

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE May 22, 2018

REGULAR _____ CONSENT X EFFECTIVE DATE May 23, 2018

DATE: May 1, 2018

TO: Public Utility Commission

FROM: Paul Rossow *PR*

THROUGH: *J* Jason Eisdorfer and *JPB* JP Batmale

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 1538) Requests by Peter Greenburg of PGPV, LLC for waiver of the 12-month solar photovoltaic system installation requirement pursuant to OAR 860-084-0210(1).

STAFF RECOMMENDATION:

Staff recommends the Commission grant the request by PGPV, LLC ("PPGV") to waive the 12-month deadline to install a 100 kW solar photovoltaic (SPV) system under Pacific Power's (PAC) Net Metering Option Volumetric Incentive Rate Pilot and extend the installation deadline to November 22, 2018, waive the requirement for an interconnection study within two months of the capacity reservation, and take no action on PGPV's request to change the installation location for the capacity reservation.¹

DISCUSSION:

Issue

Whether PGPV established good cause to waive the OAR 860-084-0210(1) requirements that an interconnection study application be filed within two months and an SPV system be installed within 12 months of the capacity reservation start date.

Applicable Law

Each SPV project that receives a capacity reservation in PAC's Net Metering Option Volumetric Incentive Rate Pilot (VIR Pilot) holds that reservation for a period of 12 months following the reservation start date, so long as a completed interconnection application is submitted to the utility within two months of the reservation start date and

¹ The project number for the PAC project is: P543Z3.

the project is installed within 12 months of its reservation start date; or, the project receives a waiver of the interconnection application or installation deadlines. See OAR 860-084-0210(1) and (2).²

The evaluation criterion set forth in OAR 860-084-0000(3) for waiver of Division 084 rules is "good cause shown."

Analysis

On April 13, 2018, PGPV filed a request for a waiver of the 12-month installation requirement in order to extend the installation deadline for this project to November 22, 2018, and allow PGPV to move this specific project to a different location. PAC originally issued the capacity reservation to PGPV for the 100 kW on behalf of project P543Z3 in May 2015.

PGPV explains that PAC initially informed them that they would not be required to pay more than \$11,000 to make the necessary upgrades to PAC's infrastructure at its current location. Thus, PGPV submitted a level two Interconnection Application (Application) within 60 days of the reservation date. On March 17, 2016, eight months after submitting the Application, PAC sent PGPV notification that a level three Interconnection Application study (study) would be required. By this time PGPV already installed the foundation, racking, solar modules, and all electrical components at the project's current location.

On July 18, 2016, PAC provided PGPV with a cost estimate of \$160,025 for the required upgrades, which was valid for one year. PGPV did not have the available funds for the upgrades until August 15, 2017. Because August 15, 2017 was more than one year since PAC issued the cost estimate, PAC required PGPV to pay for a second study.

PGPV was notified on November 16, 2017, of the second study results, which included a cost estimate of approximately \$245,123 to \$318,659 for the required upgrades. PAC explained to PGPV that the previous study was not complete in its scope and if PGPV had been able to pay the \$160,025 within a year, PAC would have discovered the additional upgrade work and PGPV would have been charged accordingly.

² 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 OAR 860-084-0000." OAR 860-084-0210(2) provides that once a capacity reservation expires, the customer must re-apply for a reservation.

On December 18, 2017, PGPV and PAC participated in a telephone call during which the possibility of moving the solar project to a different location was discussed. With PAC's support to rectify the situation regarding high cost of upgrades PGPV pursued moving the system to another location. PacifiCorp agreed to review the cost of interconnection at that location. On February 19, 2018, PAC informed PGPV that the upgrades at the potential location would only cost \$10,000.

The Klamath County Planning Department (department) has already reviewed and approved the proposed project site plan and the landowner has signed a site agreement with PGPV. Now that PGPV has site control, the department estimates that it will take up to four weeks to obtain a building permit.

Conclusion

Based on the information provided in this filing, PGPV demonstrated that the delay in installing the project, or for asking for an interconnection study at the alternate installation site, was caused by factors not under PGPV's control. In Staff's opinion, the length of time PAC took to notify PGPV that the project would require a level three application and PAC's varying estimates regarding the cost of the upgrades supports "good cause" for a waiver of the interconnection application deadline and installation deadline.

Although the rules prohibit the transfer of a capacity reservation from one customer to another, the rules are silent as to whether a capacity reservation obtained for one location owned by a customer can be used for an alternate location owned by the customer. In absence of this prohibition, Staff does not think it is necessary for the Commission to issue a waiver before PGPV and PacifiCorp can agree that the solar PV system may be installed at another location owned by the reservation holder.

Staff conferred with PAC and PGPV regarding the status of the respective project and confirmed the facts that are set forth above.

PROPOSED COMMISSION MOTION:

Grant the request by PGPV, LLC ("PPGV") to waive the 12-month deadline to install a 100 kW solar photovoltaic (SPV) system under Pacific Power's (PAC) Net Metering Option Volumetric Incentive Rate Pilot and extend the installation deadline to November 22, 2018, waive the requirement for an interconnection study within two

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months of the capacity reservation, and take no action on PGPV's request to change the installation location for the capacity reservation.³

UM 1538 PGPV, LLC VIR waiver request

³ The project number for the PAC project is: P543Z3.