

	2023 Bid	2025 Bid	Difference
ELCC – Solar	**[BEGIN HIGHLY CONFIDENTIAL]** [redacted]	[redacted]	[redacted]
ELCC – Storage	[redacted]	[redacted]	[redacted]
PPA Energy Price w/RECs	[redacted]	[redacted]	[redacted]
PPA Capacity Price	[redacted]	[redacted]	[redacted]
Tax Incentives (ITC + IRA - Monetization)	[redacted]	[redacted]	[redacted]
CapEx	[redacted]	[redacted]	[redacted]

[7] UM 2274 – PGE's Request for Acknowledgement of Updated FSL, Appendix A, p.12.

NPV PPA Energy Costs	[redacted]	[redacted]	[redacted]
NPV PPA Capacity Costs	[redacted]	[redacted]	[redacted]
Total	[redacted]	[redacted]	[redacted]
Cost to Benefit Ratio	[redacted]	[redacted]	**[END HIGHLY CONFIDENTIAL]**

However, per conversations with the Company, Staff understands that the 2025 RFP scoring assumed the Company secured the 2023 RFP Updated FSL, **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** and the capacity need was reduced to reflect having procured these resources. This meant that this project's ELCC or capacity contribution, and ultimately its value in the 2025 RFP, was significantly and inappropriately decreased. PGE attempted to correct for this but did not provide all the relevant scoring details to fully assess costs and benefits. As such, Staff is unable to determine whether the 2023 version of the bid ultimately outperforms the 2025 version. Further, the current bid details in the 2025 RFP continue to reflect that this bid was procured in the 2023 RFP FSL. Without accurately knowing how this project is expected to perform in the 2025 RFP, Staff cannot determine whether there is a significant difference in the total costs or whether the fact that **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** is better positioned to fully take advantage of tax credits translates into meaningful cost savings for customers.

Staff expects that important clarity around the relative performance and value of this bid is imminent as part of the 2025 RFP BAFO, which was expected on December 1, 2025. If the Company chooses to move forward with this bid as part of the 2023 RFP price refresh, cost recovery should be considered in the context of what the Company knew at the time. This includes how procuring this project in the 2023 RFP FSL compares with procuring it as part of the 2025 RFP, how the 2025 version of this bid compares to the other bids available to the company through the 2025 RFP, and its bilateral procurements.

Staff notes that analysis of the 2025 RFP bids should appropriately reflect the performance of all bids with and without **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** from the 2023 RFP FSL. Additionally, the Company should provide a comparison of **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY CONFIDENTIAL]** from the 2023 RFP Updated FSL with **[BEGIN HIGHLY CONFIDENTIAL]** [redacted] **[END HIGHLY**

8 Adjusted to reflect 2023 RFP capacity and transmission costs associated with the scoring and modeling of the 2025 RFP.

CONFIDENTIAL] from the 2025 RFP, including all bid inputs, revenue requirement details and summary, carrying costs, and capex, which can be used to inform the prudency of the Company's decision.

Customer Affordability and Protection: Staff noted that all projects on the Updated FSL are either fully or partially owned by the Company. Without additional protection, customers will carry full risk if the projects fail to secure federal investment tax credits. This is different than a conventional PPA where the seller bears the risk if the project costs do not align with the contracted price. PGE explained in its filing various customer protection measures that consider protecting customers against uncertainties posed by tariff exposure and by the project's ability to meet the COD to fully realize the federal tax credits. Staff concluded that PGE has adequate protection measures in place but sought greater visibility into the specific issue of federal tax credits and how customer costs would be impacted if the tax credits did not materialize.

Staff recognizes unique circumstances driving PGE's request and the limitations an expedited decision places on the depth of review. Understanding the caveat that there has been limited time to review and that not all information is available at this time, PGE has demonstrated these projects are worth pursuing on behalf of customers. However, future cost recovery proceedings will review whether PGE's selection of projects between its procurement channels was balanced and that the Company was making the best choices across its various options.

Staff recommends that the Commission acknowledge PGE's Updated FSL and add the following conditions to its acknowledgement decision:

a. *PGE will bear all of the risk associated with realization of federal tax credits for the projects in the Updated FSL.*
b. *PGE will provide a progress report from the IE on contract negotiations related to the Updated FSL by the end of 2026 Q1.*
c. *PGE will provide an updated and complete analysis supporting any decision to procure bids from the Updated FSL that also participated in the 2025 RFP, appropriately representing all costs and benefits.*

Conclusion

Staff realizes that highly dynamic federal and state energy policies, increased competition from large customers, coupled with the need to reliably and affordably serve customers have created new challenges in utility resource procurement. Staff has tried to navigate through these various considerations to develop its recommendation regarding Commission acknowledgement of PGE's 2023 RFP Updated FSL. Staff believes that PGE has put forth a reasonable proposal but notes that work will continue to consider whether PGE's selection of projects between its procurement channels was balanced and that the Company was making the best choices across its various options.

PROPOSED COMMISSION MOTION:

Acknowledge PGE's 2023 RFP Updated Final Short List, subject to Staff's proposed conditions.

Attachment 1 - Redacted

A. PGE's 2028 Summer and Winter Capacity Needs from its 2023 IRP/CEP Update

Figure 1: 2028 Summer and Winter Capacity Needs

[BEGIN HIGHLY CONFIDENTIAL]

[redacted]

[END HIGHLY CONFIDENTIAL]

B. Comparison of Bidder Price Offers: June 2024 BAFO vs. August 2025 Update

Table 4: Bid Price Offers June 2024 vs August 2025

[BEGIN HIGHLY CONFIDENTIAL]

[redacted]

[END HIGHLY CONFIDENTIAL]

C. 2023 RFP vs. 2023 RFP Price Refresh Costs and Benefits - PGE's Analysis

Table 5: Total Cost 2023 RFP vs. 2023 RFP Price Refresh

[BEGIN HIGHLY CONFIDENTIAL]

[redacted]

[END HIGHLY CONFIDENTIAL]

Table 5 shows an increase in total real levelized cost of four projects, while three projects experienced a decline in cost. Out of these projects, bids 27, 150 and 88 were selected in the Updated FSL, based on cost benefit ratios. Based on the IE's recommendation PGE will pursue 74.2.Alt1 project as a full toll (PPA) agreement, outside of the RFP.

Table 6: Energy Values 2023 RFP vs. 2023 RFP Price Refresh

[BEGIN HIGHLY CONFIDENTIAL]

[redacted]

[END HIGHLY CONFIDENTIAL]

Table 6 shows changes in energy values of the projects between the 2023 RFP and the price refresh. The energy values increased significantly due to the revised estimation methodology. PGE adopted Staff recommendation and used PGE forward price curve for near-term prices in this scenario analysis.

Table 7: Capacity Values 2023 RFP vs. 2023 RFP Price Refresh

[BEGIN HIGHLY CONFIDENTIAL]

[redacted]

[END HIGHLY CONFIDENTIAL]

Table 7 shows higher capacity values for the projects under the price refresh analysis. These higher capacity values result from the use of a higher capacity of $237/kw-year compared to $144/kw-year. The higher value is a more accurate representation of the market. PGE calculates the capacity contribution of each offer in its Sequoia model.

Table 8: Cost Benefit Ratios 2023 RFP vs. 2023 RFP Price Refresh

[BEGIN HIGHLY CONFIDENTIAL]
[redacted]
[END HIGHLY CONFIDENTIAL]
Notes: * Projects selected in the Updated FSL. ** Project that PGE will pursue as a full toll agreement outside of this RFP process.

Table 8 presents the results of PGE's cost benefit assessment for the projects. The cost benefit ratios improve for all projects in the price refresh. This is due to higher estimated total benefits overall as well as reduced costs for some projects.