ORDER NO. 26-345

ENTERED Sep 15 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2451

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, 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. CA15

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: Kim Herb and Caroline Moore **SIGNED**

SUBJECT: PORTLAND GENERAL ELECTRIC:
(Docket No. UM 2451)
2025 Renewable Portfolio Standard Compliance Report.

STAFF RECOMMENDATION:

Staff recommends the Public Utility Commission of Oregon (Commission) take the following actions, based upon Portland General Electric's (PGE or Company) 2025 Renewable Portfolio Standard (RPS) Compliance Report:

1. Find that PGE complied with the RPS requirements for the 2025 compliance period;
2. Direct PGE to retire the renewable energy certificates (RECs) identified in its 2025 Compliance Report; and
3. Direct PGE 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 PGE'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 850-083-0350(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, 2024 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 May 29, 2026, in compliance with OAR 860-083-0350(1)(a). The Company's Report demonstrated PGE's compliance with the RPS for the period of January 1, 2025 through December 31, 2025. No comments were filed in the docket.

Portland General Electric's RPS Compliance Report
Table 1 below summarizes PGE's 2025 RPS obligations and compliance activities.

Table 1. Portland General Electric's RPS Compliance Report

Renewable Portfolio Standard Compliance Summary[2]	
RECs Obligation	**Value**
Oregon retail sales (MWh)	20,050,875
Community Solar Program Deduction (MWh)	87,462
RPS % Obligation	27%
RPS Obligation of Qualifying Electricity (RECs)	**5,390,122**
Summary	**Value**
RPS MWhs used for Compliance in Year	**5,388,909**
Two-for-one Solar[3] MWh reported	1,213
Total RECs reported in Compliance Year	**5,390,122**
RECs used for RPS Compliance in 2024	**Value**
Bundled - newly acquired (RECs)	1,878,575
Bundled - from bank (RECs)	2,082,578
Bundled RECS subtotal	**3,961,153**[4]

2 This table has been updated from the version PGE submitted in its initial filing on May 30, 2025, to show how the use of unbundled RECs from Qualifying Facilities (QF) under the Public Utility Regulatory Policies Act (PURPA) are not counted against a utility's 20 percent limit on the use of unbundled RECs.

3 ORS 757.375(2).

4 The Bundled RECs subtotal value has been corrected from the original filing by subtracting the 349,732 QF unbundled RECs from the adjusted amount of 4,310,885 RECs. The bundled RECs subtotal (% RPS) percentage value in the row below has also been updated accordingly. These corrections do not result in changes in compliance obligations accounting.

Unbundled - newly acquired (RECs)	1,260,796
Unbundled - from bank (RECs)	166,960
Unbundled RECs subtotal [before QF deduction]	**1,427,756**[5]
Unbundled newly acquired - QF Deduction (RECs) [not subject to 20% cap]	**349,732**[6]
Unbundled RECs subtotal [subject to 20% cap]	**1,078,024**
Unbundled RECs subtotal (% RPS) [subject to 20% cap]	***20%***
Total RECs	**5,390,122**

Renewable Energy Credit (REC) Obligation
For compliance year 2025, PGE's RPS obligation is 5,390,122, which is 27 percent of the difference between its total Oregon retail sales (20,050,875 MWh) and power generated by the Oregon Community Solar Program (87,462 MWh), and accounting for the double value of two-for-one Solar program MWhs (1,213). This is the first compliance year for which PGE reported community solar generation use and has taken advantage of this compliance deduction.

PGE satisfied its REC obligation through the retirement of 1,213 RECs of 2-for-1 Solar, the retirement of 4,310,885 bundled RECs and 1,427,756 unbundled RECs. The unbundled RECs includes 349,732 QF RECs that are not subject to the 20 percent unbundled REC cap. After removing those unbundled QF RECs from the total number of unbundled RECs, PGE used 1,078,024 unbundled RECs subject to the unbundled REC cap (i.e., QF unbundled RECs) reflecting compliance with the 20 percent cap established under ORS 469A.145.

Cost of Compliance and Revenue Requirement
PGE's total incremental cost of compliance continued the steep downward trend over the past five years down to $8,099,778 from more than three times the cost the year prior ($27,855,887).[7] This decrease in total incremental cost is carried by reduction in the total incremental cost of bundled RECs, which is down to $6,178,647 in 2025 compared with $26,394,114 in 2024, despite steady increases in their total incremental cost of compliance of unbundled RECs ($1,921,131 in 2025 from $1,461,774 in 2024.

5 Row describes the unbundled REC subtotal before QF deduction. The QF REC value will subsequently be subtracted from this value to calculate the unbundled REC subtotal subject to the 20 percent cap.

6 Row describing QF unbundled RECs to be deducted from the sum of the Unbundled—newly acquired (RECs) and Unbundled—from bank (RECs) for calculation of the Unbundled RECs subtotal [subject to 20 percent cap].

7 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.

The cost per REC for unbundled and bundled RECs have also followed their respective trajectories with the cost per REC of bundled RECs decreasing from $26.37/REC in 2021 to $1.56/REC in 2025 and unbundled RECs gradually increasing (though at a slower rate) from $0.65/REC in 2021 to $1.35/REC, reaching near parity in compliance year 2025.

PGE's revenue requirement continues to steadily increase to $2,944,167,803 in 2025 from $1,915,345,917 in 2021. At the same time, the cost of compliance as a percentage of revenue requirement has steadily decreased from 3.37 percent in 2021 to 0.28 in 2025, which PGE attributes to updated incremental costs and differences in RECs selected for retirement.[8]

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 PacifiCorp and PGE include their plans to meet the renewable portfolio standards as part of their respective IRPs. Because the most recently filed IRP does not yet contain RPIP details, Staff found it reasonable for the Company to refer to the latest acknowledged RPIP that covers the year of the 2025 RPS Compliance Report.

2025 Compliance

As required by OAR 860-083-0350(2)(l), the Company provided a detailed explanation of material deviations from the RPS obligation forecasted in its 2022 RPIP for 2025 (filed in Docket No. UM 2216) and the RECs proposed to be retired for 2025 RPS compliance. PGE stated that its 2025 RPS Compliance Report includes material deviations from the 2025 REC requirements forecasted in the 2022 RPIP. Table 2 shows the deviations in REC compliance between the 2022 RPIP forecasts and the 2025 actuals.

8 Correspondence with PGE on July 22, 2026.

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Table 2. Deviation Between Forecasted and Actual REC Use

	Total Sales (MWh)		**RPS Compliance (RECs)**		**Deviation (RECs) (% change)**
Compliance Year	**Forecast (2022 RPIP)**	**Actual**	**Forecast (2022 RPIP)**	**Actual**	**RPS Compliance**
2024	19,087,000	19,053,091	3,817,400	3,799,678	-17,722 (-0.5%)
2025	19,328,900	20,050,875	5,218,803	5,388,909	170,106 (3.3%)

The Company explained that material deviations in compliance and REC strategy were due to:

1. **Higher Obligation:** PGE's actual load served (5,388,909 RECs) in compliance year 2025 reflected 170,106 RECs higher than forecasted load (5,218,803 RECs from 2022 RPIP).
2. **Increased Unbundled REC purchases:** Similar to its 2024 RPS Report, PGE purchased and retired more unbundled RECs than projected in the 2022 RPIP, equaling 20 percent of the 2025 obligation (excluding unbundled QF RECs).
3. **Fewer QF RECs:** Similar to its 2024 RPS Compliance Report, PGE retired a much lower number of 5-year RECs generated by QFs than forecasted in the 2022 RPIP.
4. **Clearwater Wind:** Clearwater was not included in 2022 RPIP projections as its in-service date was years after UM 2216 filing, but RECs from the wind resource were retired in 2025.

<u>Additional Compliance Requirements</u>
For compliance year 2025, PGE satisfied the following additional RPS requirements:

- OAR 860-083-0350(2)(f): Reported that 3,421,770 bundled RECs and 0 unbundled RECs issued in compliance year 2025 will be banked for future use.
- OAR 860-083-0350(2)(g): Reported selling 1,415,000 RECs and transferring 32,186 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 130 unique generating facilities with a commercial operation year or first contract year ranging from 2007 to 2024.
- 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]**.

- 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 PGE 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 PGE to be compliant with Oregon's Renewable Portfolio Standard during the 2025 period;
2. Direct PGE to retire the RECs identified in its 2025 Compliance Report; and
3. Direct PGE 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.