

ORDER NO. 26-186

ENTERED May 27 2026

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 2234(3)

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY,

Application to Reauthorize Deferred  
Accounting of Costs Associated with the  
Flexible Load Demand Response Pilots.

ORDER

**DISPOSITION: STAFF'S RECOMMENDATION ADOPTED**

At its public meeting on March 30, 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  
STAFF REPORT  
PUBLIC MEETING DATE: March 31, 2026**

**REGULAR** \_\_\_\_\_ **CONSENT**  X  **EFFECTIVE DATE** \_\_\_\_\_ **April 1, 2026**

**DATE:** March 27, 2026

**TO:** Public Utility Commission

**FROM:** Charles Lockwood

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

**SUBJECT:** PORTLAND GENERAL ELECTRIC:  
(Docket No. ADV 1841/ Advice No. 26-07)  
Updates Schedule 135, Demand Response Cost Recovery Mechanism.

PORTLAND GENERAL ELECTRIC:  
(Docket No. UM 2234(3))  
Application to Reauthorize Deferred Accounting of Costs Associated with  
the Flexible Load Demand Response Pilots.

**STAFF RECOMMENDATION:**

Approve Portland General Electric's (PGE or Company) application to authorize deferred accounting of costs associated with its flexible load demand response pilots for the 12-month period beginning January 1, 2025 and approve PGE's proposed updates to Schedule 135, Demand Response Cost Recovery Mechanism, as described in Advice No. 26-07, effective for service rendered on and after April 1, 2026.

**DISCUSSION:**

Issue

Whether the Oregon Public Utility Commission (Commission) should re-authorize deferred accounting of costs associated with Flexible Load Demand Response (DR) Pilots and approve PGE's Advice No. 26-07, which updates its Schedule 135, Demand Response Cost Recovery Mechanism, effective for service rendered on and after April 1, 2026.

Applicable Law

Docket Nos. ADV 1841 and UM 2234(3)  
March 27, 2026  
Page 2

ORS 757.205 requires public utilities to file schedules showing all rates, tolls, and charges for service that have been established and are in force at the time. Pursuant to ORS 757.210, the Commission may approve tariff changes if they are deemed to be fair, just, and reasonable.

ORS 757.220 requires that any change in rates, tolls, charges, rules, or regulations be filed with the Commission at least 30 days before the effective date of the change.

ORS 757.259 allows the Commission to authorize deferred accounting for later incorporation into rates. Specific amounts eligible for deferred accounting treatment with interest authorized by the Commission include, "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 fluctuations of rate levels or to match appropriately the costs borne by and benefits received by ratepayers."

OAR 860-022-0025 and OAR 860-022-0030 set forth requirements for tariff filings naming increased rates. OAR 860-022-0025(2) specifically requires that each energy utility changing existing tariffs or schedules include, in its filing, a statement plainly indicating the increase, decrease, or other change made with the filing, the number of customers affected by the proposed change and the resulting change in annual revenue; and the reasons or grounds relied upon in support of the proposed change.

OAR 860-022-0030(1) further requires that for tariff or schedule filings proposing increased rates, the utility must for each separate schedule, identify the total number of customers affected, the total annual revenue derived under the existing schedule, and the amount of estimated revenue which will be derived from applying the proposed schedule, the average monthly use and resulting bills under both the existing rates and the proposed rates that will fairly represent the application of the proposed tariff or schedules, and the reasons or grounds relied upon in support of the proposed increase.

In OAR 860-027-0300(3), the Commission has set the requirements for the contents of deferred accounting applications. Applications for authorization must include a description and explanation of the entries in the deferred account, up to the date of the application for authorization, as well as the reason for continuation of deferred accounting. OAR 860-027-0300(4). Notice of the application must be provided pursuant to OAR 860-027-0300(6).

### Analysis

#### *Background*

On October 18, 2024, PGE submitted its 2024 Flexible Load Plan Multi-Year Plan (Flex Load MYP 25-26) in Docket No. UM 2141. The MYP describes and sets the 2025-2026

Docket Nos. ADV 1841 and UM 2234(3)  
 March 27, 2026  
 Page 3

budget for DR pilots which help address decarbonization goals, assist customers in managing their energy consumption and total energy costs, and enhance operational performance and efficiency. The Commission approved PGE's Flex Load MYP 25-26 through Order No. 25-074 on February 19, 2025.

On December 30, 2024, the Company filed UM 2234(3) requesting approval to continue to defer incremental operations and maintenance costs associated with the Company's MYP, which are amortized through Schedule 135.

On February 4, 2026, the Company filed Advice No. 26-07 seeking to update Schedule 135, Demand Response Cost Recovery Mechanism,<sup>1</sup> consistent with the existing balance and projection of costs for the following schedules:

- Schedule 4, Multifamily Residential Demand Response Water Heater<sup>2</sup>,
- Schedule 5, Direct Load Control Pilot Rider,<sup>3</sup>
- Schedule 7, Residential (FLEX),
- Schedule 13, Smart Grid Testbed Technology Validation and Testing,<sup>4</sup>
- Schedule 25, Nonresidential Direct Load Control Pilot, and
- Schedule 26, Nonresidential Direct Load Control Pilot.

On February 17, 2026, PGE filed an errata correcting prices associated with Schedules 75-P, 75-T, 89-P, and 89-T as incorrect amounts were inadvertently included in the original filing. The changes are minimal, correcting:

- Schedule 75-Primary from 0.068 ¢ per kWh to 0.067 ¢ per kWh.
- Schedule 75-Subtransmission from 0.067 ¢ per kWh to 0.066 ¢ per kWh.
- Schedule 89-Primary from 0.068 ¢ per kWh to 0.067 ¢ per kWh.
- Schedule 89-Transmission from 0.067 ¢ per kWh to 0.066 ¢ per kWh.

### *Customer Rate Impacts*

PGE estimates that approximately 963,000 customers will be impacted by the overall increase of \$3.4 million or 0.1 percent increase in revenues from current Schedule 135

---

<sup>1</sup> Established in 2011, the Cost Recovery Mechanism is an automatic adjustment tariff under which PGE collects costs of the Company's Demand Response Programs. *In re: PGE Application for Mechanism to Recover Costs to Implement and Operate Automated Demand Response Program*, UM 1514 / UE 229, Order No. 11-182 (June 1, 2011).

<sup>2</sup> Order No. 17-224 added the Multifamily Residential Water Heater pilot operating under Schedule 4 to the Schedule 135 cost recovery mechanism.

<sup>3</sup> Order No. 18-381 added the Time of Day and Peak Time Rebate pilots (known collectively as FLEX) operating under Schedule 7 to the Schedule 135 cost recovery mechanism.

<sup>4</sup> Order No. 19-425 added the Smart Grid Testbed operating under Schedule 13 to the Schedule 135 cost recovery mechanism.

Docket Nos. ADV 1841 and UM 2234(3)  
March 27, 2026  
Page 4

prices. On average, residential customers consuming 780 kWh monthly will see a bill increase of \$0.15 or 0.1 percent, inclusive of the Public Purpose Charge.

*Staff Review of UM 2234(3)*

The continuation of the deferral will minimize the frequency of rate changes and match appropriately the costs borne by and benefits received by customers. The reauthorization will continue to support the use of an automatic adjustment clause rate schedule, which will provide for changes in prices reflecting incremental costs associated with the pilots/program. PGE proposes to record the deferral as a regulatory asset in FERC Account 182.3 (Other Regulatory Assets) and credit the appropriate FERC expense accounts. When specific identification of the particular source of the regulatory asset cannot be reasonably made, then FERC Account 407.4 (Regulatory Credits) will be credited.

*Staff Review of ADV 1841*

Staff reviewed PGE's filing and accompanying workpapers and finds no issues or concerns with the updates as proposed. The proposed rates appear reasonable and accurately reflect PGE's forecasted incremental energy costs and additional costs associated with each of the Schedule programs. As such, Staff supports the proposed tariff revisions described in Advice No. 26-07.

Conclusion

Staff has reviewed UM 2243(3) and Advice No. 26-05 in detail and finds that the applications meet the statutory requirements and are well justified based on past Commission direction. Further, the listed expenses and updated rates in Schedule 135 are appropriately calculated and thus, Staff recommends that the Commission approve the proposed tariff.

**PROPOSED COMMISSION MOTION:**

Approve PGE's UM 2234(3) deferral application associated with its flexible load demand response pilots for the 12-month period beginning January 1, 2025 and approve PGE's proposed updates to Schedule 135, Demand Response Cost Recovery Mechanism, effective for service rendered on and after April 1, 2026.

CA4 – PGE UM 2243(3), ADV 1841/Advice No. 26-05