ORDER NO. 26-344

ENTERED Sep 15 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2450

In the Matter of PACIFICORP, dba PACIFIC POWER, 2025 Renewable Portfolio Standard Compliance Report.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on September 15, 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.

ITEM NO. CA14

PUBLIC UTILITY COMMISSION OF OREGON
REDACTED STAFF REPORT
PUBLIC MEETING DATE: September 15, 2026

REGULAR ____ **CONSENT** __X__ **EFFECTIVE DATE** __________N/A__________

DATE: September 8, 2026

TO: Public Utility Commission

FROM: Jason Zengo Kyler-Yano

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

SUBJECT: PACIFICORP:
(Docket No. UM 2450)
2025 Renewable Portfolio Standard Compliance Report.

STAFF RECOMMENDATION:

Staff recommends the Public Utility Commission of Oregon (Commission) take the following actions, based upon PacifiCorp's, dba Pacific Power (Company), 2025 Renewable Portfolio Standard (RPS) Compliance Report:

1. Find that PacifiCorp complied with the RPS requirements for the 2025 compliance period;
2. Direct PacifiCorp to retire the renewable energy certificates (RECs) identified in its 2025 Compliance Report; and
3. Direct PacifiCorp to provide a Western Renewable Energy Generation Information System (WREGIS) retirement report to the Commission, within 30 calendar days of the Commission's Order.

DISCUSSION:

Issue

Whether PacifiCorp's 2025 RPS Compliance Report meets the requirements of applicable RPS statutes and administrative rules.

Applicable Rule or Law

The RPS is codified at ORS 469A.005 through 469A.210. ORS 469A.170(1) and OAR 860-083-0350(1)(a) require that each electric company subject to Oregon's RPS provide an annual report demonstrating its compliance (or failure to comply) with the RPS standard.

Among the reporting details required by ORS 469A.170(2)(a)-(h) and OAR 860-083-0350(2)(a)-(s), the Compliance Report must contain a complete accounting of RECs used for compliance in the compliance year, separating the RECs into bundled or unbundled, showing clearly which generating unit produced the RECs, the total cost of compliance, and a detailed explanation of any material deviations from the electric company's applicable acknowledged RPS implementation Plan filed either under OAR 860-083-0400, prior to January 1, 2024, or from January 1, 2025, and going forward, as part of the company's applicable acknowledged integrated resource plan.[1]

ORS 469A.170(2) and OAR 860-083-0350(2) subsections (b-g) provide the Commission with the information necessary to determine whether an electric company may be considered in compliance with the RPS. These subsections require the electric company to provide a complete Compliance Report that shows the electric company has acquired and retired an appropriate number of valid RECs, bundled or unbundled, banked or unbanked, for the compliance year.

ORS 469A.100(1) provides that "[e]lectric utilities are not required to comply with a renewable portfolio standard during a compliance year to the extent that the incremental cost of compliance, the cost of unbundled renewable energy certificates and the cost of alternative compliance payments under ORS 469A.180 exceeds four percent of the utility's annual revenue requirement for the compliance year."

Concerning Community Solar Projects, OAR 860-088-0150(1) provides that "[m]egawatt hours of electricity associated with participant ownership interests or subscriptions will be deducted from the amount of electricity sold by the electric company to retail electricity consumers for purposes of calculating the electric company's renewable portfolio standard under ORS 469A.052."

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1 Under ORS 469A.075, an electric company had to develop and file a Renewable Portfolio Implementation Plan (RPIP) with the Commission at least once every two years. In 2023, the Oregon Legislature passed House Bill (HB) 3161, which amended ORS 469A.075 to eliminate the requirement for a separate RPIP and require a plan for meeting the requirements of the RPS to be included in the electric company's integrated resource plan (IRP). The separate two-year filing requirement for an RPIP was eliminated. HB 3161 went into effect on January 1, 2024.

ORS 469A.145(3) allows utilities to exclude unbundled RECs from PURPA qualifying facilities from calculation of the 20 percent cap on the use of unbundled RECs established under ORS 469A.145(1).

Analysis

Background

The Company filed its 2025 RPS Compliance Report (Compliance Report or Report) on June 1, 2026, in compliance with OAR 860-083-0350(1)(a). The Company's report demonstrated PacifiCorp's compliance with the RPS for the period of January 1, 2025 through December 31, 2025. No comments were filed in the docket.

PacifiCorp's RPS Compliance Report

Table 1 below summarizes PacifiCorp's RPS obligations and compliance activities.

Table 1. PacifiCorp's RPS Compliance Report

Renewable Portfolio Standard Compliance Summary	
RECs Obligation	**Value**
Oregon retail sales (MWh)	14,521,448
Community Solar Program Deduction (MWh)	39,752
RPS % Obligation	27%
RPS Obligation of Qualifying Electricity (RECs)	**3,910,058**
Summary	**Value**
RPS MWhs used for Compliance in Year	**3,906,721**
Two-for-one Solar MWh reported	3,337
Total RECs reported in Compliance Year	**3,910,058**
RECs used for RPS Compliance in [Year]	**Value**
Bundled - newly acquired (RECs)	33,504
Bundled - from bank (RECs)	3,684,318
Bundled RECs subtotal	**3,717,822**
Bundled RECs subtotal (% RPS)	***94%***
Unbundled - newly acquired (RECs)	0
Unbundled - from bank (RECs)	192,236
Unbundled RECs subtotal	**192,236**
Unbundled RECs subtotal (% RPS) [subject to 20% cap]	***5%***
Total RECs	**3,910,058**

Renewable Energy Credit (REC) Obligation
For compliance year 2025, PacifiCorp's RPS obligation is 3,910,058, which is 27 percent of the difference between its total Oregon retail sales (14,521,448 MWh) and power generated by the Oregon Community Solar Program (39,752 MWh), and accounting for the doubled value received for 2-for-1 Solar program RECs (3,337). The Company's use of the 2-for-1 Solar[2] RPS compliance deduction has slightly decreased from 3,874 in 2024 MWh in 2024 to 3,337 MWh in 2025, after a much larger decrease between 2023 (7,044 MWh) to 2022. PacifiCorp explains that this reduction in use of the 2-for-1 Solar deduction reflects a change in its practice from banking 2-for-1 Solar RECs from prior vintage years (e.g., for years 2022 and 2023) to retiring all 2-for-1 Solar RECs in the compliance year during which they were generated (e.g., in 2025 only and all 2-for-1 Solar RECs generated in 2025 were retired). PAC more than tripled its use of the Community Solar Program Deduction from 8,763 MWh in 2024 to 39,752 MWh in 2025.

PacifiCorp satisfied its REC obligation through the retirement of 3,717,822 bundled RECs (33,504 acquired and 3,684,318 banked) and 192,236 unbundled RECs (0 acquired and 192,236 banked), reflecting a 5 percent unbundled REC use which is well under the 20 percent cap established under ORS 469A.145.

Cost of Compliance and Revenue Requirement
PacifiCorp's total incremental cost of compliance experienced a dramatic drop from -$1,975,228 in 2024 to -$32,793,889 in 2025 after a steadier decline from 2022 ($6,093,701).[3]

Staff asked the Company about the factors that led to the low cost of bundled RECs in 2025. The company attributed the low costs to a reduction over time of retiring relatively expensive Oregon Solar Incentive Program (OSIP) RECs, and increases in the retirement of low and negative cost RECs from wind (1,954,239 MWh in 2021 to 3,171,527 MWh in 2025 at a negative average cost per incremental MWh) and solar resources (15,516 MWh in 2021 at $ **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]** /MWh to 308,471 MWh at **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]** /MWh.[4]

Revenue Requirement has stayed somewhat steady over the past two years from $1,727,169,000 in 2024 to 1,773,687,000 in 2025 relative to the 33 percent increase from 2023 ($1,298,701,000) to 2024. The Company attributes this large increase from

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2 ORS 757.375(2).
3 For all quantitative analysis in this Staff Report, historical cost data are inflation-adjusted to reflect their value in 2025 USD to make past cost values comparable with current compliance year cost values.
4 UM 2450 PacifiCorp Confidential Response to OPUC Informal Data Request 003.

2023 to 2024 to the rate adjustment approved in the 2024 Transition Adjustment Mechanism (TAM) which was much higher ($230 million higher) than the 2023 TAM and to the increase in loads between 2023 and 2024 and a forecasted decrease in loads between 2024 to 2025. The Company's cost of compliance as a percentage of revenue requirement continued its downward trend into negative territory over the past four years to -1.85 percent in 2025 from 0.44 percent in 2022.

Material Deviations

House Bill (HB) 3161 streamlined the renewable portfolio standard reporting practices by eliminating the statutory requirement that PacifiCorp and PGE file RPIPs every two years. Instead, HB 3161 requires that Investor-Owned Utilities subject to RPS include their "Renewable Plan" to meet the renewable portfolio standards as part of their respective IRPs.

Compliance year 2025 is the first in which PacifiCorp has a filed IRP that contains a Renewable Plan. While the Company refers to both its previous RPIP filings (2021-2023 and 2023-2025) and its 2025-2029 Renewable Plan, Staff's analysis of material deviations focuses on the more recent 2025-2029 Renewable Plan forecast values and planned compliance strategy contained in the 2025 IRP.

As required by OAR 860-083-0350(2)(l), the Company provided an explanation of material deviations from the REC requirements forecasted in its 2023 - 2025 RPIP for 2025 (filed in Docket No. UM 2212) and the RECs proposed to be retired for 2025 RPS compliance.[5] The Company puts forth that its 2025 RPS compliance is consistent with the 2025-2029 Renewable Plan,[6] and that it has continued to retire older vintage RECs in its bank "to address intergenerational equity concerns raised by staff in the 2021-2023 RPIP and 2023-2025 RPIP."[7]

Table 2 shows the forecasted and actual values for total sales (MWh) and RPS Compliance (RECs) for compliance year 2025 as well as 2024 for comparison. In compliance year 2025, the Company forecasted 14,316,773 MWh in total sales and actually sold 14,521,448 MWh for a slight under-projection of 204,675 MWh. The Company over-projected RPS Compliance values by 132,917 RECs (3,847,402 RECs forecasted and 3,714,485 actual) due to an unanticipated increase in the use of the Community Solar deduction of 39,752 MWhs.

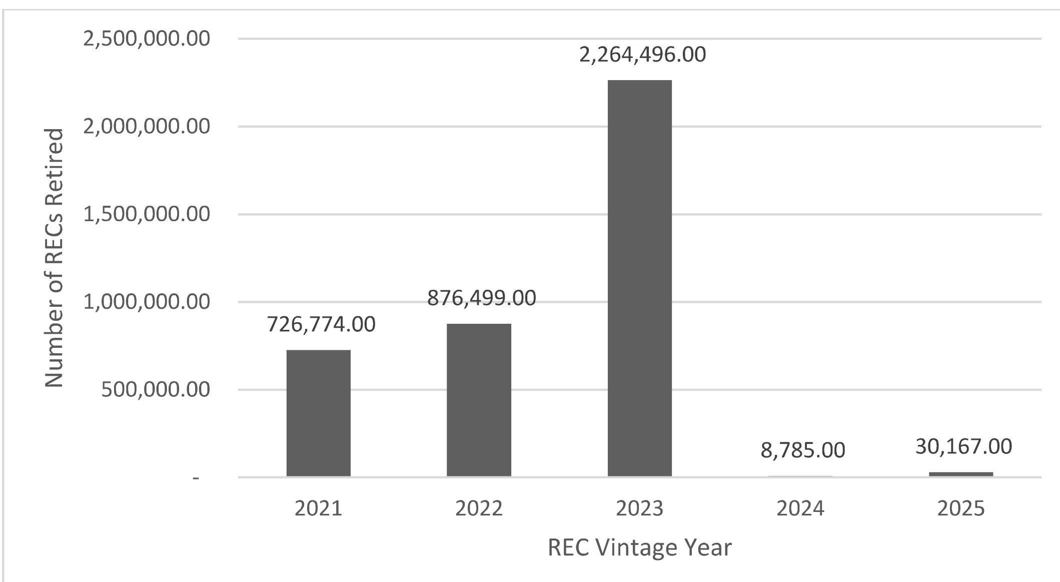
5 Docket No. UM 2212, PacifiCorp 2023-2025 RPIP.
6 Docket No. LC 85, PacifiCorp IRP CEP, Appendix R Supplement, Table RS.5 – Oregon RPS Target Data, p. 12.
7 Docket No. UM 2450, PacifiCorp 2025 Compliance Report, p. 14.

Table 2. Forecasted and Actual Total Sales and RPS Compliance[8]

	Total Sales (MWh)		RPS Compliance (RECs)		Deviation (RECs) (% change)
Compliance Year	**Forecast**	**Actual**	**Forecast**	**Actual**	**RPS Compliance**
2024	13,898,671[9]	13,991,113	2,779,734	2,796,471	16,737 (0.6%)
2025	14,316,773	14,521,448	3,847,402	3,714,485	-132,917 (-3.0%)

Following Staff feedback to the Company's 2023-2025 RPIP, similar to the previous year, in 2025 the Company prioritized retiring older vintage RECs in its bank. The vast majority of the RECs retired in 2025 were of vintage 2021 to 2023, with only 0.77 percent (30,167 RECs) of retired RECs being acquired in 2025.

Figure 1. Vintage Year of RECs Retired in 2025



Additional Compliance Requirements

For compliance year 2025, PGE satisfied the following additional RPS requirements:

- OAR 860-083-0350(2)(f): Reported that 3,959,097 bundled RECs and 205,305 unbundled RECs issued in compliance year 2025 will be banked for future use.

8 Forecasts of total Oregon sales and RPS compliance levels are from PacifiCorp's 2025-2029 Compliance Report, Docket No. LC 85, PacifiCorp IRP CEP, Appendix R.

9 Total sales forecast for Compliance Year 2024 were not reported in the Company's 2023 – 2025 Renewable Portfolio Standard Implementation Plan (UM 2212). This value is reported in the Company's 2021 IRP (LC 77) in Table A.9 on p. 17 of Appendix A.

- OAR 860-083-0350(2)(g): Reported selling zero RECs and transferring zero RECs to ESS's since the last compliance reporting and included the required facility and REC information.
- OAR 860-083-0350(2)(h): Reported the required information from 167 unique generating facilities with a commercial operation year or first contract year from 1915 to 2025.
- OAR 860-083-0350(2)(p): The Company was not required to report accounting of use of RECs and alternative cost payments associated with this section as cost limit was not reached.
- OAR 860-083-0350(2)(r): Reported **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]** 2025 issued bundled RECs (**[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]** purchased and **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]** generated) costing **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]** (**[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]** purchased cost and **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]** generated cost).
- OAR 860-083-0350(2)(s): Reported **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]** new qualifying bundled RECs that cost **[BEGIN CONFIDENTIAL]** [redacted] **[END CONFIDENTIAL]** since the last Compliance Report.

<u>Conclusion</u>

Staff concludes that PacifiCorp has met the RPS compliance target mandated by ORS 469A.052(1)(b) and the RPS compliance reporting requirements mandated by OAR 860-083-0350.

PROPOSED COMMISSION MOTION:

1. Find PacifiCorp to be compliant with Oregon's Renewable Portfolio Standard during the 2025 period;
2. Direct PacifiCorp to retire the RECs identified in its 2025 Compliance Report; and
3. Direct PacifiCorp to provide a Western Renewable Energy Generation Information System retirement report to the Commission, subject to appropriate non-disclosure agreements, within 30 calendar days of the Commission's Order.