Media Release

Oregon PUC Approves New Rate Structure to Protect Customers Amid Rapid Data Center Growth

SALEM, Ore. – The Oregon Public Utility Commission (PUC) has approved a new rate structure for large data centers and other large-load customers served by Portland General Electric (PGE). The decision creates Schedule 96, a new rate class required under House Bill 3546 (2025), also known as the POWER Act, to ensure that the fast-growing electricity needs of data centers do not contribute to increasing utility bills for Oregon households and small businesses served by investor-owned utilities.

The PUC opened the investigation in response to concerns about the impact of large loads raised in prior PGE rate case proceedings. The passage of the POWER Act created an additional statutory foundation for our work. The POWER Act echoes the longstanding regulatory principle that customer groups pay for the costs driven by their group, which ensures that large customers pay the full and fair cost of the infrastructure needed to support their operations.

The PUC's decision ensures that data centers' utility bills reflect the specific costs of serving their loads and protects residential and commercial customers from subsidizing the infrastructure needed for rapid large-load growth. The structure provides data centers clarity on what they must do to take service from PGE and allows them to reduce their costs by limiting their impact on the grid through efficiency and flexibility. Finally, the tariff requires that data centers pay for the emissions-free electricity required to serve their loads while meeting Oregon's clean electricity mandates.

In addition to creating Schedule 96, the PUC adopted new contract requirements that will apply to all future agreements between PGE and data center customers. These requirements include

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predictable charges if a data center does not use the infrastructure PGE has built to serve them and a requirement that there are sufficient clean energy resources available before a large customer can take service.

Very large loads can also push up the cost of the energy and equipment needed to serve other customers. To address these less direct impacts from the largest facilities, the PUC approved a 1-cent per kilowatt-hour surcharge for Schedule 96 customers with 100 megawatts or more of allocated system capacity. Revenue from the surcharge will support programs meant to offset costs for residential customers, including programs that help low-income households reduce energy burdens.

“Oregonians should not bear the costs of explosive data center growth and data centers should be focused on limiting their overall impact,” said PUC Chair Letha Tawney. “This decision ensures the largest energy users in PGE’s service area pay their fair share, have clarity and predictability as they make business decisions and support the programs that keep our grid reliable and our communities strong.”

The Commission approved a similar large load tariff for Pacific Power in Docket UE 433, their 2024 general rate case. Late last year, Pacific Power proposed and the Commission is now considering an updated data center-specific tariff that directly addresses the POWER Act in Docket UE 463.

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