ORDER NO. 26-378

ENTERED Oct 08 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

LC 85

In the Matter of PACIFICORP, dba PACIFIC POWER, 2025 Integrated Resource Plan and Clean Energy Plan.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at our October 1, 2026 Special Public Meeting, to adopt the recommendations of the Staff of the Oregon Public Utility Commission in this matter on items 1, 3, and 4. We decline to adopt Staff's second recommendation because we intend to maintain a forward-looking approach and because we recognize, broadly, the progress made by PacifiCorp, dba Pacific Power, to date, particularly in building the Extended Day-Ahead Market. The Staff Report with the recommendation is attached as Appendix A.

Further, we memorialize the discussion at our public meeting. NewSun Energy LLC filed comments very late in this proceeding—the night before our Special Public Meeting—raising numerous substantive and legal grounds to challenge Staff's recommendations. We note that NewSun did not participate earlier in the docket to address either the company's IRP update or its supplemental filing, which responded to requirements we laid out in Order No. 26-054. NewSun also did not respond to Staff's preliminary recommendations and request for feedback on the question of continual progress, published in the docket July 28, 2026. Had NewSun raised its concerns earlier in the docket, they could have been responded to by the company and other stakeholders and considered in developing Staff's final recommendations. We find NewSun's approach raises procedural fairness challenges and concerns, particularly given the breadth and scope of NewSun's filing and the substantial legal and factual argument it contains.[1]

[1] We do not see the same breadth of concerns with the late-filed comments of the Confederated Tribes of the Umatilla Indian Reservation (CTUIR), which focused on support for Staff's recommendations and how PacifiCorp can and should engage constructively with CTUIR.

Nevertheless, we address briefly the substantive arguments raised by NewSun. First, NewSun challenges our standard for continual progress, which has been discussed extensively in other proceedings and which is currently before the Oregon Court of Appeals.[2] We continue to find that continual progress is a snapshot in time and, in this decision, we are acting consistently with how continual progress has been addressed in the past.

Next, NewSun raises cost allocation concerns, which are outside the scope of this proceeding and will be addressed in other venues. We intend to keep this proceeding appropriately focused.

Finally, NewSun suggests more review of actual greenhouse gas emissions data is necessary, but we find that the data before us is adequate at this time.

Ultimately, we have explored the range of actions the company could take, at this time, to demonstrate continual progress. We see no further action needs to be ordered at this time beyond Staff's recommendations.

Made, entered, and effective Oct 08 2026.

Letha Tawney
Chair

Karin Power
Commissioner

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.

[2] *See In the Matter of Public Utility Commission of Oregon, Investigation Into House Bill 2021 Implementation Issues*, Docket No. 2273, Order No. 24-002 at 29 (Jan. 5, 2024).

ITEM NO. RA1

PUBLIC UTILITY COMMISSION OF OREGON
REDACTED STAFF REPORT
SPECIAL PUBLIC MEETING DATE: October 1, 2026

REGULAR X **CONSENT** ____ **EFFECTIVE DATE** N/A

DATE: September 22, 2026

TO: Public Utility Commission

FROM: Benedikt Springer

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

SUBJECT: PACIFIC POWER:
(Docket No. LC 85)
June Supplemental Filing and Continual Progress.

STAFF RECOMMENDATION:

Staff recommends that the Oregon Public Utility Commission

1. Find that PacifiCorp has demonstrated continual progress toward meeting the ORS 469A.410 clean energy targets;

2. Decline to find that the identified resource quantities are Oregon needs as opposed to system needs. Clarify that the continual-progress determination does not determine resource situs, cost allocation, cost-cap treatment, prudence, or rate recovery.

3. Direct PacifiCorp, in its 2027 IRP/CEP, to establish specific demand response (DR) acquisition targets that are quantified and time-bound.

4. Direct PacifiCorp, in its 2027 IRP/CEP, to provide sufficient analysis for the Commission to determine whether its proposed community-based renewable energy (CBRE) target reasonably balances customer costs with potential CBRE-specific benefits and opportunities. PacifiCorp may propose a target of zero but may not support that target solely by showing that a generic CBRE resource is more expensive than a utility-scale resource in portfolio modeling.

DISCUSSION:

Issue

Whether the Commission should find that PacifiCorp has demonstrated continual progress toward meeting ORS 469A.410 emission-reduction targets following the Company's June 30, 2026, Supplemental Filing.

Whether the Commission should make the broader Oregon-specific resource-need finding requested by PacifiCorp.

Whether the Commission should give direction regarding the content of the Company's 2027 IRP and CEP.

Applicable Rule or Law

ORS 469A.410 requires electric companies to reduce greenhouse gas emissions, as reported and measured under ORS 468A.280, by the following targets:

a) By 2030, 80 percent below baseline emissions level.
b) By 2035, 90 percent below baseline emissions level.
c) By 2040, and for every subsequent year, 100 percent below baseline emissions level.

ORS 469A.415(6) requires the Commission to ensure that the utilities demonstrate continual progress within the CEP planning period toward meeting the clean energy targets and are taking actions as soon as practicable to reduce emissions at reasonable cost to retail electricity consumers.

ORS 469A.415(1) and (2) require electric companies to, "develop a clean energy plan for meeting the clean energy targets set forth in ORS 469A.410 concurrent with the development of each integrated resource plan," and file the plan with the Commission and Oregon Department of Environmental Quality (DEQ).

ORS 469A.415(4) provides that a clean energy plan must:

a) Incorporate the clean energy targets set forth in ORS 469A.410;
b) Include annual goals set by the electric company for actions that make progress towards meeting the clean energy targets set forth in ORS 469A.410, including acquisition of non-emitting generation resources, energy efficiency measures and acquisition and use of demand response resources;

c) Include a risk-based examination of resiliency opportunities that includes costs, consequences, outcomes and benefits based on reasonable and prudent industry resiliency standards and guidelines established by the Public Utility Commission;
d) Examine the costs and opportunities of offsetting energy generated from fossil fuels with community-based renewable energy;
e) Demonstrate the electric company is making continual progress within the planning period towards meeting the clean energy targets set forth in ORS 469A.410, including demonstrating a projected reduction of annual greenhouse gas emissions; and
f) Result in an affordable, reliable and clean electric system.

ORS 469A.420(2) provides that the Commission shall acknowledge the clean energy plan (CEP), "if the Commission finds the plan to be in the public interest and consistent with the clean energy targets set forth set forth in ORS 469A.410." In determining whether the utility's CEP "is in the public interest" the Commission considers the following:

a) Any reduction of greenhouse gas emissions that is expected through the plan, and any related environmental or health benefits;
b) The economic and technical feasibility of the plan;
c) The effect of the plan on the reliability and resiliency of the electric system;
d) Availability of federal incentives;
e) Costs and risks to the customers; and
f) Any other relevant factors as determined by the commission.

OAR 860-090-0060(10) provides the components that must be part of a near-term action plan included in an integrated resource plan. OAR 860-090-0060(10)(b) requires an electric company's action plan to include the utility's plans for:

> Pursuing energy efficiency, demand response, community-based resources, and other customer-sited and distributed resources. The action plan must explain how the utility intends to pursue all cost-effective energy efficiency and demand response and must reference analysis in the IRP that supports targets for using these resources to meet system needs.

OAR 860-090-0100 provides the requirements for an electric company's clean energy plan. OAR 860-090-0100(6) requires that the plan:

> Demonstrate in its CEP that the electric company's IRP portfolio analysis accounts for:

> (a) Any reasonably foreseeable impacts on communities within or partly within the utility's Oregon service territory associated with resource options, including contributions to resiliency; and
>
> (b) The costs and benefits of offsetting generation from fossil fuel resources with community-based renewable energy resource options.

OAR 860-090-0100 (7) requires that the plan:

> Include in its CEP targets for community-based renewable energy that facilitate greenhouse gas emissions reductions, promote community resiliency, and are reflected in the utility's near-term action plan and long-term resource strategy.

Analysis

Background

In Order No. 26-054, the Commission declined to acknowledge PacifiCorp's CEP and directed Staff to bring a recommendation on whether the Company has demonstrated continual progress towards meeting ORS 469A.410 emissions goals to a future public meeting to allow consideration of the additional information, to be provided by the Company before July 2026.[1] The Commission required a resource acquisition plan addressing system reliability and state-specific needs, with annual targets and important milestones; a structured execution strategy with time-bound deliverables for ORS 469A.410 compliance; as well as addressing what was procured in Phase 1 of the 2025 request for proposals (RFP), the potential of clean market transactions, and the effects of Extended Day Ahead Market (EDAM).

PacifiCorp made a Supplemental Filing on June 30, 2026.[2] The filing presented updated estimates of Oregon resource needs, the results of Phase 1 of the 2025 Oregon RFP, and a strategy that relies on Phase 1 contracting, a Phase 2 solicitation filed in August 2026, and subsequent rolling procurements for future resource needs.[3] PacifiCorp estimates that successful acquisition of most final-shortlist resources, together with demand-side actions, would enable the company to reduce Oregon-allocated emissions by approximately 81 percent from baseline by 2030. The Company identified additional near-term actions as part of its execution strategy, including rolling

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1 Docket No. LC 85, Order No. 26-054, February 24, 2026; IRP Supplemental Filing, June 30, 2026.
2 Docket No. LC 85, IRP Supplemental Filing, June 30, 2026.
3 PacifiCorp states that it intends to transition from a single, time-bound solicitation framework to a rolling RFP framework but did not provide any further details on when this would happen or what this framework would look like.

Small-Scale Renewables (SSR) RFPs, a CBRE request for information, and sustaining a rapid pace of growth of DR programs to 55 MW DR capacity available by 2027. PacifiCorp also addressed the need for regulatory engagement surrounding multi-state cost allocation, market purchase emissions, and EDAM participation as critical for ORS 469A.410 compliance.

Staff filed comments on July 28, 2026.[4] Staff found that PacifiCorp's changed modeling and successful RFP shortlist increased confidence in the Company's strategy and supported a continual-progress determination. Staff requested additional information on key uncertainties, the impact of large load additions, DR and the execution strategy. Sierra Club, NW Energy Coalition, Climate Solutions, Mobilizing Climate Action Together, and the Green Energy Institute (Joint Advocates) did not oppose a continual progress finding but sought additional oversight and direction regarding SSR, CBRE, and DR acquisition.[5] Renewable Northwest (RNW) conditionally supported continual progress, emphasizing successful contracting with shortlisted resources as a condition.[6]

PacifiCorp's August 25, 2026, Reply Comments ask the Commission to make an unconditional continual progress finding.[7] Additionally, the Company requests the Commission to confirm that Oregon has a need for 1,340 MW of firm resources and 4,000 GWh of new energy by 2030 as Oregon-situs needs rather than system needs. PacifiCorp argues that its execution strategy is sufficient and must remain flexible as market conditions, transmission, resource costs, regulatory requirements, and negotiations evolve. At the same time, the Company explains it will address many key uncertainties and modeling sensitivities, requested by stakeholders, in its 2027 IRP/CEP.

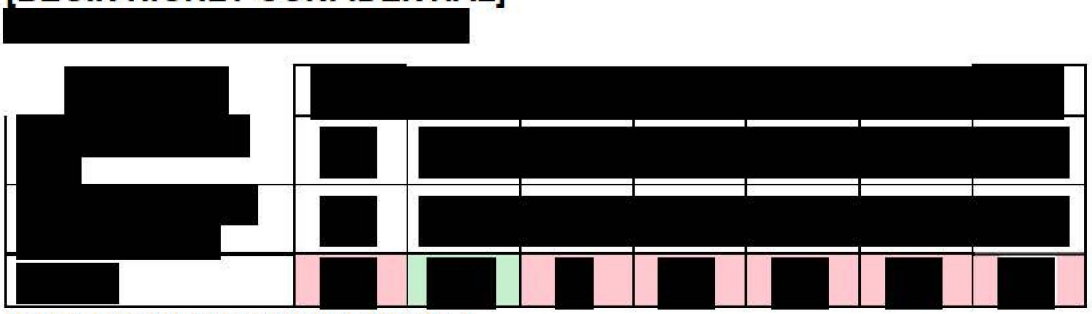
Continual Progress
Staff continues to recommend a finding of continual progress based on that the Company appears to have taken or is currently taking the steps necessary to enable compliance with ORS 469A.410 in 2030 in a manner that best balances, "expected costs and associated risks and uncertainties for the electric company and its customers, while considering impacts to communities and the pace of greenhouse gas emissions reduction."[8] PacifiCorp completed Phase 1 of the Oregon RFP, is negotiating with a final shortlist sufficient to cover the currently identified 2030 need, and filed Phase 2 of its

4 Docket No. LC 85, Staff Comments, July 28, 2026.
5 Docket No. LC 85, Sierra Club, NW Energy Coalition, Climate Solutions, Mobilizing Climate Action Together, and Green Energy Institute Comments, July 28, 2026.
6 Docket No. LC 85, Renewable Northwest Comments, July 28, 2026.
7 Docket No. LC 85, PacifiCorp Reply Comments, August 25, 2026.
8 OAR 860-090-0100(9).

RFP on August 21, 2026.[9] These are the material actions identified when the Commission previously found that PacifiCorp was not making continual progress.[10]

Table 1 shows PacifiCorp's Oregon firm capacity needs before and after Phase 1 of the RFP. According to the Company's modeling, successful acquisition of all final short list resources will reduce Oregon emissions over the ORS 469A.410 baseline by 81 percent by 2030.[11] As Staff discusses later on, this information is sufficient for a continual progress determination but falls short of a resource acquisition strategy, as requested by the Commission in Order No. 26-054.[12]

[BEGIN HIGHLY CONFIDENTIAL]



[END HIGHLY CONFIDENTIAL]

RNW requests that continual progress be conditioned on good-faith efforts to contract for enough shortlisted resources to meet the 2030 target.[13] Joint Advocates request notice and contingency measures if shortlisted projects withdraw.[14] PacifiCorp responds that a condition is unnecessary because the existing show-cause order, independent evaluator oversight, backup bids, Phase 2 of the RFP, and future RFPs already address procurement risk.[15]

Staff agrees with the underlying concern about RFP attrition but does not recommend that a forward-looking IRP/CEP continual-progress determination should be conditioned. Staff believes that the focus of a continual progress recommendation in the IRP/CEP is to identify whether the actions the utility plans to take are sufficient and that

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9 Docket No. UM 2383, Application for Partial Waiver of OAR Chapter 860-089, Request to Engage Independent Evaluator, and Expedited Approval of 2025 Phase II Draft RFP, August 21, 2026.
10 Docket No. LC 82, Order No. 24-297, Appendix A, August 28, 2024, p. 12ff.
11 Docket No. LC 85, IRP Supplemental Filing, June 30, 2026, p. 27f.
12 Docket No. LC 85, Order No. 26-054, February 24, 2026.
13 Docket No. LC 85, Renewable Northwest Comments, July 28, 2026, p. 4.
14 Docket No. LC 85, Sierra Club, NW Energy Coalition, Climate Solutions, Mobilizing Climate Action Together, and Green Energy Institute Comments, July 28, 2026, p. 4.
15 Docket No. LC 85, PacifiCorp Reply Comments, August 25, 2026, p. 6f. See also: Docket No. UM 2345, Order No. 25-098, March 12, 2025, p. 17f.

there is not a specific additional or different action that the utility needs to take to make sufficient progress. Staff is actively monitoring contract negotiations and Phase 2 of the RFP in Docket No. UM 2383. Additionally, Staff is paying close attention to further key uncertainties that may affect procurement needs and ORS 469A.410 compliance:

- The impacts of large load additions on procurement goals and emissions.
- DR Program development and deployment.
- How the Company pivots its SSR procurement strategy and how successfully it implements a CBRE acquisition strategy.
- Allocation studies in the 2027 IRP and MSP negotiations in Docket No. UM 2401.[16]
- Implications of EDAM and WEIM participation.

Staff notes that the Commission will consider the status of actions taken in future IRP/CEP Updates and make a new forward-looking continual progress determination based on the actions presented in the 2027 IRP/CEP. Here, Staff recommends the Commission make a narrow finding: PacifiCorp's revised forward-looking actions and actual actions taken to date are sufficient to demonstrate continual progress. This does not establish that the Company's long-term strategy or action plan is sufficiently developed for acknowledgment.

Recommendation 1: Find that PacifiCorp has demonstrated continual progress toward meeting ORS 469A.410 emission-reduction targets.

Scope of the Decision and Cost Allocation
PacifiCorp asks the Commission to go beyond continual progress determination and confirm that the Company's modeled 1,340 MW capacity need and 4,000 GWh energy need are Oregon needs, as opposed to system needs.[17] PacifiCorp expressly argues that such a finding would reduce future disputes over cost allocation, the ORS 469A.445 cost cap, and rates.

In doing so, the Company misconstrues parties' statements on modeling improvements as indicative of the correct cost allocation. Staff stated that the loop methodology provided some evidence that resource needs are substantially driven by Oregon constraints and allowed an approximate assessment of progress.[18] Joint Advocates agreed that significant procurement is necessary and in Oregon's interest but requested

[16] Docket No. UM 2401.
[17] Docket No. LC 85, PacifiCorp Reply Comments, August 25, 2026, 4f.
[18] Docket No. LC 85, Staff Comments, July 28, 2026, p. 2f.

continued analysis of system benefits.[19] RNW expressly stated that this docket is not the forum for conclusions regarding the cost-cap implications of the final shortlist.[20]

Staff agrees that Oregon policies and reliability constraints support continued procurement. This neither establishes exclusive Oregon cost causation nor the best treatment under multi-state cost allocation. A resource selected because an Oregon constraint is binding may also provide system capacity, displace system market purchases, reduce dispatch elsewhere, or defer resources that other jurisdictions would otherwise need. This is one of the reasons Staff continues to ask the Company compare a system-wide portfolio from a single modeling run with and without Oregon-specific constraints.[21] Situs assignment in a planning model likewise does not determine who benefits from the acquired resource or how costs should be allocated under a future multi-state protocol.

Notably, the Company's analysis does not separately quantify the needs caused by ORS 469A.410, ORS 757.518, which requires PacifiCorp to eliminate coal-fired resources from its allocation of electricity for Oregon customers, Oregon reliability requirements, and underlying system conditions. Nor does it identify the system resources and costs avoided by Oregon acquisitions. PacifiCorp itself recognizes in its June Supplemental Filing that a new multi-state allocation protocol and further allocation analysis are necessary.[22] Furthermore, in response to previous Staff and stakeholder questions about cost allocation the Company stated in part:

> PacifiCorp's 2025 IRP jurisdictional modeling and integrated approach are not inherently a cost-allocation exercise or framework. The IRP modeling tools are agnostic about state-specific cost allocation, and the IRP is not a rate-making exercise where cost allocations are determined.[23]

As a result, Staff believes the Commission lacks a basis to resolve these future cost allocation questions here. Acknowledgment and continual progress serve different functions from cost allocation, prudence review, and rate recovery. PacifiCorp's desire to avoid future contested proceedings is not evidence supporting an allocation finding. It instead confirms that the Company seeks a determination with consequences extending beyond the record and purpose of this proceeding as set out in OAR Chapter 860, Division 90. Staff recommends the Commission decline PacifiCorp's request.

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19 Docket No. LC 85, Sierra Club, NW Energy Coalition, Climate Solutions, Mobilizing Climate Action Together, and Green Energy Institute Comments, July 28, 2026, p. 12.
20 Docket No. LC 85, Renewable Northwest Comments, July 28, 2026, p. 6.
21 Docket No. LC 85, Staff Comments, July 28, 2026, p. 3; Staff Public Input Form No. 33, June 20, 2026.
22 Docket No. LC 85, PacifiCorp Reply Comments, August 25, 2026, 20f.
23 Docket No. LC 85, PacifiCorp's Round 2 Reply Comments, November 6, 2025, p. 24.

Recommendation 2: Decline to find that the identified resource quantities are Oregon needs as opposed to system needs. Clarify that the continual-progress determination does not determine resource situs, cost allocation, cost-cap treatment, prudence, or rate recovery.

Structured Execution Strategy and Key Uncertainties
Staff's comments asked PacifiCorp to explain key uncertainties affecting its resource plan, estimate their procurement impacts, and show the resource additions associated with contracted and likely large-load growth in 2030 and 2035.[24] Joint Advocates went further, arguing that the Supplemental Filing does not provide the structured execution strategy with time-bound deliverables required by Order No. 26-054.[25] They request a Phase 2 RFP schedule, a calendar or decision process for rolling RFPs, and greater specificity regarding resource allocation, clean market purchases, and gas dispatch.[26]

PacifiCorp responds that it has provided "a sufficient roadmap" satisfying the requirements for the June Supplemental filing.[27] The Company emphasizes that deviations should be expected because procurement depends on contract negotiations, market conditions, transmission availability, resource costs, and regulatory decisions. On large loads and B2H, PacifiCorp commits to include committed large loads and bookend large-load studies in the 2027 IRP and to study possible B2H redirect rights.

Staff agrees that an execution strategy cannot predict the outcome of negotiations or future market conditions. But uncertainty does not prevent PacifiCorp from providing procurement ranges, schedules, decision points, and contingencies. Those details would explain how the Company will act when conditions change. They are also consistent with the new IRP rules, which require intended acquisition schedules and procurement ranges, plans for managing near-term uncertainties and process dependencies, as well as contingency plans.[28] Furthermore, PacifiCorp did not answer Staff's explicit request for current estimates of how identified uncertainties affect procurement. The Company should be able to provide reasonable bounds even when precise forecasts are unavailable. At minimum, it can identify the direction and approximate magnitude of the effect, when the uncertainty is expected to resolve, the procurement decision affected, and the action triggered by each material outcome.

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24 Docket No. LC 85, Staff Comments, July 28, 2026, p. 5.
25 Docket No. LC 85, Order No. 26-054, February 24, 2026, p. 2.
26 Docket No. LC 85, Sierra Club, NW Energy Coalition, Climate Solutions, Mobilizing Climate Action Together, and Green Energy Institute Comments, July 28, 2026, p. 3, 12ff.
27 Docket No. LC 85, PacifiCorp Reply Comments, August 25, 2026, p. 7f.
28 OAR 860-090-0060(9)-(10).

Staff does not recommend directing the Company to file another supplement, especially since the question of continual progress can be resolved without additional information. However, Staff expects PacifiCorp to correct these deficiencies in its 2027 IRP. The Company's 2025 IRP long-term strategy was not acknowledged in part because the Commission lacked confidence that it represented a sufficiently supported and detailed least-cost, least-risk plan.[29] Staff would like to emphasize that the present continual-progress finding does not cure that deficiency. If PacifiCorp again presents a strategy and Action Plan without the detail necessary to evaluate implementation and risk, the Commission may lack a sufficient basis to acknowledge the 2027 long-term strategy or affected action-plan items.

Demand Response
Staff's comments expressed concern that PacifiCorp is not on track to achieve the demand-response quantities shown in its planning documents. The 2025 IRP Update identified an increase in demand response capacity from 22 MW to 112 MW by 2030, including contributions from residential water-heater and smart-thermostat programs that do not yet exist. Staff invited PacifiCorp to explain how its acquisition strategy could scale to those quantities.[30] Joint Advocates urged greater investments in demand response and participation by third-party aggregators.[31]

PacifiCorp responds that it does not currently have a demand-response target and that IRP selections are a ceiling rather than an annual acquisition requirement.[32] The Company describes operational and implementation constraints, reports that its portfolio has grown to more than 20 MW, states that the Cool Keeper program reached approximately 10 MW in 2026, and that it plans a demand-response RFP in 2027.

Staff agrees that IRP model selections need not become literal annual program targets. Program development and customer acquisition may reasonably require a different trajectory due to practical considerations. But the technically achievable potential identified in a conservation potential assessment is the ceiling. The quantity selected in the IRP is the amount the model identifies as cost-effective to meet system needs. PacifiCorp's own Attachment A states that the IRP determines how much demand response should be acquired and that the CEP forecast then smooths implementation.[33] Similarly, the Company's 2025 IRP Action Plan states that it "targets" to acquire the demand response capacity selected by the preferred portfolio.[34]

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29 Docket No. LC 85, Order No. 26-054, February 24, 2026, p. 1ff.
30 Docket No. LC 85, Staff Comments, July 28, 2026, p. 8f.
31 Docket No. LC 85, Sierra Club, NW Energy Coalition, Climate Solutions, Mobilizing Climate Action Together, and Green Energy Institute Comments, July 28, 2026, p. 9.
32 Docket No. LC 85, PacifiCorp Reply Comments, August 25, 2026, p. 8ff.
33 Docket No. LC 85, PacifiCorp Reply Comments, August 25, 2026, Attachment A, p. 3.
34 Docket No. LC 85, 2025 IRP, March 31, 2025, p. 291.

If PacifiCorp does not regard the IRP and CEP quantities as operational targets, it must identify the targets it is using and explain how they are supported by the IRP as soon as possible. If the Company now believes previously selected quantities are no longer achievable or cost-effective, it should transparently revise them and provide sufficient justification, rather than retrospectively characterize them as nonbinding ceilings. OAR 860-090-0060(10)(b) expressly requires the IRP Action Plan to include demand response targets. Hence, Staff expects the 2027 IRP/CEP to identify demand response model selections as well as program-level targets. Furthermore, the Action Plan should provide the schedule and expected contributions of the planned demand response RFP and identify contingency actions if enrollment or performance falls short. Staff emphasizes that failure to establish demand-response targets and a program-level implementation strategy in the 2027 IRP/CEP, as required by OAR 860-090-0060(10)(b), will weigh strongly against acknowledgment.

Recommendation 3: Direct PacifiCorp, in its 2027 IRP/CEP, to establish specific DR acquisition targets that are quantified and time-bound.

Small-Scale and Community-Based Renewable Energy
Staff asked PacifiCorp to explain what it learned from two unsuccessful SSR solicitations and how it would improve transparency.[35] PacifiCorp responded directly, identifying high bid prices, limited developer interest, as well as limited development expertise of community-based organization and municipalities as the main problems.[36] The Company proposes annual SSR compliance reports beginning in 2027 that would report on progress from existing programs (volumetric incentive rate program conversions, remaining community solar program capacity, qualifying facility renewal) and new acquisition pathways (rolling RFPs, self-build options). Staff views the proposed reporting as constructive and will continue to monitor the Company's compliance strategy.

Joint Advocates request the Commission direct PacifiCorp to take several actions on CBRE, including a non-zero acquisition target, greater community benefits advisory group (CBIAG) involvement, more thorough quantification of benefits, and more transparency surrounding a potential request for information (RFI).[37] PacifiCorp responds that is has in effect established a zero target for CBRE.[38] The Company supports this by explaining that acquiring non-cost-effective resources without a

[35] Docket No. LC 85, Staff Comments, July 28, 2026, p. 8.
[36] Docket No. LC 85, PacifiCorp Reply Comments, August 25, 2026, p. 14ff.
[37] Docket No. LC 85, Sierra Club, NW Energy Coalition, Climate Solutions, Mobilizing Climate Action Together, and Green Energy Institute Comments, July 28, 2026, p. 5ff.
[38] Docket No. LC 85, PacifiCorp Reply Comments, August 25, 2026, p. 18ff.

statutory basis would raise serious disallowance risks in ratemaking. In addition, PacifiCorp states it is attempting to better quantify CBRE benefits in its next IRP.

Staff does not recommend that the Commission predetermine a positive CBRE target or direct the acquisition of resources regardless of cost. PacifiCorp may establish a zero target if adequate analysis supports that outcome. But comparing bid prices with utility-scale resources or qualifying-facility rates does not, by itself, examine CBRE costs, benefits, and opportunities. It does not identify where CBRE may provide distribution, reliability, or resilience value; test alternative ownership and program structures; or quantify the community benefit of CBRE.[39]

PacifiCorp is correct in stating that CBRE benefits should not remain purely rhetorical. However, measurable does not necessarily mean monetized within a PLEXOS production cost model. As such, PacifiCorp's ongoing analysis, as represented by the 2025 CEP, falls short. There, the Company compares utility-scale resources with CBRE that only differ on cost. Under those assumptions, no modeling would be required to know that CBRE has higher costs. A better analysis would answer four questions:

- **At what price would ratepayers/PacifiCorp be indifferent between acquiring a CBRE or utility-scale resource?** Compare resources providing equivalent energy, capacity, and timing in terms of their incremental system benefits.
- **Where and when does CBRE provide additional system value?** CBRE might be cost-effective, or at least closer to cost-effective when it avoids distribution system upgrades, reduces line loses, relieves transmission constraints, or provides other locational value.
- **Does CBRE provide any additional public health or community benefits compared to utility scale resources?** Identify a public health or community benefit derived from a CBRE that cannot be provided by a utility scale resource.
- **What program would allow cost-effective acquisition of CBRE?** Putting together the analysis from the previous three questions could allow the Company to establish procurement targets for specific CBRE that are cost-effective from a utility perspective, a societal perspective, or could become cost-effective with participation from third-party funders.

Lastly, recent Commission action lends support to the position that utilities can acquire CBRE. The Commission acknowledged Portland General Electric's final shortlist of 48.7 MW of CBRE with an annual incremental cost over utility scale resources of $1.3 million.[40] In addition, the Commission adopted "progress on CBRE acquisition

[39] All points Staff made in response to PacifiCorp's 2025 IRP, see: Docket No. LC 85, Order No. 26-054, February 24, 2026, Appendix A, p. 29.
[40] Docket No. UM 2141, Order No. 26-147, April 29, 2026.

targets" as a performance incentive mechanism (PIM) to be defined for multi-year rate plans (MYP).[41]

Staff expects PacifiCorp in its 2027 IRP/CEP to identify potentially valuable CBRE use cases and locations; evaluate a wider set of potential benefits; consider alternative procurement or ownership structures; and test reasonable acquisition levels with customer-cost implications. Staff believes this type of analysis is required by OAR 860-090-0100(6)(b) and (7).

Staff Recommendation 4: Direct PacifiCorp, in its 2027 IRP/CEP, to provide sufficient analysis for the Commission to determine whether its proposed CBRE target reasonably balances customer costs with potential CBRE-specific benefits and opportunities. PacifiCorp may propose a target of zero but may not support that target solely by showing that a generic CBRE resource is more expensive than a utility-scale resource in portfolio modeling.

Other Matters
Staff and stakeholders raised several recommendations regarding the modeling approach for the 2027 IRP. PacifiCorp responded with commitments concerning a single-pass model, counterfactual analysis, clean-market products, large-load sensitivities, and B2H. These issues largely concern the design of the next IRP rather than the continual-progress determination before the Commission. Staff is documenting the parties' positions and will continue addressing the issues through PacifiCorp's 2027 IRP public-input process.

Conclusion

PacifiCorp's completion of Phase 1 of the Oregon RFP, ongoing contract negotiations, and initiation of Phase 2 support a finding of continual progress. That conclusion does not require the Commission to accept PacifiCorp's broader cost-allocation position or find that its execution strategy contains sufficient detail for future acknowledgment. Hence, Staff recommends the Commission find that PacifiCorp demonstrated continual progress but deny the Company's request regarding cost allocation. Furthermore, Staff recommends the Commission clarify expectations regarding DR acquisition targets and CBRE analysis in the next IRP/CEP.

[41] Docket No. AR 676, Order No. 26, 242, June 16, 2026, Appendix A, p. 2.

PROPOSED COMMISSION MOTION:

1. Find that PacifiCorp has demonstrated continual progress toward meeting the ORS 469A.410 clean energy targets;

2. Decline to find that the identified resource quantities are Oregon needs as opposed to system needs. Clarify that the continual-progress determination does not determine resource situs, cost allocation, cost-cap treatment, prudence, or rate recovery.

3. Direct PacifiCorp, in its 2027 IRP/CEP, to establish specific DR acquisition targets that are quantified and time-bound.

4. Direct PacifiCorp, in its 2027 IRP/CEP, to provide sufficient analysis for the Commission to determine whether its proposed CBRE target reasonably balances customer costs with potential CBRE-specific benefits and opportunities. PacifiCorp may propose a target of zero but may not support that target solely by showing that a generic CBRE resource is more expensive than a utility-scale resource in portfolio modeling.

RA1 – LC 85