

ORDER NO. 25-527

ENTERED Dec 24 2025

**BEFORE THE PUBLIC UTILITY COMMISSION**

**OF OREGON**

UM 1975(7)

In the Matter of

IDAHO POWER COMPANY,

Application for Reauthorization to Defer  
Solar Photovoltaic Pilot Program Revenues  
and Expenditures.

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. CA12

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

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

**DATE:** December 12, 2025

**TO:** Public Utility Commission

**FROM:** Kathy Zarate

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

**SUBJECT:** IDAHO POWER:

(Docket No. UM 1975(7))

Reauthorization of Deferred costs associated with the Solar Photovoltaic Pilot Program revenues and expenses.

**STAFF RECOMMENDATION:**

Staff recommends the Commission approve Idaho Power Company's (Idaho Power) request for reauthorization to defer costs associated with the Oregon Solar Photovoltaic Pilot Program for the 12-month period beginning October 1, 2025.

**DISCUSSION:**

Issue

Whether Commission should reauthorize deferral of revenues and expenses associated with the Oregon Solar Photovoltaic Pilot Program to support Idaho Power's rate collected through Tariff Schedule 93 – Solar Photovoltaic Pilot Program Rider (PV Program Rider), which collects revenues to offset expenditures associate with the Solar Photovoltaic Pilot Program (Pilot Program).

Applicable Law

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

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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.

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

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- 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.

### Analysis

#### *Background*

ORS 757.365 (2009), as amended by House Bill 3690 (2010), mandated the development of pilot programs for each electric company to demonstrate the use and effectiveness of volumetric incentive rates and payments for electricity delivered by solar photovoltaic energy systems.

The legislation authorized the Commission to establish incentive rates for the pilot programs to enable the development of the most efficient solar photovoltaic systems. The Commission did so and allocated 0.4 megawatts of the Pilot Program capacity to Idaho Power and specified it was to be allocated only to residential qualifying systems.<sup>1</sup> The Commission also adopted cost recovery mechanisms so that utilities could recover costs of the program from ratepayers.

On September 19, 2025, Idaho Power submitted this application to defer, for future true-up, Solar Photovoltaic Program Rider revenues and Pilot Program expenditures, consistent with the cost recovery mechanism previously adopted by the Commission.

#### *Description of the Expenses*

The Solar PV Program Rider is a balancing account mechanism that charges customers a percentage of the sum of the monthly charges for the base rate components of their electric bill. Base rate components include the service charge, energy charges, demand charges, and the basic charge. Revenues received from the Solar PV Program Rider fund the implementation and administration of the Pilot Program and are recorded in a regulatory liability account. This deferral will capture the difference between the revenues received through the Solar PV Program Rider and the actual costs of the Pilot Program, thereby ensuring that Idaho Power recovers 100 percent of its costs.

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<sup>1</sup> Idaho Power's allotment is fully subscribed, as detailed in its bi-annual reports filed in RE 88 per OAR 860-084-0430.

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*Reasons for Deferral*

ORS 757.365(10) and OAR 860-084-0380 provide that prudently incurred costs associated with compliance with the statute are recoverable in rates.

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 record the revenues and expenses associated with the Pilot Program in Federal Regulations to the Federal Energy Regulatory Commission Account 254 (Regulatory Liability).

*Estimate of Amounts*

According to the Company as of August 31, 2025, the Oregon jurisdictional Solar PV Program Rider balance was approximately \$704,000. The Company estimates net amounts deferred beginning the date of this Application through August 2026 to be approximately \$229,000, for a total balance of approximately \$933,000.

*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.
- Sharing - This deferral is not subject to a sharing mechanism.
- 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 Idaho Power 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 Idaho 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.

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The Company has reviewed this memo and voiced no concerns.

**PROPOSED COMMISSION MOTION:**

Approve Idaho Power's request for reauthorization to defer Pilot Program revenues and expenses for the 12-month period beginning October 1, 2025.