

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 10, 2015

REGULAR _____ CONSENT X EFFECTIVE DATE February 10, 2015

DATE: February 02, 2015

TO: Public Utility Commission

FROM: Cindy Dolezel 

THROUGH: Jason Eisdorfer and Aster Adams 

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 1538) Request by Sunlight Solar Energy, Inc., on behalf of its customer, Shevlin Stables, LLC, for a waiver of the 12-month solar photovoltaic system installation requirement set forth in OAR 860-084-0210(1).

STAFF RECOMMENDATION:

Staff recommends the Commission deny Sunlight Solar Energy's request, made on behalf of its customer Shevlin Stables, to extend the 12-month installation deadline from April 18, 2015, to October 18, 2015, for the completion of a 39 kW solar electricity system (Project) in Pacific Power's Solar Incentive Program, due to lack of secured funding.

DISCUSSION:

Issue

Each project that receives a capacity reservation holds that reservation for twelve months from its reservation start date, so long as a preliminary interconnection application is submitted and approved by the utility within two months of the reservation award date; the deposit fees are paid; the project is installed within 12-months of its reservation start date; or if needed, the project receives a waiver to extend the installation deadline. See OAR 860-084-0210(1). Sunlight Solar Energy is requesting a waiver under OAR 860-084-000(3) on behalf of Shevlin Stables to extend the 12-month installation deadline by six to eight months in order to allow Shevlin Stables to secure grant funding for its proposed solar project.

Shevlin Stables received a capacity reservation for its proposed 39 kW solar electricity system from Pacific Power on April 18, 2014, which expires if not installed by April 18, 2015. Shevlin Stables submitted a joint interconnection pre-application that was approved by Pacific Power in May 2014, but since that time, the Project has not progressed due to a lack of financing. Shevlin Stables attempted to secure funding through a United States Department of Agriculture (USDA) Rural Energy for America Program (REAP) grant in October 2014, but the grant was not awarded. Shevlin Stables intends to apply for a second time for REAP funds by June 30, 2015, and if awarded, REAP would announce the award by August 30, 2015.

Applicable Rules

OAR 860-084-0210(1) states that “a capacity reservation expires... if the system has not been installed within twelve months of the reservation start date, unless a waiver is granted under OAR860-084-0000.” The evaluation criterion set forth in OAR 860-084-000(3) for waiver of Division 84 rules is “good cause shown.” The Commission has discretion to determine what constitutes “good cause.”

Analysis and Recommendation

Joe Mazarella of Sunlight Solar Energy, Inc., the contractor for the Project, indicated that Shevlin Stables has not secured permits and, as such, it is unlikely to be installed by the original April 18, 2015, deadline due to a lack of funding. Pacific Power commented that the initial interconnection application for Shevlin Stables was submitted and approved by the utility within the required two month timeframe, but the Project has not progressed since then.

If grant funds were awarded in August 2015 and the installation process expedited, an estimated completion date would be December 31, 2015, resulting in a 20-month installation process. Staff believes this is an excessive extension request, based on unsecured financing and without a guarantee for future funding.

Staff notes that a realistic installation timeframe is four to eight months for a completed installation, depending on complexity of the site and securing of financing. This timeframe includes: sizing, design, securing permits, receiving approval for interconnection agreements, ordering equipment, and installing a system.

In analyzing the “good cause” rule criterion, Staff’s primary consideration is that the Project lacks secure funding to allow it to be installed within 12-months from the original capacity reservation. The Project’s funding is dependent on competitive grant funds that were applied for once and denied. The Project is now contingent upon a second attempt for grant funds that could be allocated in late August 2015, though there is no guarantee that this funding will be awarded. The Project does not have permits in hand

and the length of the requested extension is excessive. Granting the requested extension would also make 39 kW of capacity unavailable for more financially viable projects as part of the capacity reservation clean-up enrollment window that is scheduled for May 1, 2015.

Staff spoke with Joe Mazzearella from Sunlight Solar Energy and informed him of the recommended denial of the waiver and also let him know of the opportunity to appear before the Commission to contest the recommendation at the public meeting scheduled for February 10, 2015. Mr. Mazzearella said he understands the basis for Staff's recommendation and he is unlikely to attend the public meeting.

Based on this analysis, Staff recommends the waiver request be denied.

PROPOSED COMMISSION MOTION:

The request for a waiver by Sunlight Solar to extend the 12-month installation requirement for the Shevlin Stables solar project from April 18, 2015, to December 18, 2015, be denied.