

targets are set, and where progress and performance are regularly reported. The plans include our Distribution System Plan, Multi-Year Flexible Load Plan, Transportation Electrification Plan, Integrated Resource Plan, and Clean Energy Plan.

Last week, this committee heard directly from the OPUC about the work underway from legislation passed in the 2025 session—transitioning to multiyear ratemaking and performance-based regulation, as well as complex conversations about microgrids, all of which overlap with SB 1582. The heavy workload at the OPUC cannot be understated.

This bill mandates overly detailed requirements.

SB 1582 includes rigid contracting terms and even operating parameters. It specifies compensation for aggregators while being silent on protection for customers. PGE works with aggregators in our VPP today and actively manages performance to protect customers. We believe the OPUC is the right place to properly define the resource requirements and the role of aggregators through rulemaking, not through statute, and especially not rushed through a short session. Other states have seen aggregators engage in fraud, leading to significant Federal and State penalties and costing customers millions of dollars.

This bill creates risk that customers pay twice.

SB 1582 conflates the costs and benefits of planning values with real-time grid needs and market pricing. PGE supports paying customers for the value that virtual power plants bring to the grid, but a statutory tariff will inflate costs and disconnect compensation from actual system needs. These details matter, as they have impact on all customers and customer affordability, and have larger regional and federal ramifications by decoupling payment from performance. Additionally, the bill requires that VPP participation be allowed in addition to other compensation or payment, including net metering. This could lead to double payments.

Accelerating VPP deployment responsibly requires policy supporting “grid-ready” devices.

While PGE is scaling up our VPP and has mature programs in place, not every promising technology is “grid-ready” on day one. PGE pursues targeted pilot programs in collaboration with third parties, OEMs, and National Labs, like our Vehicle-2-Grid and heat pump demonstrations to help us determine what is needed to scale responsibly and use customer dollars carefully. PGE also works alongside industry partners, utilities, and regulators from across the country to shape VPP policy – from the Department of Energy VPP Liftoff Report to the Rocky Mountain Institute STAR Accelerator Project to the VPP Convergence Project being discussed at the National Association of Regulatory Utility Commissioners (NARUC) this week. Working together, we can ensure that public dollars and incentives help customers adopt devices that are “grid ready” so the dollars go further and support reliability.

While we have had recent conversations with bill proponents about our concerns with the legislation, they did not consult with PGE prior to drafting or bringing this bill forward for the 2026 session. **We oppose SB 1582 and the proposed amendments and urge the legislature not to rush this complex policy through a short session.** We stand ready to work with legislators, the OPUC, and all interested stakeholders in identifying how Oregon can further accelerate VPPs, build on our current progress, and maintain critical customer protections.

Thank you for your consideration,

Greg Alderson
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