



**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*

October 11, 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 1878 – Valhalla Solar, LLC, Complainant vs. Portland General Electric Company, Defendant**

Attention Filing Center:

Enclosed for filing in Docket UM 1878 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:bop

Enclosure

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1878**

VALHALLA 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 Valhalla Solar, LLC (“Valhalla Solar” or “Complainant”). Complainant changed material information concerning its project during the contracting process and refused to follow PGE’s Schedule 201 contracting process. At the time it filed its Complaint, Complainant was not entitled to an executable power purchase agreement (“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](mailto: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](mailto: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 three 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 allege the exchange of written communications between the parties. In answer to some of these numbered Paragraphs, PGE has admitted the existence of the written communications, filed a copy of the written communications as exhibits, and indicated that the communications speak for themselves. In these instances, PGE denies all of the allegations in the associated numbered Paragraph except to the extent that PGE expressly admits an allegation. The exhibits are true and correct copies of the information exchanged by the parties.

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 some of 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 contained 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, Complainant was seeking a Schedule 201 PPA from PGE for a proposed solar generation facility to be located in Yamhill County, Oregon. Based on the information provided to PGE by Complainant, PGE denies the allegation that the facility will have a nameplate of 2.2 megawatts (“MW”).

9. PGE admits that on April 20, 2017, Complainant sent a letter to PGE affirming its desire to sell generation from Valhalla Solar, LLC to PGE. PGE denies the characterization that Complainant’s desire to sell was pursuant to Schedule 201 as Complainant also stated in its April 20, 2017 letter that it had already established a legally enforceable obligation even though it had not submitted an application for a Schedule 201 PPA to PGE, nor had it gone through any of the other steps described in PGE’s Commission-approved Schedule 201.

10. PGE lacks information or knowledge sufficient to form a belief as to the truth of the allegation in Paragraph 10 and therefore denies it. Complainant provided an email to PGE on April 26, 2017 asserting that it had attached information for a standard PPA; however the Complainant provided an attachment which PGE could not open.

11. PGE admits the allegations contained 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. The allegation in Paragraph 14 is vague and misleading. PGE has no evidence that Complainant and PGE “exchanged information and communicated regarding issues related to the sale of Valhalla Solar’s net output to PGE” between PGE’s May 1, 2017 email acknowledging

receipt of Complainant's written information, and PGE's May 15, 2017 letter providing a draft standard PPA. PGE therefore denies the allegations in Paragraph 14.

15. PGE admits that on May 1, 2017, consistent with the Commission's rules, PGE filed an application to update its Schedule 201 Qualifying Facility Information. PGE lacks sufficient knowledge or information as to what Complainant expected PGE's filing to contain and therefore denies any allegations concerning Complainant's expectations. The remainder of the allegations contained in Paragraph 15 characterize PGE's application to update its Schedule 201 Qualifying Facility Information which is available as part of the public record in Docket No. UM 1728 and which speaks for itself; PGE therefore denies all remaining allegations in Paragraph 15.

16. PGE denies it had any obligation to inform Complainant that it was planning to seek approval of its May 1 update at the May 16, 2017 Public Meeting. PGE is required by Commission Order No. 14-058 to file a May 1 price update each year and all Qualifying Facilities ("QFs") have access to that order. Order No. 14-058 makes it clear that avoided cost prices may be effective *within* 60 days of the May 1 filing. PGE admits that it provided no advance notice to Complainant that it would seek approval of the May 1 filing at the May 16, 2017 Public Meeting.

17. PGE denies it had any obligation to inform Complainant that it was planning to request an effective date of May 17, 2017 for its May 1 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. Order No. 14-058 makes it clear that avoided cost prices may be effective *within* 60 days of the May 1 filing. PGE admits that it provided no advance notice to Complainant that it would request an effective date of May 17, 2017 for its May 1 filing.

18. PGE lacks knowledge and information sufficient to form a belief as to the allegations contained in the first sentence of Paragraph 18 and therefore denies them. PGE denies the allegations in the second sentence of Paragraph 18.

19. PGE lacks knowledge and information sufficient to form a belief as to the allegations contained in Paragraph 19. The Complaint appears to reference a transcript of the May 18, 2017 Special Public Meeting; that recording speaks for itself.

20. PGE admits that it filed an Application to Lower the Standard Price and Standard Contract Eligibility Cap for Solar Qualifying Facilities. PGE denies that the Application was filed on or about May 1, 2017. PGE denies that it was filed in Docket No. UM 1845. The remainder of the allegations contained in Paragraph 20 characterize PGE's application which is available as part of the public record in Docket No. UM 1854 and which speaks for itself; PGE therefore denies all remaining allegations in Paragraph 20.

21. The allegations in Paragraph 21 are legal conclusions and do not require a response.

22. PGE denies that it had any obligation to provide advance notice to Complainant that PGE intended to file PGE's application and motion for interim relief in Docket No. UM 1854. PGE admits that it provided no advance notice of that filing to Complainant.

23. PGE lacks knowledge and information sufficient to form a belief as to the allegations in the first sentence of Paragraph 23 and therefore denies them. PGE denies the allegations in the second sentence of Paragraph 23.

24. PGE admits the allegations in Paragraph 24.

25. PGE admits that the Commission considered PGE's application to update its Schedule 201 Qualifying Facility Information at a May 18, 2017 Special Public Meeting. The remaining allegations in Paragraph 25 are legal conclusions and do not require a response.

26. PGE denies that it had any obligation to inform Complainant of the Commission's actions at the May 18, 2017 Special Public Meeting which were published and made available to Complainant in Commission Order No. 17-177. PGE denies the allegations in Paragraph 26; PGE posted the new avoided costs on its QF website.

27. With regard to the first sentence of Paragraph 27, PGE denies that Complainant requested only five changes and that Complainant asked for a revision to Section 49.2. PGE admits the remaining allegations in the first sentence of Paragraph 27. PGE lacks knowledge and information sufficient to form a belief as to the allegation in the second sentence of Paragraph 27 and therefore denies it.

28. PGE admits that on May 26, 2017, Complainant sent an email to PGE revising its request for changes to the PPA. PGE denies that Complainant revised its request to include only two changes and therefore denies the remaining allegations in Paragraph 28.

29. PGE denies the allegations in Paragraph 29.

30. PGE admits that PGE received a voicemail on May 30, 2017 from the developer of Complainant's project. PGE lacks sufficient information and knowledge as to the exact contents of the voicemail and therefore denies the remaining allegations in Paragraph 30.

31. PGE admits that on May 30, 2017, PGE's qualifying facility ("QF") contract administrator sent the developer of Complainant's project an email informing him that she was unable to meet with him that day and that PGE intended to proceed under the Schedule 201 process and timeline.



32. PGE admits the allegations in Paragraph 32.

33. PGE does not understand the allegation in Paragraph 33 and therefore denies it.

34. PGE admits the allegations in Paragraph 34.

35. PGE admits that it sent Complainant an email on May 31, 2017. PGE has included a copy of the email as Exhibit A to this Answer. The email speaks for itself.

36. PGE has included a copy of the May 31 email as Exhibit A to this Answer. The email speaks for itself.

37. PGE admits that on May 31, 2017, Complainant provided PGE with an executed PPA. PGE has not compared it with Attachment A of the Complaint to determine if Attachment A to the Complaint is a true and correct copy of the signed PPA. PGE therefore denies the remaining allegations in Paragraph 37.

38. PGE admits the allegations in Paragraph 38.

39. PGE denies the allegations in Paragraph 39.

40. PGE denies 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 admits the allegations in Paragraph 44.

45. PGE denies the allegations in Paragraph 45.

46. PGE admits that it agreed to two revisions requested by Complainant but denies the remaining allegations in Paragraph 46.

47. PGE has attached its June 15, 2017 letter to this Answer as Exhibit B. The letter speaks for itself.

48. PGE has attached its June 15, 2017 letter to this Answer as Exhibit B. The letter speaks for itself.

49. PGE admits the allegations in Paragraph 49.

50. PGE admits the allegations in Paragraph 50.

51. PGE admits the allegations in Paragraph 51.

52. PGE admits the allegations in Paragraph 52.

53. PGE admits the allegations in Paragraph 53.

54. PGE denies that it provided Complainant with a letter on August 2, 2017. PGE provided the letter on August 3, 2017. PGE has included its August 3, 2017 letter as Exhibit C to this Answer. The letter speaks for itself.

55. PGE has included its August 3, 2017 letter as Exhibit C to this Answer. The letter speaks for itself.

56. PGE has included its August 3, 2017 letter as Exhibit C to this Answer. The letter speaks for itself.

## LEGAL CLAIMS

### COMPLAINANT'S FIRST CLAIM FOR RELIEF

**VALHALLA SOLAR IS ENTITLED TO PGE'S STANDARD CONTRACT WITH PREVIOUSLY EFFECTIVE SCHEDULE 201 RATES BECAUSE VALHALLA SOLAR LEGALLY OBLIGATED ITSELF TO SELL THE NET OUTPUT PRIOR TO THE FILING OF THIS COMPLAINT, AND BEFORE THE SCHEDULE 201 RATES CHANGED ON JUNE 1, 2017**

57. PGE repeats and realleges the responses made to Paragraphs 1 through 56.

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

59. The allegations contained in Paragraph 59 are legal conclusions and do not require a response.

60. The allegations contained in Paragraph 60 are legal conclusions and do not require a response.

61. The allegations contained in Paragraph 61 are legal conclusions and do not require a response.

62. The allegations contained in Paragraph 62 characterize the Commission's decision in Order No. 16-174. That document speaks for itself. To the extent that the allegations in Paragraph 62 are legal conclusions, they do not require a response.

63. The allegations contained in Paragraph 63 characterize the Commission's decision in Order No. 16-174. That document speaks for itself. To the extent that the allegations in Paragraph 63 are legal conclusions, they do not require a response.

64. The allegations contained in Paragraph 64 characterize the Commission's decision in Order No. 16-174. That document speaks for itself. To the extent that the allegations in Paragraph 64 are legal conclusions, they do not require a response.

65. The allegations contained in Paragraph 65 characterize cited FERC decisions and are legal arguments. The FERC decisions speak for themselves. To the extent that the allegations in Paragraph 65 are legal arguments, they do not require a response.

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

67. The allegations contained in Paragraph 67 are legal conclusions or legal arguments and do not require a response.

68. The allegations contained in Paragraph 68 are legal conclusions or legal arguments and do not require a response.

69. PGE denies that Complainant executed an executable final PPA. The remaining allegations contained in Paragraph 69 are legal conclusions or legal arguments and do not require a response.

**COMPLAINANT'S SECOND CLAIM FOR RELIEF**

**VALHALLA SOLAR IS ENTITLED TO PGE'S STANDARD CONTRACT WITH THE PREVIOUSLY EFFECTIVE SCHEDULE 201 RATES BECAUSE VALHALLA SOLAR LEGALLY OBLIGATED ITSELF TO SELL THE NET OUTPUT PRIOR TO THE FILING OF THIS COMPLAINT, BEFORE THE SCHEDULE 201 RATES CHANGED ON JUNE 1, 2017, AND PGE VIOLATED THE OPUC'S AND FERC'S POLICIES AND RULES, AND SCHEDULE 201**

70. PGE repeats and realleges the responses made to Paragraphs 1 through 69.

71. The allegations contained in Paragraph 71 characterize the Commission's decision in Order No. 05-584. That document speaks for itself. To the extent that the allegations in Paragraph 71 are legal conclusions, they do not require a response.

72. The allegations contained in Paragraph 72 are legal conclusions or legal arguments and do not require any response.

73. The allegations contained in Paragraph 73 characterize the Commission's decision in Order No. 16-174. That document speaks for itself.

74. The allegations contained in Paragraph 74 characterize PGE's Schedule 201. That document speaks for itself. To the extent that the allegations in Paragraph 74 are legal conclusions, they do not require a response.

75. The allegations contained in Paragraph 75 characterize PGE's Schedule 201. That document speaks for itself.

76. The allegations in Paragraph 76 characterize the Commission's decision in Order No. 16-174. That document speaks for itself. To the extent that the allegations in Paragraph 76 are legal conclusions, they do not require a response. To the extent a response is deemed

required, PGE denies that it has delayed or obstructed progress towards a final draft or executable contract.

77. The allegations contained in Paragraph 77 constitute legal conclusions or legal arguments to which no response is required.

78. The allegations contained in Paragraph 78 constitute legal conclusions or legal arguments to which no response is required.

79. The allegations contained in Paragraph 79 constitute legal conclusions or legal arguments to which no response is required.

80. The allegations contained in Paragraph 80 constitute legal conclusions or legal arguments to which no response is required.

81. PGE denies the allegations in Paragraph 81.

82. PGE admits the allegations in Paragraph 82.

83. The allegations contained in Paragraph 83 constitute legal conclusions or legal arguments to which no response is required.

84. PGE denies the allegations in Paragraph 84.

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 towards 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 constitute legal conclusions or legal arguments to which no response is required.

**COMPLAINANT’S THIRD CLAIM FOR RELIEF**

**VALHALLA SOLAR IS ENTITLED TO PGE’S STANDARD CONTRACT AT THE PRE-JUNE 1 RATES AND TERMS BECAUSE VALHALLA SOLAR LEGALLY OBLIGATED ITSELF TO SELL THE NET OUTPUT PRIOR TO THE FILING OF THIS COMPLAINT, BEFORE THE SCHEDULE 201 RATES CHANGED ON JUNE 1, 2017, AND THE COMMISSION CANNOT CHANGE POLICIES AND RULES, AND SCHEDULE 201 TO PREVENT VALHALLA SOLAR FROM OBTAINING A LEGALLY ENFORCEABLE OBLIGATION**

88. PGE repeats and realleges the responses made to Paragraphs 1 through 87.

89. The allegations in Paragraph 89 constitute legal conclusions or legal arguments to which no response is required.

90. The allegations in Paragraph 90 constitute legal conclusions or legal arguments to which no response is required.

91. The allegations in Paragraph 91 constitute legal conclusions or legal arguments to which no response is required.

92. The allegations in Paragraph 92 constitute legal conclusions or legal arguments to which no response is required.

**PRAYER FOR RELIEF**

1. 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.

2. 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.

3. 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.

4. 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.

5. 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 4 of Complainant's Prayer for Relief.

#### **IV. AFFIRMATIVE DEFENSE**

##### **FIRST AFFIRMATIVE DEFENSE**

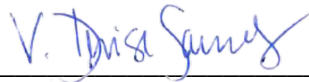
6. The Complaint fails to state a claim upon which relief can be granted.

#### **V. CONCLUSION**

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

Dated this 11th day of October 2017.

Respectfully submitted,



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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](mailto:denise.saunders@pgn.com)

**EXHIBIT A**

UM 1878

Valhalla Solar, LLC

vs.

Portland General Electric Company

Portland General Electric Company's Answer



**From:** Angeline Chong  
**To:** [Chris Norqual \(norqual@ccrenew.com\)](mailto:norqual@ccrenew.com)  
**Cc:** [Brett Greene](#); [Ryin Khandoker](#); [John Morton](#)  
**Subject:** Got your email  
**Date:** Wednesday, May 31, 2017 3:22:29 PM

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Chris:

PGE has received a large volume of applications for Qualify Facility PPAs. PGE is processing and reviewing all of the applications in accordance with the process outlined in its Schedule 201. PGE has provided you with notice of its Schedule 201 process and the associated deadlines at each step of the process. Under Schedule 201, an applicant for a Standard PPA is not entitled to the avoided cost rates in effect when a request for contract is first made. Rather, Standard PPA pricing is based on the Standard or Renewable Avoided Costs in effect at the time the agreement is executed. Under the regular timelines of the Schedule 201 process, PGE does not anticipate entering into fully executed Standard PPAs with Cypress Creek on the proposed Skyward, Valhalla, Pika, Leatherback, Whipsnake or Bottlenose projects before June 1, 2017. PGE expects that the prices that will apply to Standard PPAs for those proposed projects will be the prices that become effective on June 1, 2017 (or such other prices as are in effect under Schedule 201 at the time Standard PPAs for the projects are executed).

Angeline D. Chong |  
Portland General Electric |  
121 SW Salmon St. 3WTC0306 | Portland, Oregon 97204 |  
W: 503-464-7343 | F: 503-464-2605 |  
E: [angeline.chong@pgn.com](mailto:angeline.chong@pgn.com)

**EXHIBIT B**

UM 1878

Valhalla Solar, LLC

vs.

Portland General Electric Company

Portland General Electric Company's Answer



**Portland General Electric Company**  
121 SW Salmon Street • Portland, Oregon 97204

June 15, 2017

*Via Electronic Mail*

**John McQueeney**  
**Valhalla Solar, LLC**  
**3259 Ocean Park Blvd, Suite 355**  
**Santa Monica, CA 90405**  
*john.mcqueeney@ccrenew.com*

Chris Norqual  
norqual@ccrenew.com

RE: Transmittal of Final Draft Standard PPA  
Valhalla Solar project, a proposed 2.25 megawatt Solar QF

Dear Mr. McQueeney and Mr. Norqual,

Thank you for your interest in entering into a Standard Power Purchase Agreement (Standard PPA) with Portland General Electric (PGE). PGE sent you a draft Standard PPA on May 15, 2017. PGE received your request for six revisions to the draft Standard PPA on May 23, 2017. As discussed below, PGE can agree to two of the six revisions you have requested. Because both revisions are non-substantive, PGE has determined that you have provided sufficient information to allow PGE to prepare a final draft Standard PPA.

Enclosed please find a final draft Standard PPA for your Valhalla Solar project, a 2.25 megawatt solar generating facility that was self certified as a qualifying facility (QF) pursuant to 18 CFR 292.207. PGE understands that Valhalla Solar, LLC a limited liability company formed under the laws of the State of Oregon is the owner of the Valhalla Solar project and will be the Seller under the Standard PPA. If any of this information or any of the factual details contained in the enclosed final draft Standard PPA are incorrect or change, please inform PGE immediately.

In your May 23, 2017 email, you requested the following six revisions to the draft Standard PPA:

1. You requested the addition of a standard header stating "Schedule 201 Standard Renewable In-System Variable Power Purchase Agreement Form Effective August 12, 2016."
2. You requested that PGE remove or exclude the expected dates from Exhibit B.

Page 2 of 3

3. You requested that PGE remove point 7 from Exhibit C.
4. You requested that PGE revise Section 4.5 of the agreement to contain the same language found in Section 4.5 of your July 28, 2015 contract for the SP Solar 2 project.
5. You requested that PGE revise Section 9.2 of the agreement to contain the same language found in your July 28, 2015 contract for the SP Solar 2 project.
6. You requested that PGE delete Section 9.1.6 and Section 9.3 because they were not included in your July 28, 2015 contract for the SP Solar 2 project.

PGE agrees to make the revisions requested in items (1) and (2) above and has done so in the enclosed final draft Standard PPA; PGE considers these two revisions to be non-substantive.

In item (3) above, you requested that PGE remove item 7 from Exhibit C, which is a list of the start-up testing required for the facility. Item 7 requires “[t]esting the communication system for offsite monitoring and all requirements of the Western Energy Imbalance Market.” We have reviewed this requirement with PGE’s engineering staff and we have been informed that PGE needs to require this testing in order to ensure that your project can comply with the requirements of the Western Energy Imbalance Market. As a result, PGE cannot agree to your request to delete item 7 from Exhibit C.

In items (4) through (6), you have requested that PGE agree to revise Section 4.5 and Section 9.2, and agree to delete Section 9.1.6 and Section 9.3 of the draft Standard PPA in order to make the draft Standard PPA reflect the same language as that contained in your July 28, 2015 contract for the SP Solar 2 project. PGE cannot agree to this request.

The language in your July 28, 2015 contract for the SP Solar 2 project is based on a superceded version of PGE’s standard contract forms. The draft Standard PPA that PGE provided to you on May 15, 2017, contains the language of PGE’s currently effective, Commission-approved standard contract forms. PGE’s currently effective standard contract forms were revised effective August 12, 2016, in response to Commission Order No. 16-174 in Docket No. UM 1610.

Section 2.2.1 of the draft Standard PPA identifies the initial delivery date as 12/31/2018; Section 2.2.2 identifies the commercial operation date as 12/31/2018. The purpose of the initial delivery date is to indicate the date you will begin to deliver energy as part of start-up testing *ahead* of achieving commercial operation. As a result, we expect the initial delivery date to be earlier than the commercial operation date. Please propose an initial delivery date (Section 2.2.2) that is different from your commercial operation date and that provides you with enough time to complete start-up testing before commercial operation.

The enclosed final draft Standard PPA is a discussion draft; it is not a binding offer and PGE reserves the right to revise any of its variable terms, including exhibits. No binding Standard PPA will exist between PGE and Valhalla Solar, LLC unless and until PGE has

Page 3 of 3

provided Valhalla Solar, LLC with an executable Standard PPA and both Valhalla Solar, LLC and PGE have executed the document.

At this stage in the process you have several options: you can decide not to pursue a contract any further; you can propose in writing substantive changes to your project proposal or to the variable terms of the final draft Standard PPA; or you can send PGE a written request to prepare an executable Standard PPA without proposing any substantive changes to your project or the final draft contract.

If you propose substantive changes to your project or the variable terms of the final draft Standard PPA, PGE will treat your proposal as a new request for a draft Standard PPA. Within 15 business days of receiving your written proposal, PGE will send you either a new draft Standard PPA or PGE will request additional or clarifying information if PGE reasonably determines that it requires more information before it can prepare a new draft Standard PPA in response to your proposal to change contract terms or project details.

If you request an executable Standard PPA without proposing substantive changes to your project proposal or the variable terms of the final draft Standard PPA, then within 15 business days of receiving your written request, PGE will send you either an executable Standard PPA or request additional or clarifying information if PGE reasonably determines that additional information is necessary to prepare an executable Standard PPA.

Once you receive an executable Standard PPA, you can execute it without alteration and establish a legally enforceable obligation. Pursuant to PGE's Schedule 201 at Sheet No. 201-3 and OPUC Order No. 16-174 at 3, the power purchase prices you are entitled to receive under your Standard PPA will be based on PGE's Standard Avoided Costs or Renewable Avoided Costs in effect at the time that you execute an executable Standard PPA provided to you by PGE.

This letter summarizes certain aspects of the Standard PPA process; it does not address every detail of the process. Additional details will be provided for each stage in PGE's letters associated with each stage. If you have any questions, please contact PGE's me at (503) 464-7343.

Sincerely,



Angeline D. Chong |  
Portland General Electric |  
121 SW Salmon St. 3WTC0306 | Portland, Oregon 97204 |  
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enclosure: *Final Draft Standard PPA for Valhalla Solar, LLC's Valhalla Solar Project*

**EXHIBIT C**

UM 1878

Valhalla Solar, LLC

vs.

Portland General Electric Company

Portland General Electric Company's Answer



**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*

August 3, 2017

via email: [irion@sanger-law.com](mailto:irion@sanger-law.com)

Mr. Irion A. Sanger  
Sanger Law PC  
1117 SE 53<sup>rd</sup> Avenue  
Portland, OR 97215

RE: Power Purchase Demand Letters – August 2, 2017

Dear Mr. Sanger:

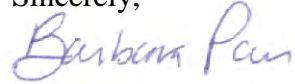
This letter is in response to the 19 demand letters you sent on August 2, 2017 in which you request that Portland General Electric Company (“PGE”) provide your client executable power purchase agreements (PPAs) by August 3, 2017 for the following projects:

1. Bottlenose Solar
2. Leatherback Solar
3. Pika Solar
4. Skyward Solar
5. Valhalla Solar
6. Whipsnake Solar
7. SSD Clackamas 1
8. SSD Clackamas 2
9. SSD Clackamas 3
10. SSD Clackamas 4
11. SSD Clackamas 6
12. SSD Clackamas 7
13. SSD Marion 1
14. SSD Marion 2
15. SSD Marion 3
16. SSD Marion 4
17. SSD Marion 5
18. SSD Marion 6
19. SSD Yamhill 1

Irion Sanger – PPA Demand Letters  
Sanger Law  
August 3, 2017  
Page 2 of 2

I am currently on vacation. I would be happy to investigate the issues you raised in your letter and discuss the projects with you when I return to the office next week. Therefore, I would appreciate it if you could hold off on filing any Complaint with the Commission until I return from my vacation.

Sincerely,

A handwritten signature in blue ink that reads "Barbara P. Saunders".

for V. Denise Saunders  
Associate General Counsel

VDS:bp

c: Brett Sims, PGE