



# Oregon

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## Growing Utilities and the Renewable Portfolio Standard

Oregon's Renewable Portfolio Standard (ORS 469A) requires our largest electric utilities to serve their electric customers with 25% specified renewable resources by 2025. Compliance with the Standard also requires interim performance tiers of 5% in 2011; 15% in 2015; and 20% in 2020.

If a utility serves more than 3% of the state's electrical load, it is a "large utility" under the Standard. (ORS 469A.052). Only three utilities currently meet that threshold: Pacific Power, Portland General Electric, and Eugene Water and Electric Board.<sup>1</sup>

Utilities that serve less than 3% are considered a "small utility" under the Standard. They are only required to provide either 5% or 10% of their power with renewable resources by 2025, with no intermediate performance tiers. (ORS 469A.055).

Utility type	Covered under provision	Percentage of sales	Utilities known to qualify in this group	Requirement
Large Utility	ORS 469A.052	3% or greater	PGE, PacifiCorp, EWEB	5% in 2011, increases to 15% in 2015, 20% in 2020, and 25% in 2025
Small Utility	ORS 469A.055 (3)	1.5% - less than 3%	Central Lincoln PUD, McMinnville W&L, Umatilla Electric Coop	10% in 2025
Small Utility	ORS 469A.055 (2)	Less than 1.5%	Northern Wasco, Emerald PUD	5% in 2025

To see what percentage of state load that each utility serves, see page 9 ("2010 MWh Sales to Ultimate Customers") of the Oregon Public Utility Commission's statistics book.<sup>2</sup>

<sup>1</sup> The 3% number came out of more than a year of discussion and public meetings of the Renewable Energy Working Group (REWG) in 2006 and 2007. The REWG agreed that using a percentage of retail sales as a metric of RPS applicability is acceptable as a way to separate large and small utilities.

[http://www.oregon-rps.org/ENERGY/RENEW/docs/RPS\\_REWG\\_Debate\\_Status\\_Report\\_February8.pdf](http://www.oregon-rps.org/ENERGY/RENEW/docs/RPS_REWG_Debate_Status_Report_February8.pdf)

<sup>2</sup> <http://www.puc.state.or.us/PUC/statbook2010.pdf>

*What happens when a utility grows to serve more than 3% of Oregon's load?*

The original law anticipated growth from a small utility to a large utility under the Standard. (ORS 469A.052 (2), (3)). A small utility would have to provide an average of more than 3% of state load for three consecutive years. At the end of that three year period, the utility would then become “subject” to the large utility standard.

Once the utility becomes “subject,” it has four years before it is required to comply with the Standard. Rather than jump to the current compliance tier of the other large utilities, the Standard restarts the compliance clock and gives the utility four years to comply. This matches the time given large utilities, with SB 838 passing in 2007 and large utilities’ first compliance year being 2011.

After four years, the utility starts at the 5% compliance tier and ramps up to 25% after 20 years after becoming subject to the Standard. An example compliance timeline:

Obligation	Year	ORS 469A Cite
First year of greater than 3%	2015	052 (2)
Third consecutive year of above 3% (or average)	2017	052 (2)
Subject to the standard – the “2007” year, when compliance expectations begin but no immediate requirement	2018	052 (2)
5% renewable - “beginning in the fourth calendar year after the calendar year in which the utility becomes subject to the standard.”	2022	052 (3)(a)
15% - the 10 <sup>th</sup> calendar year after the utility becomes subject	2028	052 (3)(b)
20% - the 15 <sup>th</sup> calendar year after the utility becomes subject	2033	052 (3)(c)
25% - the 20 <sup>th</sup> calendar year after the utility becomes subject	2038	052 (3)(d)