

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1797(9)

In the Matter of

PACIFICORP, dba PACIFIC POWER,

Application for Reauthorization of  
Deferred Accounting for a Balancing  
Account Related to the Purchase of  
Renewable Energy Credits.

ORDER

**DISPOSITION: STAFF'S RECOMMENDATION ADOPTED**

At its public meeting on December 23, 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. CA9

**PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: December 23, 2025**

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

**DATE:** December 3, 2025

**TO:** Public Utility Commission

**FROM:** Kathy Zarate

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

**SUBJECT:** PACIFIC POWER:  
(Docket No. UM 1797(9))  
Request for reauthorization to defer accounting for a balancing related to the purchase of Renewable Energy Certificates.

**STAFF RECOMMENDATION:**

Staff recommends the Public Utility Commission of Oregon (Commission) approve PacifiCorp's (Pacific Power, PAC, or Company) application for reauthorization to defer costs related to the purchase of renewable energy certificates (RECs) for the 12-month period beginning September 9, 2025.

**DISCUSSION:**

Issue

Whether the Commission should approve Pacific Power's request for reauthorization to record and defer cost related to the purchase of Renewable Energy Certificates for the 12-month period beginning September 9, 2025.

Applicable Law

In accordance with Oregon Revised Statutes (ORS) 757.259(2)(e) and Oregon Administrative Rules (OAR) 860-027-0300, PacifiCorp applies to the Commission for an order reauthorizing deferred accounting for the balancing account used to record the estimated annual Renewable Portfolio Standard (RPS) obligations, the actual collections through PacifiCorp's Schedule 203, and associated interest.

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## Analysis

### *Background*

On September 9, 2016, PacifiCorp filed tariff Advice No. 16-011, docketed as UE 313, to request approval to recover the costs associated with the purchase of RECs through the Renewable Resource Deferral Supply Service Adjustment, Schedule 203. After review, Commission Staff found PacifiCorp's purchase of RECs was prudently incurred.

Schedule 203 became effective on January 25, 2017. On September 9, 2016, PacifiCorp also filed an application for deferred accounting for the balancing account related to the REC purchases.

The Commission approved the deferral application on December 20, 2016, in Order No. 16-486, to defer costs related to the purchase of RECs for the 12 months beginning September 9, 2016. Since then, the Commission has approved PacifiCorp's requests for reauthorization of deferred accounting.

Thus, the Company has filed a new application of deferred accounting for a balancing account related to the purchase of Renewable Energy Certificates on September 9, 2025.

### *Description of Expenses*

The Company seeks to recover the costs associated with the REC purchases, which included the use of a balancing account to track over- and under-collections.

### *Proposed Accounting*

Pacific Power will record deferred REC purchase cost amounts by crediting REC purchases in FERC Account 555, Purchased power, and debiting the REC balancing account in FERC Account 182.3, Other regulatory assets. The deferral balance will be reduced monthly by the amount collected under proposed Schedule 203, Renewable Resource Deferral Supply Service Adjustment. A carrying charge calculated at the current Modified Blended Treasury (MBT) rate will be recorded each month on the deferral balance.

### *Reasons for Deferral*

ORS 757.259(2)(e) allows the deferral of identifiable utility expenses 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.

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*Estimate of Amounts*

Since January 25, 2017, Schedule 203 rates were designed to collect \$662,000 to recover the costs associated with REC purchases.<sup>1</sup> However, generally, it is expected that the balancing account will zero out over time.

*Information Related to Future Amortization*

- Earnings Review – Staff does not recommend an earnings test be applied for this deferral as it relates to the purchase of RECs.<sup>2</sup>
- Prudence Review – Prior to amortization, a prudence review will be conducted to ensure all costs were prudently incurred, pursuant to ORS 469A.120.
- Sharing – This deferral is not subject to a sharing mechanism. All prudently incurred costs for the purchase of the RECs are recoverable through rates.
- Rate Spread/Design – The allocation basis for the prudently incurred costs will be discussed at the time of the amortization.
- Three Percent Test (ORS 757.259(6)) – The three percent test measures the annual overall average effect on customer rates resulting from deferral amortizations. 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.

Conclusion

Based on review of Pacific Power's application, Staff concludes that the balancing account represents an appropriate use of deferred accounting, the reason for deferral is still valid, and the filing meets the requirements of ORS 469A.120, ORS 757.259, and OAR 860-027-0300, thus, Staff recommends the Commission approve Idaho Power's application.

The Company has reviewed a draft of this memo and voiced no concerns.

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<sup>1</sup> See, the current rates in Schedule 203 were adjusted in Advice No. 23-026 effective January 1, 2024, to collect additional amounts related to deferred renewable resource amounts. However, the previously approved collection rate in Schedule 203 related to REC purchases remains within the rate schedule and records to the balancing account.

<sup>2</sup> See, UM 1787(7).

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**PROPOSED COMMISSION MOTION:**

Approve Pacific Power's application for reauthorization of deferral accounting using a balancing account for the costs associated with the purchase of RECs UM 1797(9) for the 12-month period beginning September 9, 2025.