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December 5, 2017

VIA ELECTRONIC FILING

Attention: Filing Center
Public Utility Commission of Oregon
P.O. Box 1088
Salem, Oregon 97308-1088

Re: Docket UM 1905: Portland General Electric Company's Answer to Pacific Northwest Solar LLC's Complaint

Attention Filing Center:

Attached for filing in the above-captioned docket is a copy of Portland General Electric Company's Answer to Pacific Northwest Solar, LLC's Complaint.

Please contact this office with any questions.

Very truly yours,

Alisha Till
Administrative Assistant

Attachment

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1905**

Pacific Northwest Solar, LLC,
Complainant,

v.

Portland General Electric Company,
Defendant

**PORTLAND GENERAL ELECTRIC
COMPANY’S ANSWER TO THE
COMPLAINT**

1

I. Introduction

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On October 9, 2017, Pacific Northwest Solar, LLC (PNW Solar) filed a Complaint with the Public Utility Commission of Oregon (Commission) against Portland General Electric Company (PGE or Company) regarding PNW Solar’s Firwood Project qualifying facility (QF). PNW Solar alleges that PGE has failed to comply with the Commission’s rules and PGE’s study deadlines during the process of reviewing PNW Solar’s interconnection application and negotiating an interconnection agreement. Accordingly, PNW Solar asks the Commission (among other requested relief) to confirm that PGE failed to meet applicable deadlines, to require PGE to timely complete the interconnection process, and to require an extension of the 15-year fixed price guarantee under PNW Solar’s Power Purchase Agreement (PPA).

12

Until recently, PGE had received very few QF interconnection applications, but PGE currently is experiencing an unprecedented amount of QF activity and associated interconnection requests. PGE acknowledges that its interconnection personnel have been challenged by this substantial increase in interconnection applications. PGE recognizes that

1 it may be responsible for some delays in the interconnection process as a result. However,
2 PGE disputes (a) the length of the delays asserted by PNW Solar; (b) whether the delays
3 constitute violations of the Commission's rules; (c) whether and to what extent the alleged
4 delays were caused by PGE; and (d) whether any delays in the interconnection process
5 actually have impacted the Firwood Project's online date. Indeed, whether anything that has
6 occurred so far in the study phase of the Firwood Project will cause a delay in its
7 Commercial Operation Date is speculative at this time given the amount of time and number
8 of contingencies that must be satisfied between now and the Commercial Operation Date in
9 the PPA, which PGE already has extended by at least two years. PGE remains committed to
10 timely completing the interconnection process for the Firwood Project. For these reasons,
11 PGE respectfully requests that the Commission decline to award PNW Solar's requested
12 relief and dismiss the Complaint.

13 **II. Answer**

14 PGE hereby answers PNW Solar's Complaint. PGE denies any allegation not
15 specifically admitted herein and reserves the right to supplement this Answer if PNW Solar
16 amends its Complaint. With respect to the particular paragraphs of the Complaint, PGE
17 answers as follows:

18 **III. Identity of Parties**

- 19 1. PGE admits the allegations in paragraph 1.
20 2. PGE has insufficient information or knowledge to admit or deny the truth of the
21 allegations in paragraph 2 of the Complaint, which relate to the identity and
22 corporate structure of PNW Solar, and therefore denies the same.

1 **IV. Applicable Statutes and Regulations**

2 3. Paragraph 3 contains statements and conclusions of law, which require no response.

3 4. Paragraph 4 contains statements and conclusions of law, which require no response.

4 **V. Jurisdiction**

5 5. Paragraph 5 contains statements and conclusions of law, which require no response.

6 6. Paragraph 6 contains statements and conclusions of law, which require no response.

7 7. Paragraph 7 contains statements and conclusions of law, which require no response.

8 PGE admits that it is a public utility, as defined in ORS 758.505(7).

9 **VI. Factual Background**

10 8. PGE admits that PNW Solar has requested that PGE study the interconnection of a
11 10 MW solar generation facility located in Clackamas County, OR.

12 9. PGE admits that PNW Solar has applied to interconnect the Firwood Project to
13 PGE.

14 10. PGE admits the allegations in paragraph 10.

15 11. PGE denies the allegations in paragraph 11.

16 12. PGE admits the allegations in paragraph 12.

17 13. PGE admits the allegations in paragraph 13.

18 14. PGE admits that, on July 25, 2016, PNW Solar emailed PGE a Feasibility Study
19 Agreement that it had signed and dated July 18, 2016. PGE has insufficient
20 information or knowledge to admit or deny the truth of the allegations in paragraph
21 14 of the Complaint regarding PNW Solar mailing a check, and therefore denies the
22 same.

23 15. PGE admits the allegations in paragraph 15.

- 1 16. PGE admits the allegations in paragraph 16.
- 2 17. PGE denies the allegations in paragraph 17. On August 18, 2016, PGE emailed
3 PNW Solar regarding misrouting of checks, but the email made no mention of the
4 Feasibility Study Agreement.
- 5 18. PGE denies the characterization of Section 7 of the Feasibility Study Agreement in
6 paragraph 21 of the Complaint. Section 7 states in full, “The Feasibility Study shall
7 be completed and the results shall be transmitted to Applicant within thirty (30)
8 calendar days after this Agreement is signed by the Parties unless an alternate
9 schedule has been agreed to by parties. Attachment B shall be incorporated as part
10 of this Agreement.” Attachment B to the Feasibility Study Agreement states, “PGE
11 will need at least 60 days to complete the study from time we receive both the
12 signed study agreement and the initial study deposit of \$1000.00.” PGE denies that
13 it stated the study would be delivered by October 15, 2016.
- 14 19. PGE has insufficient information or knowledge to admit or deny the truth of the
15 allegations in paragraph 19 of the Complaint, and therefore denies the same.
- 16 20. PGE admits that it emailed PNW Solar the results of the Feasibility Study on
17 January 6, 2017, but denies the remainder of the allegations in paragraph 20 of the
18 Complaint.
- 19 21. PGE admits that it emailed PNW Solar the results of the Feasibility Study on
20 January 6, 2017, but denies the remainder of the allegations in paragraph 21 of the
21 Complaint.
- 22 22. PGE admits the allegations in paragraph 22.

- 1 23. PGE admits that, on May 8, 2017, PNW Solar emailed PGE a System Impact Study
2 Agreement that it had signed and dated May 8, 2017. PGE has insufficient
3 information or knowledge to admit or deny the truth of the allegations in paragraph
4 23 of the Complaint regarding when PNW Solar mailed the Agreement and the
5 deposit, and therefore denies the same.
- 6 24. PGE admits the allegations in paragraph 24.
- 7 25. PGE has insufficient information or knowledge to admit or deny the truth of the
8 allegations in paragraph 25 of the Complaint, and therefore denies the same. The
9 System Impact Study is complete, and PGE provided the results to PNW Solar on
10 November 30, 2017.
- 11 26. PGE admits the allegations in paragraph 26. PGE provided the results of the
12 System Impact Study to PNW Solar on November 30, 2017.
- 13 27. PGE denies the allegations in paragraph 27.
- 14 28. PGE admits that PNW Solar asked to extend the dates in Sections 2.2.1 and 2.2.2 of
15 the PPA by one year. PNW Solar’s PPA has been amended to extend the requested
16 dates by at least two years.
- 17 29. PGE admits that, on June 23, 2017, PNW Solar sent a letter to PGE that was
18 incorrectly dated May 8, 2017. PGE denies that the letter explained how delays in
19 the interconnection process had harmed PNW Solar.
- 20 30. PGE admits the allegations in paragraph 30.
- 21 31. PGE admits that PGE’s Feasibility Study Agreement and System Impact Study
22 Agreement submitted to the Commission in Docket No. AR 521 state that the
23 studies will be completed “within thirty (30) calendar days after this Agreement is

1 signed by the Parties unless an alternate schedule has been agreed to by parties.”
2 PGE denies that its Facilities Study Agreement provides a 30-day timeline in all
3 situations. Rather, the Facilities Study Agreement provides that the Facilities Study
4 will be completed within 30 calendar days “[i]n cases where no System Upgrade or
5 Interconnection Facilities is required.”

6 32. PGE admits the allegations in paragraph 32.

7 33. PGE admits the allegations in paragraph 33. Although PGE always has maintained
8 a QF interconnection queue, ordered by the date on which completed applications
9 and application fees were received, pursuant to OAR 860-082-0015(29), PGE did
10 not begin assigning queue numbers to keep track of each applicant’s queue position
11 until January 2017.

12 34. PGE has insufficient information or knowledge to admit or deny the truth of the
13 allegations in paragraph 34, and therefore denies the same. Firwood was assigned a
14 queue position when its application was complete and application fees received,
15 pursuant to OAR 860-082-0015(29). Firwood was assigned a queue number in or
16 around January 2017.

17 **VII. Legal Claims**

18 **Complainant’s First Claim for Relief**

19 35. In response to paragraph 35 of Complainant’s First Claim for Relief, PGE refers to
20 and incorporates herein all the preceding paragraphs.

21 36. The allegations in paragraph 36 are legal conclusions and require no response.
22 Therefore, PGE denies the same.

1 37. The allegations in paragraph 37 are legal conclusions and require no response.
2 Therefore, PGE denies the same.

3 38. The allegations in paragraph 38 are legal conclusions and require no response.
4 Therefore, PGE denies the same.

5 39. The allegations in paragraph 39 are legal conclusions and require no response.
6 Therefore, PGE denies the same.

7 40. The allegations in paragraph 40 are legal conclusions and require no response.
8 Therefore, PGE denies the same.

9 41. The allegations in paragraph 41 are legal conclusions and require no response.
10 Therefore, PGE denies the same.

11 42. The allegations in paragraph 42 are legal conclusions and require no response.
12 Therefore, PGE denies the same.

13 43. The allegations in paragraph 43 are legal conclusions and require no response.
14 Therefore, PGE denies the same.

15 44. The allegations in paragraph 44 are legal conclusions and require no response.
16 Therefore, PGE denies the same.

17 45. The allegations in paragraph 45 are legal conclusions and require no response.
18 Therefore, PGE denies the same.

19 46. The allegations in paragraph 46 are legal conclusions and require no response.
20 Therefore, PGE denies the same.

21 47. The allegations in paragraph 47 are legal conclusions and require no response.
22 Therefore, PGE denies the same.

1 48. The allegations in paragraph 48 are legal conclusions and require no response.
2 Therefore, PGE denies the same.

3 49. The allegations in paragraph 49 are legal conclusions and require no response.
4 Therefore, PGE denies the same.

5 50. The allegations in paragraph 50 are legal conclusions and require no response.
6 Therefore, PGE denies the same.

7 51. The allegations in paragraph 51 are legal conclusions and require no response.
8 Therefore, PGE denies the same.

9 52. The allegations in paragraph 52 are legal conclusions and require no response.
10 Therefore, PGE denies the same.

11 53. The allegations in paragraph 53 are legal conclusions and require no response.
12 Therefore, PGE denies the same.

13 54. The allegations in paragraph 54 are legal conclusions and require no response.
14 Therefore, PGE denies the same. PGE provided the System Impact Study results on
15 November 30, 2017.

16 55. The allegations in paragraph 55 are legal conclusions and require no response.
17 Therefore, PGE denies the same.

18 **Complainant's Second Claim for Relief**

19 56. In response to paragraph 56 of Complainant's Second Claim for Relief, PGE refers
20 to and incorporates herein all the preceding paragraphs.

21 57. The allegations in paragraph 57 are legal conclusions and require no response.
22 Therefore, PGE denies the same.

1 58. The allegations in paragraph 58 are legal conclusions and require no response.
2 Therefore, PGE denies the same.

3 59. The allegations in paragraph 59 are legal conclusions and require no response.
4 Therefore, PGE denies the same.

5 **Complainant's Third Claim for Relief**

6 60. In response to paragraph 60 of Complainant's Third Claim for Relief, PGE refers to
7 and incorporates herein all the preceding paragraphs.

8 61. The allegations in paragraph 61 are legal conclusions and require no response.
9 Therefore, PGE denies the same.

10 62. The allegations in paragraph 62 are legal conclusions and require no response.
11 Therefore, PGE denies the same.

12 63. The allegations in paragraph 63 are legal conclusions and require no response.
13 Therefore, PGE denies the same.

14 64. The allegations in paragraph 64 are legal conclusions and require no response.
15 Therefore, PGE denies the same.

16 **Complainant's Fourth Claim for Relief**

17 65. In response to paragraph 65 of Complainant's Fourth Claim for Relief, PGE refers
18 to and incorporates herein all the preceding paragraphs.

19 66. PGE admits the allegations in paragraph 66.

20 67. PGE admits the allegations in paragraph 67.

21 68. The allegations in paragraph 68 are legal conclusions and require no response.
22 Therefore, PGE denies the same.

1 69. The allegations in paragraph 69 are legal conclusions and require no response.
2 Therefore, PGE denies the same.

3 70. The allegations in paragraph 70 are legal conclusions and require no response.
4 Therefore, PGE denies the same.

5 **VIII. PGE's Defenses**

6 71. PNW Solar failed to timely provide the Feasibility Study deposit and disputed that
7 such a deposit was required. PNW Solar's actions delayed the initiation of the
8 Feasibility Study.

9 72. While the Feasibility Study was being conducted, PNW Solar sold the Firwood
10 Project to NextEra Energy (NextEra). After receiving the results of the Feasibility
11 Study, NextEra inquired about evaluating the Firwood Project on a different line
12 and then stopped responding to PGE's emails. PGE placed the interconnection
13 process on hold, as a result of NextEra's lack of communication and indication that
14 it did not plan to proceed with the project in the same location. On May 1, 2017,
15 PNW Solar notified PGE that it had reacquired the Firwood Project and requested
16 the System Impact Study Agreement, which PGE provided on May 5, 2017. Any
17 delays in the provision of the System Impact Study Agreement were the result of
18 NextEra's or PNW Solar's actions, not PGE's.

19 73. The Commission's interconnection rules require only that PGE's study agreements
20 contain a reasonable schedule for completion of the study and that PGE make
21 reasonable, good-faith efforts to follow the schedule; the rules do not contemplate
22 that every departure from a study's estimated schedule constitutes a violation of the
23 rules. PGE's interconnection personnel and engineers made reasonable, good faith

1 efforts to accurately estimate the time required to complete the Feasibility and
2 System Impact Studies and to adhere to those estimates in completing the Studies,
3 in light of the rapidly increasing number of interconnection requests. PGE's
4 interconnection personnel and engineers have continued to refine their study
5 estimates and procedures as the number of QF interconnection requests have
6 increased.

7 74. PGE always has maintained a QF interconnection queue, ordered by the date on
8 which completed applications and application fees were received, pursuant to OAR
9 860-082-0015(29). Because PGE previously received very few QF interconnection
10 applications, it was not necessary for PGE to assign queue numbers to keep track of
11 each applicant's queue position. After the volume of applications increased, PGE
12 began assigning queue numbers in January 2017.

13 75. Other factors unrelated to the interconnection process may have caused or may
14 result in delay to the date on which the Firwood Project ultimately comes online.
15 PGE should not be held responsible for any delays that occurred in the
16 interconnection process if such delays do not actually affect the date on which the
17 Firwood Project comes online.

18 76. PGE already has amended PNW Solar's PPA to extend the date for initial deliveries
19 of Net Output and the Commercial Operation Date by at least two years.

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2
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IX. Prayer for Relief

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

Dated: December 5, 2017

McDOWELL RACKNER GIBSON PC



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