ORDER NO. 26-432

ENTERED Nov 10 2026

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1483(16)

In the Matter of PACIFICORP dba PACIFIC POWER, Application for Reauthorization for Deferred Accounting of Costs Associated with the Oregon Solar Incentive Program.	ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on November 10, 2026, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

BY THE COMMISSION:

Alison Lackey
Chief Administrative Law Judge

A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. CA5

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: November 10, 2026

REGULAR ____ **CONSENT** __X__ **EFFECTIVE DATE** _____**N/A**_____

DATE: October 12, 2026

TO: Public Utility Commission

FROM: Kathy Zarate

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

SUBJECT: PACIFIC POWER:
(Docket No. UM 1483(16))
Requests Reauthorization of Deferred costs associated with photovoltaic feed-in tariff.

STAFF RECOMMENDATION:

Staff recommends the Commission approve Pacific Power's (PacifiCorp or Company) request for reauthorization to defer costs associated with the Oregon Solar Incentive Program (OSIP) for the 12-month period beginning May 19, 2026.

DISCUSSION:

Issue

Whether Commission should reauthorize deferral of costs associated with the Oregon Solar Incentive Program.

Applicable Law

ORS 757.365 required the Commission to establish a pilot program for small solar energy systems. ORS 757.365(10) provides that all prudently incurred costs associated with compliance with ORS 757.365 are recoverable in a utility's rates.

ORS 469A.120(1) permits an electric company to recover all prudently incurred costs associated with complying with the Oregon Renewable Portfolio Standard (RPS).

ORS 757.259 authorizes the Commission to approve deferrals of certain amounts for later inclusion in rates, including "[i]dentifiable utility expenses or revenues, the recovery

or refund of which the commission finds should be deferred in order to minimize the frequency of rate changes or the fluctuation of rate levels or to match appropriately the costs borne by and benefits received by ratepayers."

Analysis

Background
On May 16, 2026, the Company submitted a filing requesting approval of the sixteenth reauthorization of Docket No. UM 1483.

In Docket No. AR 538, the Commission adopted rules to establish a solar photovoltaic feed-in tariff pilot program, as required by ORS 757.365.

In Docket No. UM 1452, the Commission established volumetric incentive rates for solar photovoltaic energy systems.

PacifiCorp is implementing the solar photovoltaic feed-in tariff program (for PacifiCorp, the program is known as the Oregon Solar Incentive Program) through Schedules 136 and 137.

Additionally, Schedule 204 has been adopted for recovery of the costs authorized under the deferral approved in the docket.

Commission Order No. 25-230 directs the Company compensate post-contractual customers on the feed-in tariff at the same rate as PacifiCorp's net metering program, Schedule 135, effective August 1, 2025.

Note: In Staff's report in AR 677 on May 19, 2026, and supported by the Commission's Phase 1 Comments in AR 676 at the July 7, 2026 Special Public Meeting, Staff will look for opportunities to streamline or consolidate existing adjustment schedules into base rates when feasible.

The incorporation of existing deferrals into base rates would reduce year-to-year filings, improve transparency, and support the multi-year rate plan (MRP) goal of incorporating a broader set of costs within the multi-year framework.

Staff encourages the Company and stakeholders to continue to evaluate the reasonableness of moving this and other deferrals into base rates in preparation for the move to multi-year ratemaking. However, Staff believes that approval of this deferral is reasonable until such time that the Commission determines to consolidate the costs at issue into base rates in a general or multi-year rate proceeding.

Description of the Expenses
The costs to be deferred would include any administrative, marketing, metering, incentive payments and any other costs incurred by PacifiCorp for the purpose of implementing the pilot program consistent with this consent.[1]

Proposed Accounting
During the period of deferral, PacifiCorp proposes to account for the deferred costs of the Oregon Solar Incentive Program by recording the deferral in Account 182.3, Other Regulatory Assets.

Reasons for Deferral
Continued deferral of the costs described in this Application is necessary to allow recovery of prudently incurred costs associated with compliance with ORS 757.365 and the Oregon RPS.

Estimate of Amounts
PacifiCorp estimates that the costs may range from $4.3 million to $4.7 million during the May 19, 2026 through May 18, 2027, deferral period,[2] which will subsequently be audited in the next rate case.

Information Related to Future Amortization

- Earnings Review - Staff recommends no earnings test be applied on this deferral given the type of costs being deferred.

- Prudence Review - A review to determine that costs were prudently incurred must be done prior to amortization.

- Sharing - This deferral is not subject to a sharing mechanism. Staff proposes that during amortization, the costs be spread on an equal percent of generation basis.

- Three Percent Test - The three percent test limits (exceptions at ORS 757.259(7) and (8)) the aggregated deferral amortizations during a 12-month period to no more than three percent of the utility's gross revenues for the preceding year. Because PacifiCorp is an electric utility, ORS 757.259(8) allows the Commission to consider up to a six percent limit. The limit for these deferrals will be determined at the time of amortization.

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1 Through these workshops, the utilities, Commission Staff, and interested stakeholders reached agreement on several issues related to the deferrals for solar incentive programs, including the timing of filings, formats and types of costs to be recovered through the deferral.

2 See, Attachment 2 to PacifiCorp's Advice No. 10-0229 contains a description of the types of incremental costs, by cost category, to be included in the deferral.

Conclusion

Staff finds that Pacific Power's application to defer is appropriately made under the statutes, and the application meets the requirements of OAR 860-027-0300. Therefore, Staff recommends approval.

The Company has reviewed a draft of this memo and voiced no concerns.

PROPOSED COMMISSION MOTION:

Approve Pacific Power's request for reauthorization to defer costs associated with the Oregon Solar Incentive Program for the 12-month period beginning May 19, 2026.