ORDER NO. 26-393

ENTERED Oct 27 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 465

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY, 2027 Annual Power Cost Update Tariff.	ORDER

DISPOSITION: JOINT PARTIAL STIPULATION ADOPTED; NET VARIABLE POWER COSTS AND ANNUAL POWER COST UPDATE TARIFF TO BE REVISED

I. INTRODUCTION

In this order, we adopt a Joint Partial Stipulation (Stipulation) entered into by Portland General Electric Company and Staff of the Public Utility Commission of Oregon and address contested issues regarding Schedule 125.

PGE's Schedule 125, also known as the Annual Update Tariff (AUT), is adjusted annually to incorporate projected net variable power costs (NVPC) for the following year. NVPC-related issues are addressed in an order issued in October of each year to set the transition adjustments in advance of the annual November direct access window. Pursuant to the AUT, PGE files updates to its NVPC forecast in November, consistent with our October order, to determine the final NVPC forecast.

In its initial filing, PGE proposed certain adjustments and enhancements to its Multi-area Optimization Network Energy Transaction (MONET) model and presented a comparison of the updated 2027 forecast to the company's final 2026 NVPC forecast. PGE's initial 2027 NVPC forecast was $1,067.9 million and represented a $14.7 million increase over the company's 2026 NVPC. However, due to load growth exceeding NVPC, PGE initially estimated a 1.0 percent average customer decrease as a result of the 2027 NVPC forecast. PGE's reply testimony updated this projected price change to a decrease of approximately 2.8 percent, based upon additional MONET modeling changes.

II. PROCEDURAL HISTORY

On February 13, 2026, PGE filed its initial 2027 NVPC forecast. PGE supported its initial request with three sets of pre-filed opening testimony and supporting analyses. Staff and the Alliance of Western Energy Consumers (AWEC) filed opening and rebuttal testimony, and PGE filed reply and surrebuttal testimony. On September 11, 2026, PGE and Staff (Stipulating Parties) filed the Stipulation, addressing four discrete issues. The Stipulation is attached to this order as Appendix A. AWEC took no position on the Stipulation and did not oppose it.

The parties filed opening briefs on September 22, 2026. Staff and AWEC filed closing briefs on October 5, 2026, and PGE filed its closing brief on October 12, 2026. PGE also updated its initial NVPC forecasting on October 1, 2026, and as noted above, will file additional updates on November 6 and November 16, 2026.

III. STIPULATION

A. Standard of Review

Under OAR 860-001-0350, the Commission may adopt, reject, or propose to modify a stipulation. If the Commission proposes to modify a stipulation, the Commission must explain the decision and provide the parties sufficient opportunity on the record to present evidence and argument to support the stipulation.

We review settlements to determine whether, on a holistic basis, they serve the public interest and result in just and reasonable rates. A party may challenge a settlement by presenting evidence that the overall settlement results in something that is not compatible with a just and reasonable outcome. Where a party opposes a settlement, we will review the issues pursued by that party and consider whether the information and argument submitted by the party suggest the settlement is not in the public interest, will not produce rates that are just and reasonable, or otherwise is not in accordance with the law. To support adoption of a settlement, the stipulating parties must present evidence the stipulation is in accord with the public interest, and results in just and reasonable rates.

B. Partial Stipulation

The Stipulation provides resolution of concerns raised by Staff regarding data reporting and an issue related to PGE's hourly load forecast MONET input. The terms of the Stipulation have no effect on the Schedule 125 rates updated in these proceedings.

The Stipulating Parties propose to coordinate in advance of PGE's 2028 AUT filing to develop a mutually agreeable, high-level public summary of changes in major power cost categories, and associated rate impacts. The Stipulating Parties anticipate this updated reporting will comply with the information standard established by Order No. 24-454.

The Stipulation provides that PGE will continue reporting the expected and realized production tax credits, project output, capacity, revenue requirement, and ongoing maintenance costs for the Wheatridge generating facility in future AUT proceedings.

The Stipulation recommends PGE be allowed to cease providing the wind reporting requirements established by Order No. 10-414. The Stipulating Parties agree that the information provided in Volume 12 of the Minimum Filing Requirements (MFRs) provides sufficient information regarding the accuracy of PGE's forecast of monthly and hourly generation for wind resources owned by PGE.

Finally, the Stipulation accepts Staff's recommendation that PGE's load forecasting data set exclude 2020. The Stipulating Parties agree the relevant data set should include the years 2021-2025 to establish the five-year operational window to support PGE's load forecast value. The Stipulating Parties note this historical period excludes COVID-era patterns that may not represent normal or future behavior.

C. Resolution

We have reviewed the Stipulation, supporting testimony, and the record in these proceedings. We find the terms of the Stipulation are supported by sufficient evidence and appropriately resolve issues in these proceedings. We determine the terms of the Stipulation represent a reasonable resolution of the identified issues and contribute to an overall settlement in the public interest.

IV. CONTESTED ISSUES

A. California Independent System Operator (CAISO) Extended Day-ahead Market (EDAM) Benefits

1. Introduction

PGE's 2027 NVPC forecast includes estimates of costs and benefits resulting from PGE's participation in the EDAM. EDAM is a voluntary, day-ahead market, where CAISO, the market operator, accepts bids from market participants and economically dispatches selected resources with a goal of optimizing resources and load. Access to the EDAM

footprint is expected to reduce day-ahead power prices, increase grid efficiency, and provide improved reliability and enhanced environmental benefits. In 2024, PGE contracted to join EDAM, agreeing to begin participation no later than October 1, 2026. As such, 2027 will be the first full year in which PGE's NVPC includes forecasted costs and benefits related to EDAM. The parties dispute the appropriate amount of incremental EDAM benefits to include in PGE's 2027 NVPC forecast.

2. Positions of the Parties

a. PGE

PGE argues its modeling of EDAM costs and benefits is consistent with Commission precedent, as PGE employed its MONET model. PGE asserts the Commission has approved the exclusive use of MONET to model PGE's NVPC since 2001.[1] The company testified MONET's NVPC forecast modeling demonstrates approximately $14.0 million of incremental EDAM benefits will accrue during the 2027 forecast period.[2] PGE asserts this value is accurate and based on test-year load, portfolio, resource dispatch, hydro availability, transmission rights at the California-Oregon Intertie, forward market prices, fuel costs, emissions costs, and other forecast operating assumptions.[3]

PGE challenges Staff's alternate EDAM benefit valuation, arguing it does not rely upon the MONET model, or any variables that are input into MONET. PGE contends use of MONET and/or its variable inputs is required by Schedule 125 for NVPC forecasting. PGE argues Staff's recommendation to increase EDAM benefits is inaccurately based on the *Portland General Electric Market Benefits Study, 2026 Updated Benefit Study*[4] from the Brattle Group (Brattle Study). PGE claims the Brattle Study did not analyze the effects of EDAM participation on MONET modeling inputs or market conditions anticipated in the 2027 forecast period. Specifically, PGE argues the Brattle Study modeled anticipated 2032 market conditions and, therefore, Staff's estimation based on the Brattle Study does not forecast costs and benefits representing 2027 market conditions.[5]

Additionally, PGE asserts Staff's forecast adjustments create a material risk of double counting some economic value. The company argues the Brattle Study itself notes that MONET's modeling framework likely captures much of PGE's benefits from EDAM participation. Therefore, PGE contends Staff's $7.1 million, Brattle Study-based upward

[1] PGE Opening Brief at 11 (citing UE 115, Order 01-777 (Aug. 31, 2001)) (Sept. 22, 2026).
[2] PGE/600, Outama-Pedersen/4:9-10.
[3] PGE Opening Brief at 11.
[4] AWEC/102, Mullins.
[5] PGE Opening Brief at 12-13.

adjustment is already embedded in the company's MONET-based forecast.[6] PGE claims it adjusted the Brattle Study to accurately represent market conditions anticipated in 2027, producing an EDAM benefit forecast of approximately $16.1 million.[7] PGE argues that while this approach is inferior to its MONET modeling, it demonstrates the reasonableness of the company's comprehensively modeled EDAM benefits. Accordingly, PGE recommends the Commission reject Staff's EDAM benefits adjustment.

b. Staff

Staff argues PGE's MONET modeling is incomplete as it does not capture EDAM benefits that are dependent on proprietary information of other EDAM participants or conditions that cannot be forecast. Staff proposes addressing the first limitation by relying on the EDAM benefits estimate from the Brattle Study, noting PGE relied, in part, on the Brattle Study to justify its decision to join EDAM. Staff further notes the Brattle Study includes proprietary inputs from other EDAM participants that PGE's MONET model does not.[8] Staff argues the Brattle Study justifies an upward adjustment of $7.1 million of EDAM-related benefits for ratepayers.

Staff further challenges PGE's MONET-based EDAM benefit modeling, arguing that PGE has presented inconsistent positions regarding MONET's ability to forecast EDAM benefits. Staff points to PGE's argument that EDAM benefits will primarily be realized through the Power Cost Adjustment Mechanism (PCAM), due to difficulty in forecasting the EDAM's characteristics, and contrasts it with the company's claim that MONET likely captures much of, and may overstate, the EDAM's benefits.[9]

Staff responds to PGE's critique that Staff's adjustment is outside of the MONET framework by highlighting the Brattle Study's methods and assumptions. Staff notes of the ten market participants included in Brattle's modeling of a 2032 market, eight will be participants in 2027. Specifically, Staff asserts PGE's main trading partners in the EDAM are already participants, and therefore, the Brattle Study presents a reasonable estimation of PGE's 2027 day-ahead market opportunity. Staff contends the Brattle Study's assumed market characteristics and data inputs are superior to PGE's modeling.[10] Accordingly, Staff recommends an upward adjustment of $7.1 million in forecast EDAM-derived benefits for 2027.

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[6] *Id at* 13.
[7] PGE/600, Outama-Pedersen/13.
[8] Staff Opening Brief at 3-4 (Sept. 22, 2026).
[9] *Id.* at 5-6.
[10] *Id.* at 8.

3. Resolution

We do not adopt Staff's alternate forecast of EDAM benefits for 2027 based on the Brattle Study's forecast of EDAM conditions. We are unconvinced the Brattle Study's review of market resources and related benefits in 2032 appropriately models expectations for PGE in 2027 for purposes of setting NVPC. The Brattle Study evaluated the effects of various market participation decisions of other utilities on the benefits PGE may realize from EDAM. While valuable, this analysis for 2032 does not equate to an accurate forecast of PGE's NVPC for 2027. In particular, the Brattle Study's analysis is based on a resource mix, load level, transmission availability and market footprint that does not represent expectations for 2027.

We recognize the uncertainty regarding the benefits that will accrue as PGE enters its first full year of participation in EDAM. PGE's alternate Brattle Study-based analysis indicated an additional $2.1 million in incremental EDAM benefits in 2027 beyond the $14.0 million in the MONET forecast.[11] We share Staff's concerns regarding limitations and potential inaccuracies in PGE's forecasting of EDAM benefits.[12] We are unconvinced by the company's reliance on its MONET modeling at this inflection point in market participation. Early in this proceeding, PGE acknowledged the difficulty of forecasting EDAM benefits in MONET and asserted that EDAM's benefits would primarily be realized through the PCAM.[13] However, the deadbands of the PCAM mean that EDAM benefits realized beyond PGE's forecast likely would not accrue to ratepayers.

We accept PGE's forecast of approximately $14 million of incremental EDAM benefits in determining 2027 NVPC but require that any EDAM benefits in excess of this forecast be tracked and credited to customers in the PCAM outside of the deadband. If those benefits prove even larger than the deadband, the standard 90/10 sharing mechanism will apply to the balance. During this period of uncertainty in forecasting associated benefits, we adopt this approach to address the implicit incentive created by the PCAM risk sharing mechanisms to under-forecast benefits and ensure that the benefits of the company's participation in EDAM are fully realized by customers.

Additionally, we direct PGE to convene at least two stakeholder workshops to review its EDAM benefits modeling ahead of PGE's next AUT proceeding. These workshops should evaluate how to include an accurate forecast of all the benefits related to EDAM, including but not limited to transfer revenue and congestion revenues in the AUT. This

[11] PGE Opening Brief at 14.
[12] *See* Staff/300, Zhao/10:11-16; Staff/700, Zhao/11; Staff/700, Zhao/21:4-10; *See also* PGE/600, Outama-Pedersen/5:12-14.
[13] *See* PGE/100, Outama-Pedersen/16-19.

should include consideration of approaches based on use of historical data, proxy data, or a model to simulate the entire market footprint's economic dispatch. PGE is directed to address the results of the workshops in its 2028 AUT filing.

In this proceeding, we establish PGE's 2027 NVPC by reviewing the reasonableness of the costs and benefits that are included in Schedule 125. As addressed above, we determine $14 million in EDAM benefits are appropriately included in the 2027 AUT and require benefits in excess of that forecast be tracked and credited to customers. We will continue to evaluate the inclusion of costs and benefits of EDAM participation in future AUT proceedings. We decline to make a one-time prudency determination regarding PGE's decision to join EDAM. We find the costs and benefits of EDAM participation are reasonable and are appropriately included in the 2027 AUT.

B. EDAM Participation Prudence

1. Introduction

EDAM is an extension of CAISO's existing day-ahead market. EDAM is a voluntary marketplace where all participating load serving entities and resources within the participating Balancing Area Authority (BAA) are required to submit self-schedules or economic bids for their generating resources and/or loads into the day-ahead market.[14] CAISO, as the operator of the EDAM, develops an hourly generation and load schedule for the operating day for all participating entities.[15] The overall purpose of the EDAM is to improve grid reliability and increase integration of renewable energy across participating BAAs through optimization of generation resources and transmission.[16] A second day-ahead energy market, Markets+ operated by Southwest Power Pool, is also under development and projected to serve BAAs in the Western U.S., most notably for these proceedings the Bonneville Power Administration (BPA).[17]

PGE executed an EDAM implementation agreement on July 2, 2024, and committed to participate in EDAM no later than October 1, 2026. The Federal Energy Regulatory Commission approved PGE's Open Access Transmission Tariff revisions to facilitate EDAM participation in August 2025.[18] PGE's NVPC forecast presented in these proceedings includes various costs and modeled benefits from PGE's anticipated participation in EDAM.

[14] PGE/100, Outama-Pedersen/15:4-9.
[15] *See* PGE/100, Outama-Pedersen/15:4-11.
[16] PGE/100, Outama-Pedersen/14: 9-11.
[17] *See* AWEC/100, Mullins/7.
[18] PGE/100, Outama-Pedersen/15:1-3.

2. Positions of the Parties

a. AWEC

AWEC asserts PGE's decision to join EDAM was imprudent and, therefore, recommends the Commission disallow all costs included in the proposed updated Schedule 125 associated with PGE's participation in EDAM.[19] AWEC argues PGE has failed to demonstrate its choice of an energy day-ahead market was prudent. Specifically, AWEC argues PGE's decision to join EDAM prior to BPA's announcement of its selection was imprudent due to PGE's significant dependence on BPA-supplied transmission to serve its load. AWEC asserts BPA's day-ahead market selection, and the consequent allocation of BPA transmission capacity, has a direct impact on the value PGE can realize from participation in EDAM.[20]

AWEC also claims the Brattle Study shows almost no benefit from PGE's decision to join EDAM when compared to simply continuing its participation in the Western Energy Imbalance Market (WEIM).[21] Moreover, AWEC argues PGE's request to increase customer rates as a consequence of its EDAM participation demonstrates PGE's decision was imprudent. AWEC contends PGE's decision to join EDAM was driven by political calculations rather than the economic interests of customers.[22]

Finally, AWEC argues PGE failed to comply with the terms of the stipulation approved by the Commission in docket UE 452. AWEC contends the terms of the stipulation in UE 452 required the updated Brattle Study to evaluate the potential cost and savings associated with PGE joining Markets+.[23] AWEC argues PGE's avoidance of a Markets+ analysis in the Brattle Study demonstrates PGE failed to consider alternatives to joining EDAM.[24]

In the alternative, if the Commission does approve inclusion of EDAM-related costs and benefits, AWEC supports Staff's calculation of EDAM benefits for the forecast period. AWEC contends the magnitude of EDAM benefits calculated by Staff would justify PGE's decision to join EDAM.[25] However, absent the Commission's agreement with Staff's calculations, AWEC recommends disallowance of all EDAM-related costs and benefits as imprudent.

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[19] *See* AWEC/100, Mullins/12:4-5.
[20] *See* AWEC/100, Mullins/8:10-11
[21] *See* AWEC/100, Mullins/8-9.
[22] AWEC/100, Mullins/8:15-16.
[23] *See* AWEC/200, Kaufman/8:1-7.
[24] AWEC/200, Kaufman/8:4-7.
[25] *See* AWEC/200, Kaufman/9:11-14.

b. PGE

PGE argues its decision to join EDAM was prudent and provides benefits to customers.[26] Specifically, PGE argues its decision to join EDAM was supported by the Day-Ahead Markets Comparative Analysis presented in docket UE 452. PGE contends the Commission contemplated its decision to join EDAM in docket UE 452 and did not require PGE to defer its day-ahead market selection until after BPA announced its own commitment.[27]

PGE further argues AWEC's challenge is internally inconsistent. PGE asserts AWEC's challenge to the prudence of PGE's selection of EDAM is undercut by AWEC's support for the decision, so long as Staff's EDAM benefits calculation is adopted.[28] PGE also highlights AWEC's admission that removal of EDAM costs and benefits would potentially create a less accurate NVPC forecast as a flaw in AWEC's challenge.[29]

PGE contends prudence must be evaluated based on the information reasonably available to the utility at the time a decision was made.[30] PGE asserts the information presented in these proceedings and in docket UE 452 demonstrates PGE's decision to join EDAM was prudent. Further, PGE argues the question actually at issue in these proceedings is the proper calculation of EDAM benefits realized by ratepayers, and that AWEC's challenge is not well taken and should be rejected.

3. Resolution

In this proceeding, we establish PGE's 2027 NVPC by reviewing the reasonableness of the costs and benefits that are included in Schedule 125. As addressed in the section above, we determine $14 million in EDAM benefits are appropriately included in the 2027 AUT and require benefits in excess of that forecast be tracked and credited to customers. The AUT/PCAM mechanisms are inherently narrow and AWEC's arguments regarding the prudence of EDAM participation are similarly narrow, for example not raising the potential value to House Bill (HB) 2021 compliance of reduced natural gas use.[31] We will continue to evaluate the reasonableness of costs and benefits of EDAM participation in future AUT proceedings. We find the costs and benefits of EDAM participation are reasonable and are appropriately included in the 2027 AUT.

[26] PGE Opening Brief at 15.
[27] *See* PGE/400, Outama-Pedersen/28:13-20.
[28] PGE Opening Brief at 15.
[29] *See Id.* (citing AWEC/200, Kaufman/7)
[30] *Id.* at 16.
[31] AWEC/102, Mullins/9.

C. Western Energy Imbalance Market Benefits

1. Introduction

The WEIM is a voluntary, short-term energy market. Similar to the EDAM discussed above, the WEIM enables improved integration of resources, enhances grid reliability, and promotes greater efficiency in the regional transmission system. While EDAM operates on a day-ahead schedule, WEIM is a real-time energy market. PGE's participation in the WEIM has the potential to benefit customers from sales revenues of excess generation into the market, and purchases from the market at costs lower than otherwise available to PGE through self-generation. These benefits reduce PGE's overall NVPC. Additionally, WEIM participation allows PGE access to a greater diversity of resources to meet its resource needs, thereby reducing PGE's internal reserves, resulting in further potential reduction to NVPC.

2. Positions of the Parties

a. PGE

PGE contends its MONET forecast of net WEIM benefits appropriately aligns with the purpose of the AUT because it: (1) applies forecast-period prices, resources, and operating conditions; (2) uses a consistent gross-benefit comparison; (3) accounts for material changes to PGE's portfolio and the market; and (4) avoids duplicating value already captured in the NVPC forecast.[32]

PGE criticizes Staff's alternate modeling, claiming that Staff simply carries an average of historical outcomes directly into 2027 without employing the MONET model's forecast. PGE argues the historical portfolio and market conditions used in Staff's analysis are not representative of conditions expected in 2027. Moreover, PGE argues a more complete historical review demonstrates years when actual WEIM benefits were below PGE's forecasted values. Accordingly, PGE argues that a historical average in isolation should not serve as a 2027 forecast.[33]

Additionally, PGE takes issue with Staff's net benefit comparison, asserting Staff does not consistently compare historical results with PGE's forecast. Specifically, PGE argues that changes to Staff's modeling of the grid management charge, the application of observed results from the first and second quarters of 2026, and proper accounting of the

[32] PGE Opening Brief at 18.
[33] *Id.* at 19.

benefits associated with the Seaside Battery Energy Storage System (BESS) are necessary to produce a consistent net WEIM benefit comparison.[34]

PGE further argues its WEIM net benefits forecast incorporates expected market conditions that are not captured in Staff's historical average. In particular, PGE asserts the MONET modeling properly accounts for PGE's updated hydroelectric portfolio and removes expired Mid-Columbia contracts. Additionally, PGE contends MONET updated carbon prices and accurately incorporates the price convergence expected from EDAM participation. PGE asserts Staff's historical average approach overlooks these changes and assumes prior market and portfolio conditions, and associated economic outcomes, will continue into 2027.[35]

Finally, PGE disagrees with Staff's claim that BESS-related benefits are missing from the MONET modeling. PGE argues that while BESS are not directly modeled in the WEIM-benefit forecast, battery value is captured through modeling of ancillary-service response and energy arbitrage. PGE contends Staff's calculation of battery benefits cannot be summed with historical results without accounting for battery value already included in the calculation.[36]

PGE argues its WEIM forecast accurately applies a forward-looking framework, uses consistent metrics, incorporates expected 2027 portfolio and market conditions and avoids duplication of battery benefit value. PGE ultimately recommends the Commission adopt its modeled forecast of approximately $7.1 million in 2027 gross WEIM benefits.[37]

b. Staff

Staff contests PGE's WEIM-related modeling, arguing that PGE has significantly underestimated net WEIM benefits. Staff argues PGE's net WEIM benefit forecast has been inaccurate since 2024, with the magnitude of inaccuracy increasing every year.[38] Staff provides two recommendations to correct what Staff views as PGE's consistent under-forecasting.

First, Staff recommends PGE's forecast of sub-hourly dispatch benefits be more forward-looking.[39] Second, Staff recommends replacing PGE's MONET-based net WEIM benefit forecast with an estimate based on the average of net WEIM benefits from

[34] *Id.* at 19-20.
[35] *Id.* at 20.
[36] *Id.* at 20.
[37] *Id.* at 22. This value increased to $7.3 million in PGE's October 1, 2026, MONET update.
[38] Staff Opening Brief at 10.
[39] *Id.* at 10-11; Staff/300, Zhao/5:3-5.

2022 through 2025. Staff argues it demonstrated PGE's forecasting method was flawed and recommended improvements during these proceedings, which PGE did not adopt. Staff asserts, in the absence of an improved method, it is reasonable to use the average amount of benefits from 2022-2025 due to their realized stability. Staff notes it does not advocate that this method is the best available, but Staff asserts it is an improvement over what Staff views as PGE's consistent under-estimation in recent years.[40]

Staff challenges PGE's claim that the MONET model is superior to Staff's historical average recommendation. Staff contends PGE's recent inaccuracy contradicts PGE's claim of superiority. Further, Staff argues PGE's modeling does not incorporate the impact of additional WEIM participants in 2027. Staff also disputes PGE's argument that Staff's historical average recommendation will double count select EDAM benefits. Specifically, Staff claims the Brattle Study's estimated $27 million in EDAM benefits are incremental to the status quo of PGE's participation limited to the WEIM. Staff argues its approach corrects the status quo WEIM benefit calculation, and that this baseline is reduced within the Brattle Study's analytical methods.[41] Accordingly, Staff argues its recommendation properly accounts for benefits from both the WEIM and EDAM.

Finally, Staff disagrees with PGE's claim that benefits forecast in the AUT will be double counted in the PCAM. Staff argues the PCAM is designed to capture any variance between the forecasted NVPC identified in the AUT and the actual amount incurred. Staff asserts these elements are mutually exclusive. Further, Staff argues a more accurate AUT forecast should leave less variance to be addressed through the PCAM.[42]

3. Resolution

We are concerned with the recent trend of under-forecasting WEIM benefits and agree with Staff that adjustments to PGE's forecasting method are likely warranted. As discussed above, we are concerned with the incentive to under-forecast benefits created by the risk sharing mechanisms in the PCAM. However, we are not persuaded that a benefits forecast based on the average amount of benefits from 2022 through 2025 is a reasonable proxy. In particular, we are concerned with using a historical estimate when PGE has just entered the EDAM. It is logical to assume that some benefits currently obtained in the WEIM will be captured in the day-ahead optimization going forward.

[40] *Id.* at 11.
[41] *Id.* at 11-12.
[42] *Id.* at 12.

Consistent with our approach above, we accept PGE's forecast WEIM benefits for 2027 NVPC but require that any WEIM benefits in excess of the forecast be tracked and credited to customers in the PCAM outside of the deadband.

We agree with Staff that PGE's WEIM benefits forecasting is in need of improvement. We direct these issues be addressed in the workshops ordered above. PGE shall work with Staff and the other parties to identify elements within MONET that can be refined and evaluate options to improve the forward-looking nature of sub-hourly benefits forecasting. This should include exploring enhancements outside of MONET to supplement and improve the overall forecast, and in particular, the forecast of WEIM and EDAM benefits. PGE is directed to address the results of the workshops as they relate to WEIM benefits in its 2028 AUT filing.

D. Oregon Department of Energy (ODOE) Carbon Standard Costs

1. Introduction

Under the ODOE's Carbon Standard program, PGE is required to prepay a fee for a site certificate for duct-burner and non-base load generation operations based upon forecasted CO_2 emissions. PGE incurs additional Carbon Standard costs when a PGE facility's actual CO_2 emissions exceed projected, pre-paid levels over a five-year time period. These costs are charged at the per ton rate established at the time the relevant five-year certificate was issued. PGE calculated approximately $413,000 of costs associated with the Carbon Standard cost within the NVPC presented in these proceedings.

2. Positions of the Parties

a. PGE

PGE argues the Carbon Standard program costs are appropriately included in Schedule 125 as they are calculated based on thermal-plant dispatch and are, therefore, directly tied to variable power costs.[43] PGE states these costs are tied directly to the forecasted run hours of the duct burners at the Carty and Port Westward 1 facilities and the fuel use at Port Westward Unit 2.[44] PGE further contends Carbon Standard costs should be included in Schedule 125 as it allows proposals for modeling changes based on new costs directly related to variable power costs.[45]

[43] PGE Opening Brief at 23.
[44] PGE/100, Outama-Pedersen/55:19-20.
[45] PGE Opening Brief at 23.

PGE responds to Staff's challenge to the inclusion of Carbon Standard costs, in part, by arguing that Staff focus on the five-year reporting cycle is misplaced. PGE argues its forecast for operating the Carty and Port Westward 2 generation facilities in 2027 reflects the benefits of operating those resources and, therefore, should include associated expenses as a result of the Carbon Standard program.[46] Further, PGE argues Schedule 125 explicitly allows PGE to propose modeling changes in compliance with the established schedule. PGE argues it complied with these requirements and appropriately presented costs forecasted to be incurred based on thermal plant dispatch and run hours.[47]

b. Staff

Staff challenges PGE's inclusion of Carbon Standard forecast costs in the current NVPC forecast. Staff argues it is inappropriate to recover Carbon Standard compliance costs in the AUT. Staff contends that, given the five-year review period associated with Carbon Standard compliance, PGE will not incur Carbon Standard compliance costs in 2027. Staff argues including non-existent costs in the AUT causes ratepayers to pay more than is necessary and skews the power cost true-up completed through the PCAM.[48]

Additionally, Staff asserts if PGE incurs costs exceeding those associated with the initial pre-paid site certificate, the circumstances leading to excess carbon emissions, and the subsequent potential additional costs, should be subject to a prudence review. Staff contends such a review is not possible within an AUT proceeding. Accordingly, Staff recommends removing the $413,000 associated with Carbon Standard compliance.

3. Resolution

We determine PGE's forecasted ODOE Carbon Standard compliance costs are not appropriately included within Schedule 125 at this time. It is uncertain based on this record whether these costs will actually be incurred by PGE given the five-year reporting period related to ODOE's Carbon Standard. That is, while it may be economic to generate more in 2027 than anticipated by the five-year pre-payment, the units may be used much less in another year and the total five-year pre-payment may remain sufficient. Additionally, to the extent they are incurred, PGE has not demonstrated these costs will be received in 2027. We share Staff's concern that the Carbon Standard mechanism's framework may eliminate the actual imposition of costs forecasted for 2027.

[46] *Id.* at 24.
[47] *See* PGE/500, Ferchland-Pleasant/9:4-7.
[48] Staff Opening Brief at 16.

While we decline to include recovery of these forecasted costs through Schedule 125 in 2027, we recognize the importance of the inclusion of these costs in PGE's NVPC modeling in future AUTs. As PGE testified, Carbon Standard costs affect the forecasted run hours of the Carty and Port Westward generation facilities.[49] It is important that these costs remain in PGE's modeling to determine economic dispatch of the relevant generation facilities. We direct PGE to include the Carbon Standard compliance costs for modeling purposes only and track these costs over the five-year duration of the pre-paid certificate to inform future consideration of inclusion in Schedule 125. We direct PGE to include this information in its future AUT filings. If, at the end of the five-year period, additional Carbon Standard compliance costs are levied, the Commission can address the reasonableness of cost recovery. Both past modeling and actual market conditions and dispatch results may inform this decision.

E. Colstrip Collar Mechanism

1. Introduction

PGE's MONET modeling includes an input related to forced outage rates for each generating resource. The Commission's approved forced outage method uses a four-year rolling average of plant outages and includes a collar mechanism. If a specific year's forced outage rate falls with the tenth and ninetieth percentile values of a set of comparable North American Electric Reliability Corporation (NERC) coal units, the unit's actual forced outage rate is used. However, if it does not, that year is identified as an outlier and is replaced by the unit's 20-year historical forced outage rate.[50]

2. Positions of the Parties

a. PGE

PGE's initial filing proposed removing the collar mechanism for the Colstrip generation station.[51] PGE asserts the collar calculation is cumbersome and provides no additional accuracy to the NVPC forecast.[52] PGE argues the comparative NERC data used is stale, dating from 2012 through 2015. PGE notes accessing the appropriate updated NERC data requires a subscription, which PGE does not currently have. Additionally, PGE claims the collar has not been triggered since 2013 for Colstrip Unit 4 or 2011 for Colstrip

[49] PGE/100, Outama-Pedersen/55:17-21.
[50] Staff Opening Brief at 12-13.
[51] PGE/100, Outama-Pedersen/54:16-18.
[52] *See* PGE Opening Brief at 25; PGE/600, Outama-Pedersen/32:9-10.

Unit 3. PGE requests approval of cost recovery for data access if the Commission retains the collar mechanism.[53]

b. Staff

Staff argues PGE's request to eliminate the collar mechanism is inappropriate in these proceedings. Staff notes the collar mechanism was established by Commission order separate from the order approving Schedule 125. Staff contends PGE's request in these proceedings is a collateral attack on Order No. 10-414.[54]

Moreover, Staff contends elimination of the collar could shift costs to ratepayers through the NVPC. Staff asserts PGE's argument that the collar is not needed due to no recent triggering events does not demonstrate the ratepayer protection is no longer necessary. Additionally, Staff argues that if the presently available data set presents a problem in a collar-related calculation, PGE can seek an appropriate remedy at that time. Finally, Staff opposes PGE's proposal to recover subscription cost to access relevant data through these proceedings. Staff contends any costs associated with receiving updated NERC data are not variable power costs, but rather overhead costs that should be addressed in a general rate case.[55]

3. Resolution

We deny PGE's request to remove the Colstrip forced outage collar from the NVPC forecast. We find no reason to revisit our prior determination regarding this ratepayer protection measure of the AUT mechanism. We find PGE has not demonstrated why removing this forecast input is justified.

If PGE believes that its Equivalent Forced Outage Rate (EFOR) data is "stale,"[56] the company may seek to update it in a future AUT. We agree with Staff that expenses incurred by the company to acquire updated EFOR data are not properly classified as a power cost and are more appropriately addressed in a general rate revision.

[53] PGE Opening Brief at 25.
[54] Staff Opening Brief at 13-14.
[55] *Id.* at 14.
[56] PGE/100, Outama-Pedersen/54:22.

F. Reliability Contingency Event (RCE) Costs

1. Introduction

In docket UE 416, we adopted a stipulation that established a mechanism within the PCAM for recovery of costs related to an RCE. This temporary mechanism sunset December 31, 2025.[57] Under the stipulation adopted in docket UE 416, an RCE was defined by PGE as when at least two of the following three conditions are present: (1) day-ahead Mid-Columbia prices exceed $150 per MWh; (2) PGE is eligible to request or acquire resource-adequacy assistance through a regional resource-adequacy program; or (3) a neighboring balancing authority declares an event indicating impending or realized resource-adequacy constraints.[58] PGE proposes to extend the RCE-related cost recovery mechanism in Schedule 125 and ultimately proposes a simplified RCE calculation for inclusion in the 2027 AUT. This updated proposal is based on PGE's estimate of the company's cost risk from holding back 3.8 days' of margin from the Beaver plant to cover demand during an RCE event.[59]

2. Positions of the Parties

a. PGE

PGE asserts that the normalized NVPC assumes energy produced that exceeds customer load is sold, with associated revenues reducing customer costs.[60] PGE argues that during an RCE, this excess energy may need to be retained to serve customers and that the sale associated with this energy in the cost model does not materialize. PGE contends this potential creates a real and recurring cost exposure.[61]

PGE argues its model appropriately models this cost risk and includes associated costs in the NVPC forecast. Specifically, PGE argues its updated method assigns a reasonable value to the lost sales margins resulting from an RCE.[62]

PGE responds to Staff's challenge to the inclusion of RCE costs, arguing that options such as capacity procurement, batteries and EDAM participation do not eliminate RCE

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[57] PGE Opening Brief at 26-27; s*ee also In the Matter of Portland General Electric Company, Request for a General Rate Revision; and 2024 Annual Power Cost Update*, Docket No. UE 416, Order 23-386 at 11 (Oct. 30, 2023).
[58] PGE/600, Outama-Pedersen/26:3-7; s*ee also* Staff Reply Brief at 11 (Oct. 5, 2026).
[59] *See* PGE/400, Outama-Pedersen/38:9-18.
[60] PGE Opening Brief at 25 (citing PGE/600, Outama Pederson/27).
[61] *Id.* at 25-26.
[62] *Id.* at 26-27.

exposure.[63] PGE further faults Staff's challenge, noting Staff has not identified a mechanism that both credits customers for above-forecast production and reimburses PGE during periods of below-forecast production.[64]

PGE asserts RCEs are recurring, with at least one each year since 2019. PGE argues its proposed revised method addresses a defined cost exposure embedded within the NVPC forecast and appropriately values that exposure for recovery from ratepayers.[65] Accordingly, PGE recommends the Commission approve the proposed RCE modeling method.

b. Staff

Staff opposes PGE's proposed method to include RCE-related costs in NVPC. Staff argues RCEs generally occur in extreme conditions and are, therefore, outside of the scope of NVPC forecasting. Staff contends that recovery of RCE costs should occur through the PCAM. Further, Staff argues including forecasted RCE costs in the AUT asymmetrically undermines the integrity of the PCAM. Specifically, Staff argues PGE has presented no proposal to mirror benefits to ratepayers when fuel prices are abnormally low or variable resources are unusually productive. Further, Staff argues PGE's investments in battery storage and its participation in EDAM effectively mitigate the risk from RCEs and ratepayers should receive the full benefit from these investments.[66]

Staff further contends PGE has failed to model updated regulatory orders that reduce reliability contingency reserve requirements, and the associated costs included in NVPC.[67] Finally, Staff argues the Brattle Study demonstrates additional potential benefits during RCEs due to PGE's participation in EDAM, and that these benefits are not included in PGE's modeling.[68] Staff asserts these recent developments and analyses demonstrate material changes since the initial RCE forecast agreement in docket UE 416. Staff recommends against inclusion of PGE's RCE-related costs.

c. AWEC

Similar to Staff, AWEC argues PGE's own description of an RCE establishes that it is an abnormal power cost event. AWEC contends, accordingly, RCE-related costs are more

[63] *Id.* at 28.
[64] *Id.* at 28. *See also* PGE/600, Outama Pederson/28.
[65] *Id.* at 29.
[66] *Id.*
[67] *Id.*
[68] *Id.*

appropriately recovered through the PCAM.[69]

Additionally, AWEC contests PGE's reliance on the prior inclusion of RCE-related costs as support for future treatment. Specifically, AWEC contends the Commission has never made a finding on the merits of including RCE costs in the NVPC forecast, as the issue as presented in docket UE 416 was resolved through settlement.[70]

Finally, AWEC challenges PGE's claim that investment in batteries and participation in EDAM has not eliminated PGE's cost exposure from RCEs. AWEC argues that a power cost forecast is not intended to eliminate the company's cost exposure, but rather to provide the most accurate forecast assuming normal conditions. AWEC notes PGE has over-recovered power costs in recent years and still recovered RCE-related costs separately. AWEC asserts this history demonstrates separate RCE forecasting is not necessary to ensure PGE a reasonable opportunity to recover incurred power costs.[71] Accordingly, AWEC recommends the Commission adopt Staff's recommendation and exclude RCE forecasted costs from the AUT.

3. Resolution

We deny PGE's proposal to include a forecast of RCE costs in Schedule 125. We agree with Staff and AWEC that costs associated with RCEs are abnormal power cost events that are appropriately addressed in the PCAM. As Staff notes, the AUT is intended to forecast NVPC under weather-normal conditions.[72] We have consistently denied modifications to the structure of annual power cost schedules that upset the intentional balance of risk inherent in the current design.[73] The characteristics of PGE's definition demonstrates an RCE represents market conditions that are outside the norm.[74] The PCAM deadbands are designed to ensure that PGE bears a certain level of normal business risk associated with actual power costs varying from the forecast.[75] PGE's proposal to include forecast RCE costs in the AUT would circumvent the balance established in the PCAM and shift the risk associated with variations in power costs from

[69] AWEC Opening Brief at 4-5 (Sept. 22, 2026).
[70] *Id* at 5.
[71] *Id.* at 6-7.
[72] *See* Staff/700, Zhao/27:8-11.
[73] *See e.g. In the Matter of Portland General Electric Company, 2017 Annual Power Cost Update,* Docket No. UE 308, Order No. 17-088 (Mar. 15, 2017); *In the Matter of PacifiCorp, dba Pacific Power, Request for a General Rate Revision*, Docket No. UE 374, Order No. 20-473 (Dec. 18, 2020).
[74] *See* PGE/600, Outama-Pedersen/26:3-7; s*ee also* AWEC Opening Brief at 4.
[75] *In the Matters of Portland General Electric Company, Request for a General Rate Revision; Annual Adjustments to Schedule 125; Request for a General Rate Revision Relating to the Port Westward Plant*, Docket Nos. UE 180/UE 181/UE 184, Order No. 07-015 at 18 (Jan. 12, 2007).

PGE to ratepayers. PGE has not demonstrated this shift in risk is appropriate or results in just and reasonable rates.

G. Gas Storage Workbook Reporting

1. Introduction

One input of PGE's MONET modeling is the Gas Storage Worksheet (Worksheet). This modeling input manages dispatch decisions for PGE's Beaver, Port Westward 1 and Port Westward 2 gas-fired generation units. One element of the Worksheet's operations is the peaker dispatch logic, which determines the dispatch order of the Beaver and Port Westward 2 plants based on their respective dispatch costs.[76] These costs include variables such as operating and maintenance costs, heat rates, operating curves, outages and forward market prices.[77] PGE's initial filing proposed changes to the peaker dispatch logic within the Worksheet.

2. Positions of the Parties

a. Staff

Staff supports PGE proposed update to the Worksheet. Staff testified the new Worksheet allows the most economical plant to dispatch first within a gas-constrained portion of PGE's system.[78] Staff notes that while the current impact of the modeling change is $0, the refinement is nonetheless logical as it allows MONET to dispatch the more economical of two potential peaking plants.[79] In offering its support for the modeling refinement, Staff recommends in future AUT filings, PGE includes an explanation of any change in dispatch order that results from the current proposed refinement. Staff opines this reporting will allow stakeholders to track the effectiveness of the updated Worksheet modeling.[80] Staff asserts this additional report is not overly burdensome and will provide verification that PGE's proposed modeling change is operating as intended. Additionally, Staff contends the report will inform stakeholders that any change in dispatch order was due to improved modeling and not outside influences.[81]

[76] Staff Opening Brief at 16.
[77] PGE Opening Brief at 29.
[78] *See* Staff/500, Farrell/14:14-16.
[79] *See* Staff/500, Farrell/15.
[80] Staff/500, Farrell/15:12-15.
[81] Staff Opening Brief at 18.

b. PGE

PGE opposes Staff's recommendation for a report focused on the updated Worksheet and resulting dispatch of PGE's generation. PGE asserts that dispatch order is not controlled solely by the Worksheet, and any change in dispatch of the relevant plants may be the result of any one, or a combination, of several modeling assumptions. PGE contends the additional report is unnecessary, as PGE already provides Staff with the data necessary to evaluate changes to the dispatch order. PGE argues Staff's proposal would compel PGE to conduct a separate causal analysis for every change in dispatch order, even if the change is a result of normal MONET modeling. PGE contends Staff's recommendation adds unnecessary costs and process and does not improve the accuracy of future MONET modeling or NVPC forecasting. If the Commission adopts Staff's recommendation, PGE argues any additional reporting should be narrowly limited to the next AUT proceeding that then should expire, unless Staff presents a need for a continuation.[82]

3. Resolution

We approve PGE's proposed changes to the peaker dispatch logic within the Worksheet. We acknowledge PGE's efforts to improve the functionality of its NVPC forecasting and appreciate the improved accuracy in forecasting the most economical dispatch of PGE's generation fleet. While we recognize this modeling update presents no immediate NVPC cost savings due to current conditions,[83] we are optimistic that the increased functionality of PGE's MONET model will enable greater ratepayer benefits in the future through the optimized dispatch forecast of the Beaver and Port Westward generation facilities.

We find Staff's proposed reporting requirement is warranted to facilitate review of the changes to the modeling in the next AUT. PGE's claim Staff already has access to the relevant information to conduct this analysis is unpersuasive. We will continue to evaluate the scope of the report in future AUTs.

H. AUT Schedule

1. Introduction

PGE proposes, beginning with the 2028 AUT, updated Schedule 125 rates be effective October 15 annually.[84] In the event the annual Schedule 125 filing does not propose modeling changes, PGE proposes a filing deadline of December 15 of the year prior to

[82] PGE Opening Brief at 30.
[83] *See* PGE/100, Outama-Pedersen/57:14-18.
[84] PGE/700, Ferchland-Pleasant/2.

the rate effective date. The company proposes filing all MFRs associated with the initial filing on the filing date, and all remaining MFRs 20 days later.[85] If the annual Schedule 125 filing includes proposed modeling changes, PGE proposes filing the associated with any modeling changes no later than November 15.

PGE proposes a March 1 filing deadline for estimates of the adjustments to the proposed NVPC, including final updates to PGE-owned or -operated plant parameters.[86] PGE proposes filing updated estimates with final planned maintenance outages, updated projections of gas and electric prices, and power and fuel contracts no later than July 1. The company proposes September 6 as the deadline to file estimates with the final planned maintenance outages from the July 1 filing, final load forecast, load reductions resulting from additional participation in PGE's long-term cost of service opt-out, new market power and fuel contracts, and updated projections of gas and electric prices, power, and fuel contracts. PGE's updated schedule proposes September 15 as the deadline for the company to file a final estimate of NVPC to be effective October 15.

2. Positions of the Parties

a. PGE

As an initial point regarding the proposed changes to the AUT filing schedule, PGE notes the filing and effective dates of the AUT are established by the Commission in Schedule 125. Therefore, PGE contends, the Commission must modify Schedule 125 to conform with the changes resulting from HB 3179.[87] PGE argues that an October 15 effective date balances the need to use the most current forecast information with stakeholders' need to conduct a meaningful review of the company's filing.

PGE also asserts that its updated proposal, providing approximately 30 days for stakeholders to review the final MONET forecast update, materially increases the review period from PGE's original proposal, while preserving the use of current forecast information. PGE stresses the need for this short time window due to the sensitivity of power costs to changes in market prices, load, hydro conditions, resource availability, contracts and other forecast inputs.[88]

The company contends the proposed updated schedule modifications focused on the MFRs allow PGE to provide complete and accurate supporting materials, as opposed to preliminary information that may require future correction. Additionally, PGE notes the

[85] PGE/701, Ferchland-Pleasant/3.
[86] *Id.*
[87] PGE Opening Brief at 31.
[88] *Id.*

final proposal to provide forecast-supporting MFRs, which cannot reasonably be completed and validated by the initial filing date no later than 20 days after the initial filing, is a reduction from PGE's initial proposal of 30 days.

Additionally, PGE asserts the proposed text edits to Schedule 125 clarify the treatment of battery energy storage capacity contracts, allow updates to formula elements that rely on rolling historical data, and permit updates to PGE-owned or -operated plant parameters. The company contends these revisions allow the NVPC forecast to reflect current operating data and plant performance characteristics without requiring PGE to characterize each routine update as a new modeling enhancement.

b. Staff

Staff recommends the Commission make only temporary changes to the timing within Schedule 125 in these proceedings. Staff contends it is inappropriate to make substantive changes to Schedule 125 within the company's annual power cost update filing. Staff notes that all parties who typically participate in reviewing PGE's NVPC update are not present in these specific proceedings, in particular the Oregon Citizens' Utility Board (CUB). Staff argues additional input from stakeholders, and at a minimum CUB, would be appropriate, particularly given CUB's support for HB 3179 that is driving the proposed schedule changes.

Substantively, Staff opposes PGE's proposed schedule changes. Staff prefers a spring rate effective date for Schedule 125-based changes, to avoid concurrent electric rate increases due to purchased gas adjustment-related increases that occur in October. Further, Staff expresses its concern that PGE's proposed schedule reduces the time between the final update and the rate effective date to 15 days from the current 46 calendar days. Staff argues it is not possible for Staff and intervenors to review the final model update information in 15 calendar days.[89] Staff also takes issue with the time PGE proposes between the proposed rate effective date and additional modeling updates in the company's proposed updated schedule. Staff contends PGE's proposed schedule may result in Staff and intervenors having access to fewer updates to support testimony and record development if these updates are provided later into the schedule. Finally, Staff disagrees with PGE's proposed language allowing select MFRs to be filed up to 20 days after the initial filing. Staff finds it unclear why PGE needs this additional time to support its initial filing and notes the reduced time for stakeholder review of the MFRs is detrimental and curtails Staff and intervenors' time to review the whole of PGE's filing.[90]

[89] Staff Opening Brief at 18.
[90] *Id.* at 19.

Staff contends any changes should be discussed and developed in a workshop that includes CUB and other stakeholders. In the event that the Commission makes durable changes to the AUT schedule in these proceedings, Staff recommends no decrease in the number of days between PGE forecast updates, or the number of days between PGE's final two updates and the rate effective date. Finally, Staff recommends any potential changes here not increase the time PGE is allowed to file MFRs in support of a Schedule 125 update.[91]

c. AWEC

AWEC does not oppose establishing a new schedule for the AUT but contends it is not appropriate to resolve through a litigated proceeding. Additionally, like Staff, AWEC expresses concern that CUB is not a party to these proceedings and is therefore not able to provide input on the proposed schedule modifications. AWEC recommends the Commission convene a workshop prior PGE's next AUT filing to develop a mutually agreeable schedule for the 2029 NVPC forecast proceeding. AWEC recognizes its proposal would require maintaining the status quo for the 2028 NVPC forecast proceeding but contends that extending the process for another year would not be unduly burdensome.[92]

Like Staff, AWEC also opposes PGE's proposed changes to the timing of the company's filing of the MFRs. AWEC contends the MFRs provide much of the substance behind PGE's NVPC filing and that a full review of the forecast cannot occur until the MFRs are received.[93] AWEC asserts the due date for MFRs appears to be the major point of disagreement among the parties regarding a new proposed schedule framework.[94] AWEC recommends the Commission require the parties negotiate a new schedule prior to the next AUT, with the instruction that any resulting schedule maintain no less than the same time period for providing MFRs as the current schedule.

3. Resolution

We decline to adopt changes to the schedule for Schedule 125 in this proceeding. We recognize the importance of adjusting the schedule to account for the timing restrictions on residential class rate adjustments resulting from HB 3179. Resolving that issue requires input from broader stakeholders than those present in this contested case, including CUB given their role in HB 3179. Additionally, we are concerned that PGE's proposed schedule would have the effect of further limiting the amount of time for

[91] *Id.*
[92] AWEC Opening Brief at 8.
[93] *Id.*
[94] *Id.* at 9.

stakeholder review relative to the existing AUT schedule, which is already relatively expedited and constrained.

We direct Staff convene a workshop process to develop an alternative procedural schedule framework for PGE's AUT proceedings for Commission consideration ahead of the 2029 AUT. The workshop process should specifically evaluate two alternative schedules; one with a fall rate effective date and one with a spring rate effective date. The filing schedule set out in Schedule 125 is intended to ensure adequate time for both the utility to prepare and present the necessary analysis and supporting information, and the parties to evaluate and respond throughout the proceeding.[95] We expect any future schedule will maintain a similar balance of time between milestones and not reduce the time for stakeholder review of modeling or other analyses or supporting information. The workshop process should include consideration of the effect on customers of implementing gas and electric rate changes on the same date as compared to multiple rate changes over the course of a year, with particular consideration of the impact on residential customers. On one hand, there is administrative efficiency and predictability in implementing changes to electric rates in the spring, particularly as natural gas rate increases already take effect in the fall. However, combining power cost and general rate case impacts may compound rate increases resulting in rate shock, customer frustration and challenges for energy assistance programs, which historically deploy the majority of their funds throughout the winter. The Commission is particularly interested in how energy-burdened households, who have the least capacity to absorb rate increases, are impacted by these tradeoffs and which approach best serves their needs. The workshop should address these considerations in coordination with the ongoing multi-year rate plan development process. A Staff-led workshop process is best situated to surface these concerns and address potential resolutions.

V. ORDER

IT IS ORDERED that:

1. The Joint Partial Stipulation between Portland General Electric Company and Staff of the Public Utility Commission of Oregon, filed September 11, 2026, attached as Appendix A, is adopted.

2. Portland General Electric Company must file its final Multi-area Optimization Network Energy Transaction run on or before November 15, 2026, producing the final Annual Update Tariff adjustment for 2027.

[95] *See In the Matter of Portland General Electric Company, Request for Net Variable Power Cost Revision*, Docket No. UE 198, Order No. 08-505 (Oct. 21, 2008).

3. Portland General Electric Company must file revised rate schedules consistent with this order to be effective January 1, 2027.

4. Portland General Electric Company is directed to convene no fewer than two workshop meetings to explore refinements and alternatives to Multi-area Optimization Network Energy Transaction for the purpose of calculating forecasted Extended Day Ahead Market benefits. Portland General Electric Company is directed to provide a discussion on the scope and progress of these workshops in its 2028 Annual Update Tariff filing.

5. Portland General Electric Company is directed to file a report detailing the effects of the refined Gas Storage Worksheet on the dispatch order of the Beaver and Port Westward Unit generation facilities in its 2028 Annual Update Tariff filing.

Made, entered, and effective Oct 27 2026.

Letha Tawney
Chair

Les Perkins
Commissioner

Karin Power
Commissioner

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 Court of Appeals in compliance with ORS 183.480 through 183.484.

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UE 465

In the Matter of PORTLAND GENERAL ELECTRIC COMPANY 2027 Annual Power Cost Update Tariff.	**JOINT PARTIAL STIPULATION**

This Partial Stipulation is between Portland General Electric Company ("PGE") and Staff of the Public Utility Commission of Oregon ("Staff") (collectively, the "Stipulating Parties").

PGE filed the application initiating this docket on February 13, 2026. Each party has submitted Opening Testimony.

Stipulating Parties and the Alliance of Western Energy Consumers (AWEC) attended a settlement discussion on June 10, 2026. Stipulating Parties were able to come to a settlement on a portion of the issues within the docket. The specific terms of the settlement reached at the June 10th settlement conference are described below

TERMS OF PARTIAL STIPULATION

1. This Partial Stipulation resolves the four issues described below.
2. Consistent with Staff's recommendation to exclude 2020 from the load forecasting dataset, PGE will roll the historical study period forward one year, removing 2020 and incorporating the most recent year of available historical data.
3. PGE will work with Staff in advance of the 2028 AUT to develop a more detailed high level, public summary of changes. However, PGE's modeling framework does not

provide information by FERC account. Therefore, the methodology currently employed by PacifiCorp cannot be replicated directly, and an alternative approach will need to be developed.

4. PGE will maintain the Wheatridge Performance Report requirement established in Order No. 20-321 at this time. This does not foreclose a party's ability to discuss the necessity of this report in future AUTs.

5. PGE will discontinue the wind reporting requirements established in Order No. 10-414.

6. AWEC takes no position on the terms listed above in paragraphs 2 through 5 in this Partial Stipulation and agrees not to oppose this Partial Stipulation.

7. The Stipulating Parties agree that this Partial Stipulation resolves no issues presented in this docket other than those specifically listed above in paragraphs 2 through 5.

8. The Stipulating Parties recommend and request that the Commission approve the adjustments and provisions described herein as appropriate and reasonable resolutions of these issues in this docket.

9. The Stipulating Parties agree that this Partial Stipulation is in the public interest, and will contribute to rates that are fair, just, and reasonable, consistent with the standard in ORS 756.040.

10. The Stipulating Parties agree that this Partial Stipulation represents a compromise in the positions of the Stipulating Parties. Without the written consent of all of the Stipulating Parties, evidence of conduct or statements, including but not limited to term sheets or other documents created solely for use in settlement conferences in this docket, are confidential and not admissible in the instant or any subsequent proceeding, unless independently discoverable or offered for other purposes allowed under ORS 40.190.

11. The Stipulating Parties have negotiated this Partial Stipulation as an integrated document. If the Commission rejects all or any material part of this Partial Stipulation, or adds any material condition to any final order that is not consistent with this Partial Stipulation, each Stipulating Party reserves its right: (i) pursuant to OAR 860-001-0350(9), to present evidence and argument on the record in support of the Stipulation, including the right to cross-examine witnesses, introduce evidence as deemed appropriate to respond fully to issues presented, and raise issues that are incorporated in the settlements embodied in this Stipulation; and (ii) pursuant to ORS 756.561 and OAR 860-001-0720, to seek rehearing or reconsideration, or pursuant to ORS 756.610 to appeal the Commission's final order. The Stipulating Parties agree that in the event the Commission rejects all or any material part of this Partial Stipulation or adds any material condition to any final order that is not consistent with this Partial Stipulation, the Stipulating Parties will meet in good faith within ten days and discuss next steps. A Party may withdraw from the Partial Stipulation after this meeting by providing written notice to the Commission and other Parties. Nothing in this paragraph provides any Stipulating Party the right to withdraw from this Partial Stipulation as a result of the Commission's resolution of issues that this Partial Stipulation does not resolve.

12. This Partial Stipulation will be offered into the record in this proceeding as evidence pursuant to OAR 860-001-0350(7). The Parties agree to support this Partial Stipulation throughout this proceeding and in any appeal and provide witnesses to support this Partial Stipulation (if specifically required by the Commission), and recommend that the Commission issue an order adopting the settlements contained herein. By entering into this Partial Stipulation, no Stipulating Party shall be deemed to have approved, admitted or

consented to the facts, principles, methods or theories employed by any other Stipulating Party in arriving at the terms of this Partial Stipulation. Except as provided in this Partial Stipulation, no Stipulating Party shall be deemed to have agreed that any provision of this Partial Stipulation is appropriate for resolving issues in any other proceeding.

13. This Partial Stipulation may be signed in any number of counterparts, each of which will be an original for all purposes, but all of which taken together will constitute one and the same agreement.

DATED this 25th day of August, 2026.

Erin Apperson

Angelica Espinosa (Aug 31, 2026 14:10:25 PDT)

PORTLAND GENERAL ELECTRIC COMPANY

Stephanie S. Andrus (Sep 1, 2026 11:46:16 EDT)

STAFF OF THE PUBLIC UTILITY COMMISSION OF OREGON