

October 10, 2013

***VIA ELECTRONIC FILING  
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon  
3930 Fairview Industrial Drive SE  
Salem, OR 97302-1166

Attn: Filing Center

**Re: Request for waiver of OAR 860-084-0040(2)**

Pursuant to OAR 860-084-0000(3) PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) and Stone House Solar, LLC (Stone House) request waiver of OAR 860-084-0040(2) relating to the conversion applied to the nameplate capacity of solar photovoltaic (PV) systems used to comply with Oregon's solar capacity standard.

By January 1, 2020, the Company is required to own or contract for 8.7 megawatts alternating current (MW-AC) of capacity and output of qualifying solar PV.<sup>1</sup> Pursuant to this requirement, the Company issued a request for proposals in 2013 for solar PV projects to be on-line by December 31, 2014, and has selected the Stone House Solar Project (the Project), an approximately 7.0 MW-DC solar farm located in Christmas Valley, Oregon. The Company is acquiring the output of the Project through a power purchase agreement (PPA).

ORS 757.370 limits the nameplate generating capacity of any single solar PV project used to comply with the solar capacity standard to 5.0 MW-AC. OAR 860-084-0040(1) specifies that the system's nameplate generating capacity for purposes of meeting the solar capacity standard must be measured on the AC side of the system's inverter.<sup>2</sup> OAR 860-084-0040(2) further directs that a system's nameplate capacity—reported in direct current (DC)—be converted to an AC equivalent using a conversion of 85 percent of the manufacturer's nameplate capacity.<sup>3</sup>

PacifiCorp and Stone House seek a waiver of OAR 860-084-0040(2), the requirement to use an 85 percent conversion to meet the 5 MW-AC output limit. Waiver of the rule will allow the Project to be sized efficiently and economically while never exceeding 5.0 MW-AC in actual output as measured on the AC side of the inverter in compliance with ORS 757.370. In accordance with standard solar industry practice, the Project will include a greater number of solar panels to maintain the output of the plant during times when solar irradiance is not at its maximum (e.g., cloud cover or indirect sunlight). PacifiCorp and Stone House believe that the Project is optimally designed when 5.0 MW-AC inverters are installed in conjunction with 7.0 MW-DC of panels. Modern inverters of the type Stone House will use have the capability to

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<sup>1</sup> OAR 860-084-0020.

<sup>2</sup> See also OAR 860-084-0030(1) (“The capacity of solar photovoltaic systems used to satisfy the requirements of OAR 860-084-0020 must be measured on the alternating current side of the system's inverter.”)

<sup>3</sup> OAR 860-084-0040(2).

instantaneously de-rate the array of panels and, regardless of how sunny the day, guarantee the Project's output never exceeds 5.0 MW-AC. Note also that this 5.0 MW-AC limit is required to enable the Project to stay in compliance with its generator interconnection and transmission service agreements.

As it is specifically applied in the Oregon solar capacity standard, PacifiCorp and Stone House believe the 85 percent conversion described in OAR 860-084-0040(2) does not accurately reflect the operational characteristics of the Project. For example, assuming the 7.0 MW-DC system design described above, OAR 860-084-0040(2) would calculate the Project's alternating current nameplate capacity rating as 5.95 MW-AC. However, as explained above, a 5.95 MW-AC capacity rating is 0.95 MW-AC above what the Project will supply to the grid due to the limitation of the inverters. This illustrates how the 85 percent conversion limits the size of the Project without taking into consideration how the Project will actually operate.

As a result of the waiver, the AC rating of the Project would be based exclusively on the AC rating of the Project's inverters, which is 5.0 MW-AC, without application of the conversion. Waiver of the 85 percent conversion requirement in this instance will allow the Company to contribute to and maintain its capacity requirements under the Oregon solar capacity standard with a solar PV project that utilizes a cost-efficient design that, in terms of actual operation, will have output that never exceeds the 5.0 MW-AC limitation of OAR 860-084-0020. This waiver will benefit customers by allowing the Company to (1) acquire an incremental volume of 1,650 renewable energy credits (REC) per year (3,300 RECs for Oregon RPS compliance based on 2X multiplier) sustained over the term, (2) ensure the Project meets its commercial on-line date, and (3) maintain its 8.7 MW-AC solar capacity standard requirement by sustaining the Project's AC capacity at 5.0 MW over the term despite panel degradation.

For the foregoing reasons, PacifiCorp and Stone House respectfully request the Commission grant this request for waiver of the 85 percent conversion requirements specified in OAR 860-084-0040(2). The Company and Stone House respectfully request a Commission decision on this waiver by October 28, 2013, in order for Stone House to proceed quickly with construction to meet their 2014 commercial operation deadline.

Informal questions concerning this filing may be directed to Gary Tawwater, Manager, Regulatory Affairs, at (503) 813-6805.

Sincerely,

A handwritten signature in cursive script that reads "William R. Griffith" followed by the initials "GWT".

William R. Griffith  
Vice President, Regulation

cc: Maury Galbraith/Administrator, Energy Division, OPUC  
Adam Bless/Senior Utility Analyst, OPUC  
Geoff Brown/Origination, Stone House Solar