

ORDER NO. 26-117

ENTERED Apr 15 2026

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UP 440

In the Matter of

PORTLAND GENERAL ELECTRIC
COMPANY,

Requests authorization for the sale of
Production Tax Credits.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on April 14, 2026, 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.

**PUBLIC UTILITY COMMISSION OF OREGON
REDACTED STAFF REPORT
PUBLIC MEETING DATE: April 14, 2026**

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|----------------|----------------|----------|-----------------------|-----------------------|
| REGULAR | CONSENT | X | EFFECTIVE DATE | April 15, 2026 |
|----------------|----------------|----------|-----------------------|-----------------------|

DATE: April 2, 2026

TO: Public Utility Commission

FROM: Mitchell Moore

THROUGH: Scott Gibbens and Matt Muldoon **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UP 440)
Requests authorization for the sale of Production Tax Credits.

STAFF RECOMMENDATION:

Staff recommends the Public Utility Commission of Oregon (Commission) approve Portland General Electric's (PGE or Company) proposal to sell Production Tax Credits (PTC) generated in 2026 and 2027 and record any difference in the full value and the discounted value¹ in a property sale balancing account.

DISCUSSION:

Issue

Whether the Commission should approve PGE's application, seeking approval to sell PTCs and recover the difference between the full value and the discounted value from customers.

Applicable Rule or Law

ORS 757.480(1)(a) requires public utilities doing business in Oregon to seek prior approval from the Commission before selling or disposing utility property whose value exceed \$1 million.

¹ The discounted value is the value that PGE will receive for the PTCs.

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OAR 860-027-0025 sets forth the information required to support an application seeking approval for the sale, or disposal of utility property.

OAR 860-027-0025(1)(I) requires that the applicant show that the proposed transaction is consistent with the public interest. The Commission has interpreted the phrase “consistent with the public interest” to require a showing of “no harm to the public.”²

Analysis

Power generating facilities that meet the renewable energy generation requirements of Internal Revenue Code Section 45 are eligible to receive a per Kilowatt Hour (kWh) tax credit. Production tax credits are used to offset a utility’s federal tax liability subject to a 75 percent limit of the tax liability each year. Credits that exceed the 75 percent limit are accumulated as a Deferred Tax Asset (DTA) on the entity’s balance sheet. PGE is currently forecasted to generate approximately \$40 million of transferrable PTCs in 2026.

The Inflation Reduction Act of 2022 provided a method to transfer (sell) these credits that are generated in 2023 and after. In its general rate case UE 416, PGE filed a deferred tax asset balance of \$104 million, which included approximately \$30 million on production tax credits expected to be generated in 2023.

Staff and intervenors entered into a stipulation approved by the Commission in UE 416 in which PGE could sell PTCs generated in 2023 for no less than 90 percent of the face value of the credits and recover the difference between the net sales price and the face value of the tax credits from customers.³ Subsequently, the Company was authorized to sell PTCs generated in 2024 in UP 424 and in the following year to sell PTCs generated in 2025 in UP 434 under the same general terms.⁴

After soliciting bids through a competitive Request for Proposal (RFP) PGE has selected a potential buyer of the production tax credits. **[BEGIN CONFIDENTIAL]** 



² See, e.g., *In the Matter of the Application of PacifiCorp for an Order Approving the Sale of its Interest in the Centralia Steam Electric Generating Plant and Related Other Assets*, Docket No. UP 168, Order No. 00-112 at 7 (February 29, 2000).

³ *In the Matter of Portland General Electric Request for 2024 General Rate Revision; and 2024 Annual Power Cost Update*, Docket No. 416, Order No. 23-386 at 6, UE 416 Second Partial Stipulation, Paragraph 4 at 3 (October 30, 2023).

⁴ *In the Matter of Portland General Electric Application in Regard to Sale of Utility Property*, Docket No. UP 424, Order No. 23-459, Appendix A at 3 (November 28, 2023); *In the Matter of Portland General Electric Sale of Utility Property*, Docket No. UP 434, Order No. 25-325 (August 20, 2025).

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[REDACTED]
[REDACTED] [END CONFIDENTIAL].

The agreement includes all PTCs generated by PGE in 2026 up to a maximum face value of \$45 million and up to a maximum face value of \$65 million for PTCs generated in 2027.

PGE is requesting to record the discount on the sale of the tax credits in its property sale balancing account.

Conclusion

PGE customers are already receiving the production tax credit benefits as the credits are and will be priced into annual power costs. Reducing rate base through a sale of PTCs reduces the return on rate base that customers must pay to PGE in exchange for this credit to power costs. This request by the Company is consistent with the stipulation reached on this issue if UE 416, and with the subsequent PTC sales approved in UP 424 and UP 436.

As a sale of property, the standard of review is to ensure the property sale meets a no-harm test. The proposed sale of production tax credits is consistent with public interest, and meets the no-harm standard, as it saves customers money by escalating tax credit use rather than deferring them to accumulate in a tax deferred asset account while customers pay a higher return to the Company.

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

PROPOSED COMMISSION MOTION:

Approve PGE's proposal to sell PTCs generated in 2026 and 2027 and record any difference in the full value and the discounted value in a property sale balancing account.

CA5 - PGE UP 440 PTC Sale REDACTED.