



Portland General Electric Company
Legal Department
121 SW Salmon Street • Portland, Oregon 97204
503-464-7181 • Facsimile 503-464-2200

V. Denise Saunders
Associate General Counsel

September 26, 2017

Via Electronic Filing

Public Utility Commission of Oregon
Filing Center
201 High St SE, Suite 100
PO Box 1088
Salem OR 97308-1088

Re: **UM 1875 – Klondike Solar LLC, Complainant vs. Portland General Electric Company, Defendant**

Attention Filing Center:

Enclosed for filing in Docket UM 1875 is Portland General Electric Company's Answer.

Thank you in advance for your assistance.

Sincerely,

A handwritten signature in blue ink that reads "V. Denise Saunders". The signature is written in a cursive, flowing style.

V. Denise Saunders
Associate General Counsel

VDS:jlm

Enclosure

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1875

Klondike Solar, LLC,

Complainant,

vs.

PORTLAND GENERAL ELECTRIC
COMPANY,

Defendant.

**ANSWER OF PORTLAND GENERAL
ELECTRIC COMPANY**

I. INTRODUCTION

Pursuant to ORS 756.512 and OAR 860-001-0400, defendant Portland General Electric Company (“PGE”) submits the following answer (“Answer”) to the complaint (“Complaint”) filed by Klondike Solar, LLC (“Klondike Solar” or “Complainant”). PGE has complied with the Commission’s rules and orders and with PGE’s Schedule 201 in processing Complainant’s request for a power purchase agreement (“PPA”). Complainant neglected to follow the process for requesting a PPA which is set forth in PGE’s Schedule 201 and Complainant changed material information concerning its project during the contracting process. At the time it filed its Complaint, Complainant was not entitled to an executable PPA for its proposed project, nor had it established a legally enforceable obligation.

II. SERVICE

Copies of all pleadings, motions and correspondence should be served on PGE's counsel and representatives at the addresses below:

V. Denise Saunders
Associate General Counsel
Portland General Electric Company
121 SW Salmon Street, 1WTC1301
Portland, OR 97204
Email: denise.saunders@pgn.com

Jeffrey S. Lovinger
Law Offices of Jeffrey S. Lovinger
2000 NE 42nd Avenue, Suite 131
Portland, OR 97213-1397
Email: jeff@lovingerlaw.com

III. ANSWER

PGE denies each and every allegation contained in the Complaint except as hereinafter expressly admitted.

Unless otherwise specified, the capitalized term "Paragraph" refers to the numbered paragraphs of the Complaint.

The first four pages of the Complaint contain a narrative introduction and legal argument. PGE does not understand the introduction to contain allegations requiring a response. PGE expects to respond to Complainant's narrative and legal arguments as part of the dispositive motion practice or, if needed, at a hearing in this proceeding. In the event the Commission deems the introduction to contain allegations requiring a response, PGE denies the allegations.

In answer to some of the allegations contained in numbered Paragraphs, PGE has indicated that no response is required because the allegations are legal conclusions or legal arguments. If the Commission deems that responses are required in such instances, then PGE denies the allegations in question.

Some of the numbered Paragraphs in the Complaint characterize the contents of a Commission order or of a FERC order, or a filing made by PGE in a Commission docket. In answer to these numbered Paragraphs, PGE has indicated that the Commission order, FERC

order, or PGE filing speaks for itself. In such instances, PGE denies all of the allegations in the associated numbered Paragraph except to the extent PGE expressly admits an allegation.

In response to the numbered Paragraphs of the Complaint, PGE admits, denies, or otherwise responds as follows:

IDENTITY OF THE PARTIES

1. PGE admits the allegations contained in Paragraph 1.
2. PGE admits that Complainant has submitted an Initial Information Request to PGE asserting the facts alleged in Paragraph 2. PGE lacks information or knowledge sufficient to verify or form a belief as to the truth of the allegations contained in Paragraph 2 and therefore denies them.

APPLICABLE STATUTES AND RULES

3. The allegations contained in Paragraph 3 constitute legal conclusions to which no response is required.
4. The allegations contained in Paragraph 4 constitute legal conclusions to which no response is required.

JURISDICTION

5. The allegations contained in Paragraph 5 constitute legal conclusions to which no response is required.
6. The allegations contained in Paragraph 6 constitute legal conclusions to which no response is required.
7. The allegations in Paragraph 7 constitute legal conclusions to which no response is required.

FACTUAL BACKGROUND

8. PGE admits that on the date the Complaint was filed (August 7, 2017), Complainant was seeking a Schedule 201 PPA from PGE for a proposed 10 megawatt (“MW”) nameplate solar generation facility to be located in Sherman County, Oregon.

9. PGE admits that while Complainant initially proposed a qualifying facility that would interconnect with PGE, it subsequently revised its application to indicate that it will interconnect with PacifiCorp.

10. PGE lacks information or knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 10 and therefore denies them.

11. PGE admits the allegations in Paragraph 11.

12. PGE lacks information or knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 12 and therefore denies them.

13. PGE lacks information or knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 13 and therefore denies them.

14. PGE lacks information or knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 14 and therefore denies them.

15. PGE admits the allegations in Paragraph 15.

16. PGE denies the allegations in Paragraph 16.

17. PGE admits the allegations in Paragraph 17.

18. PGE admits the allegations contained in Paragraph 18.

19. PGE admits the allegations contained in Paragraph 19.

20. PGE denies it had any obligation to inform Qualifying Facilities (“QFs”) that it was planning to file a May 1, 2017 price update. PGE is required by Commission Order No. 14-058 to file a May 1 price update each year and all QFs have access to that order. PGE denies it sought an early effective date; Order No. 14-058 makes it clear that avoided cost prices may be effective *within* 60 days of the May 1 filing.

21. PGE admits that after May 1, 2017, it decided to prepare its application and motion for interim relief filed in Docket No. UM 1854. The remainder of the allegations contained in Paragraph 21 characterize PGE’s application and motion for interim relief which are available as part of the public record in Docket No. UM 1854 and which speak for themselves; PGE therefore denies all remaining allegations in Paragraph 21.

22. PGE denies that it had any obligation to inform qualifying facilities that PGE intended to file PGE’s application and motion for interim relief in Docket No. UM 1854. PGE admits that it provided no advanced notice of that filing to Complainant.

23. PGE denies the allegations in Paragraph 23.

24. The allegation contained in Paragraph 24 to the effect that Complainant was “materially prejudiced” is a legal conclusion and therefore requires no response. PGE lacks information or knowledge sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 24 and therefore denies them.

25. PGE admits that on May 5, 2017, PGE did not provide Complainant with a draft standard PPA as Complainant had not provided sufficient information to complete a draft PPA. PGE also admits that PGE requested additional and clarifying information but denies that the information it requested was limited to interconnection/transmission details.

26. PGE denies the allegations in Paragraph 26.

27. PGE admits that Complainant provided some of the clarifying information sought by PGE but denies that Complainant provided all of the information requested.

28. PGE admits the allegations in Paragraph 28.

29. PGE admits the allegations in Paragraph 29.

30. PGE admits the allegations in Paragraph 30.

31. PGE admits the allegations in Paragraph 31.

32. PGE admits that on July 24, 2017, Complainant responded by letter to PGE requesting that PGE provide a draft Standard PPA immediately. PGE denies that there was no need for additional information or that Complainant had provided PGE with all of the general project information required to proceed with the Standard PPA.

33. PGE admits that the email transmitting the July 24, 2017 letter contained a request to speak for a few minutes about the Schedule 201 process. PGE lacks information or knowledge sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 33 and therefore denies them.

34. PGE admits the allegations in Paragraph 34.

35. PGE admits the allegations in Paragraph 35.

36. PGE admits the allegations in Paragraph 36.

37. PGE admits that on July 28, 2017, representatives from PGE and Klondike Solar spoke by telephone to discuss the additional information that PGE needed to complete a draft PPA. PGE admits that Klondike Solar complained that PGE had not previously required Klondike Solar to provide information to support its claimed generation values and Klondike Solar requested that PGE send a draft PPA, notwithstanding the fact that Klondike Solar had not

provided sufficient information to complete it. PGE admits that Klondike Solar subsequently changed its maximum generation value. PGE denies all other allegations in Paragraph 37.

38. PGE admits that on July 28, 2017, Complainant sent PGE a revised maximum generation value and a study supporting the new value. PGE admits that in its communication Complainant claimed that the PVSyst report that PGE had requested had already been provided with Complainant's first Initial Information Request in April.

39. PGE admits the allegations in Paragraph 39.

40. PGE admits the allegations in Paragraph 40.

41. PGE admits the allegations in Paragraph 41.

42. PGE admits the allegations in Paragraph 42.

43. PGE admits the allegations in Paragraph 43.

44. PGE lacks information or knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 44 and therefore denies them.

45. PGE admits that on August 4, 2017, in Docket No. LC 66, PGE filed a response to the Commission Staff's July 28, 2017 report. A copy of PGE's August 4, 2017 response is publicly available on the Commission's electronic docket. The allegations in Paragraph 45 attempt to characterize PGE's response, but the document speaks for itself.

46. PGE admits that its August 4, 2017 response in Docket No. LC 66 indicated that the Commission's regular process requires PGE to file updated avoided cost prices within 30 days of Commission acknowledgment of PGE's IRP. PGE admits that its August 4, 2017 response in Docket No. LC 66 indicated that there is a 90-day review period before prices become effective; however, PGE's statement about a 90-day review period was in error.

47. PGE's August 4, 2017 response in Docket No. LC 66 speaks for itself.

48. PGE denies that it had any obligation to provide Complainant with notice that PGE intended to make comments in Docket No. LC 66 that Complainant has labeled or characterized as the “August Early Rate Effective Date Request” and denies the allegations in Paragraph 48.

49. PGE denies the allegations in Paragraph 49.

50. The allegation contained in Paragraph 50 to the effect that Complainant was “materially prejudiced” is a legal conclusion and therefore requires no response. PGE lacks information or knowledge sufficient to form a belief as to the truth of the remaining allegations contained in Paragraph 50 and therefore denies them.

51. PGE denies the allegations in Paragraph 51.

52. PGE admits that Complainant attached a PPA to its August 7, 2017 Complaint, that the attached PPA and that the attached PPA appears to have been signed on August 7, 2017 by Complainant’s Treasurer.

53. The only written correspondence pertaining to Complainant’s request for a PPA that PGE received on August 7, 2017 is the Complaint filed in this proceeding. The Complaint speaks for itself.

LEGAL CLAIMS

COMPLAINANT’S FIRST CLAIM FOR RELIEF

KLONDIKE SOLAR IS ENTITLED TO PGE’S STANDARD CONTRACT WITH CURRENTLY EFFECTIVE SCHEDULE 201 RATES BECAUSE KLONDIKE SOLAR LEGALLY OBLIGATED ITSELF TO SELL THE NET OUTPUT PRIOR TO THE FILING OF THIS COMPLAINT

54. PGE repeats and realleges the responses made to Paragraphs 1 through 53.

55. The allegations contained in Paragraph 55 are legal conclusions and do not require a response.

56. The allegations contained in Paragraph 56 are legal conclusions and do not require a response.

57. The allegations contained in Paragraph 57 are legal conclusions and do not require a response.

58. The allegations contained in Paragraph 58 are legal conclusions and do not require a response.

59. The allegations contained in Paragraph 59 characterize the Commission's decision in Order No. 16-174. That document speaks for itself. To the extent that the allegations in Paragraph 59 are legal conclusions, they do not require a response.

60. The allegations contained in Paragraph 60 characterize the Commission's decision in Order No. 16-174. That document speaks for itself. To the extent that the allegations in Paragraph 60 are legal conclusions, they do not require a response.

61. The allegations contained in Paragraph 61 characterize the Commission's decision in Order No. 16-174. That document speaks for itself. To the extent that the allegations in Paragraph 61 are legal conclusions, they do not require a response.

62. The allegations contained in Paragraph 62 characterize cited FERC decisions and are legal arguments. The FERC decisions speak for themselves. To the extent that the allegations in Paragraph 62 are legal arguments, they do not require a response.

63. The allegations contained in Paragraph 63 are legal conclusions or legal arguments and do not require a response.

64. The allegations contained in Paragraph 64 are legal conclusions or legal arguments and do not require a response.

65. The allegations contained in Paragraph 65 are legal conclusions or legal arguments and do not require a response.

66. The allegations contained in Paragraph 66 are legal conclusions or legal arguments and do not require a response.

COMPLAINANT'S SECOND CLAIM FOR RELIEF

KLONDIKE SOLAR IS ENTITLED TO PGE'S STANDARD CONTRACT WITH CURRENTLY EFFECTIVE SCHEDULE 201 RATES BECAUSE KLONDIKE SOLAR LEGALLY OBLIGATED ITSELF TO SELL THE NET OUTPUT PRIOR TO THE FILING OF THIS COMPLAINT, AND PGE VIOLATED THE OPUC'S AND FERC'S POLICIES AND RULES, AND SCHEDULE 201

67. PGE repeats and realleges the responses made to Paragraphs 1 through 66.

68. The allegations contained in Paragraph 68 characterize the Commission's decision in Order No. 05-584. That document speaks for itself. To the extent that the allegations in Paragraph 68 are legal conclusions, they do not require a response.

69. The allegations contained in Paragraph 69 are legal conclusions or legal arguments and do not require any response.

70. The allegations contained in Paragraph 70 are legal conclusions or legal arguments and do not require a response.

71. The allegations contained in Paragraph 71 constitute legal conclusions or legal arguments to which no response is required.

72. The allegations contained in Paragraph 72 constitute legal conclusions to which no response is required.

73. The allegations contained in Paragraph 73 characterize PGE's Schedule 201. That document speaks for itself. To the extent that the allegations in Paragraph 73 are legal conclusions, they do not require a response.

74. The allegations contained in Paragraph 74 constitute legal conclusions or legal arguments to which no response is required.

75. The allegations contained in Paragraph 75 constitute legal conclusions or legal arguments to which no response is required.

76. The allegations contained in Paragraph 76 characterize PGE's Schedule 201. That document speaks for itself. To the extent that the allegations in Paragraph 76 are legal conclusions, they do not require a response.

77. The allegations contained in Paragraph 77 constitute legal conclusions to which no response is required. To the extent a response is deemed required, PGE denies that it has delayed or obstructed progress towards a final draft or executable contract.

78. The allegations contained in Paragraph 78 are legal conclusions or legal arguments and do not require a response.

79. PGE denies the allegations contained in Paragraph 79.

80. PGE admits the allegations contained in Paragraph 80.

81. The allegations contained in Paragraph 81 are legal conclusions or legal arguments and do not require a response.

82. The allegations contained in Paragraph 82 are legal conclusions or legal arguments and do not require a response.

83. The allegations contained in Paragraph 83 are legal conclusions or legal arguments and do not require a response.

84. The allegations contained in Paragraph 84 are legal conclusions or legal arguments and do not require a response.

85. The allegations contained in Paragraph 85 constitute legal conclusions to which no response is required. To the extent a response is deemed required, PGE denies that it has delayed or obstructed progress toward executing a PPA.

86. The allegations contained in Paragraph 86 are legal conclusions or legal arguments and do not require a response.

87. The allegations contained in Paragraph 87 are legal conclusions or legal arguments and do not require a response.

88. The allegations contained in Paragraph 88 are legal conclusions or legal arguments and do not require a response.

PRAYER FOR RELIEF

89. PGE denies all allegations contained in Paragraph 1 of Complainant's Prayer for Relief and requests that the Commission deny the relief requested in Paragraph 1 of Complainant's Prayer for Relief.

90. PGE denies all allegations contained in Paragraph 2 of Complainant's Prayer for Relief and requests that the Commission deny the relief requested in Paragraph 2 of Complainant's Prayer for Relief.

91. PGE denies all allegations contained in Paragraph 3 of Complainant's Prayer for Relief and requests that the Commission deny the relief requested in Paragraph 3 of Complainant's Prayer for Relief.

92. PGE denies all allegations contained in Paragraph 4 of Complainant's Prayer for Relief and requests that the Commission deny the relief requested in Paragraph 4 of Complainant's Prayer for Relief.

93. PGE denies all allegations contained in Paragraph 5 of Complainant's Prayer for Relief and requests that the Commission deny the relief requested in Paragraph 5 of Complainant's Prayer for Relief.

94. PGE denies all allegations contained in Paragraph 6 of Complainant's Prayer for Relief and requests that the Commission deny the relief requested in Paragraph 6 of Complainant's Prayer for Relief.

95. PGE denies that it has violated any of the statutes or orders listed in Paragraph 7 of Complainant's Prayer for Relief and requests that the Commission deny the relief requested in Paragraph 7 of Complainant's Prayer for Relief.

96. PGE requests that the Commission deny the relief requested in Paragraph 8 of Complainant's Prayer for Relief.

IV. AFFIRMATIVE DEFENSE

FIRST AFFIRMATIVE DEFENSE

97. The Complaint fails to state a claim upon which relief can be granted.

SECOND AFFIRMATIVE DEFENSE

98. Under the terms of Commission Order No. 17-310, Complainant is not entitled to Schedule 201 standard prices because: (A) Complainant has proposed a solar QF project with nameplate capacity of 10 MW; and (B) as of July 14, 2017 Complainant had not provided PGE with sufficient information to prepare a fully executed PPA nor had it otherwise established a legally enforceable obligation. Order No. 17-310 holds that solar QF projects with nameplate capacity in excess of 3 MW that fully execute a PPA or establish a legally enforceable obligation after July 14, 2017, are not entitled to standard prices and must instead negotiate the prices to be paid.

V. CONCLUSION

PGE respectfully requests that the Commission deny Complainant's requested relief and dismiss the Complaint.

Dated this 26th day of September 2017.

Respectfully submitted,



V. Denise Saunders, OSB #903769
Associate General Counsel
Portland General Electric Company
121 SW Salmon Street, 1WTC1301
Portland, Oregon 97204
(541) 752-9060 (phone)
(503) 464-2200 (fax)
denise.saunders@pgn.com