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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 1904: 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 1904**

Pacific Northwest Solar, LLC,
Complainant,

v.

Portland General Electric Company,
Defendant

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

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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 Duus 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).

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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

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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 Duus Project's online date. Indeed, whether anything that has
6 occurred so far in the study phase of the Duus Project will cause a delay in its Commercial
7 Operation Date is speculative at this time given the amount of time and number of
8 contingencies that must be satisfied between now and the Commercial Operation Date in the
9 PPA, which PGE already has extended by at least two years. PGE remains committed to
10 timely completing the interconnection process for the Duus Project. For these reasons, PGE
11 respectfully requests that the Commission decline to award PNW Solar's requested relief and
12 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.

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IV. Applicable Statutes and Regulations

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

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

V. Jurisdiction

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

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

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

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

VI. Factual Background

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

9. PGE admits that PNW Solar has applied to interconnect the Duus Project to PGE.

10. PGE admits the allegations in paragraph 10.

11. PGE admits the allegations in paragraph 11.

12. PGE admits the allegations in paragraph 12.

13. PGE admits the allegations in paragraph 13.

14. PGE admits the allegations in paragraph 14.

15. PGE admits the allegations in paragraph 15.

16. PGE admits the allegations in paragraph 16.

17. PGE admits that, on July 25, 2016, PNW Solar emailed PGE a Feasibility Study Agreement that it had signed and dated July 18, 2016. PGE has insufficient information or knowledge to admit or deny the truth of the allegations in paragraph

1 17 of the Complaint regarding PNW Solar mailing a check, and therefore denies the
2 same.

3 18. PGE admits the allegations in paragraph 18.

4 19. PGE admits the allegations in paragraph 19.

5 20. PGE denies the allegations in paragraph 20. On August 18, 2016, PGE emailed
6 PNW Solar regarding misrouting of checks, but the email made no mention of the
7 Feasibility Study Agreement.

8 21. PGE denies the characterization of Section 7 of the Feasibility Study Agreement in
9 paragraph 21 of the Complaint. Section 7 states in full, “The Feasibility Study shall
10 be completed and the results shall be transmitted to Applicant within thirty (30)
11 calendar days after this Agreement is signed by the Parties unless an alternate
12 schedule has been agreed to by parties. Attachment B shall be incorporated as part
13 of this Agreement.” Attachment B to the Feasibility Study Agreement states, “PGE
14 will need at least 60 days to complete the study from time we receive both the
15 signed study agreement and the initial study deposit of \$1000.00.” PGE denies that
16 it stated the study would be delivered by October 15, 2016.

17 22. PGE has insufficient information or knowledge to admit or deny the truth of the
18 allegations in paragraph 22 of the Complaint, and therefore denies the same.

19 23. PGE admits that it emailed PNW Solar the results of the Feasibility Study on
20 October 26, 2016, but denies the remainder of the allegations in paragraph 23 of the
21 Complaint.

- 1 24. PGE admits that it emailed PNW Solar the results of the Feasibility Study on
2 October 26, 2016, but denies the remainder of the allegations in paragraph 24 of the
3 Complaint.
- 4 25. PGE admits the allegations in paragraph 25.
- 5 26. PGE admits that, on March 10, 2017, PNW Solar emailed PGE a System Impact
6 Study Agreement that it had signed and dated March 10, 2017. PGE has
7 insufficient information or knowledge to admit or deny the truth of the allegations
8 in paragraph 26 of the Complaint regarding when PNW Solar mailed the
9 Agreement and the deposit, and therefore denies the same. PGE admits that, on
10 March 24, 2017, PGE confirmed that it had received the study deposit on March 17,
11 2017.
- 12 27. PGE admits that Attachment A to the System Impact Study Agreement states that
13 the study “shall be completed and the results transmitted to the Applicant within
14 thirty (30) business days.”
- 15 28. PGE has insufficient information or knowledge to admit or deny the truth of the
16 allegations in paragraph 28 of the Complaint, and therefore denies the same.
- 17 29. PGE admits the allegations in paragraph 29.
- 18 30. PGE admits the allegations in paragraph 30.
- 19 31. PGE admits the allegations in paragraph 31.
- 20 32. PGE admits the allegations in paragraph 32.
- 21 33. PGE admits the allegations in paragraph 33.
- 22 34. PGE admits the allegations in paragraph 34.

1 35. PGE has insufficient information or knowledge to admit or deny the truth of the
2 allegations in paragraph 35 of the Complaint, and therefore denies the same. The
3 Facilities Study is complete, and PGE provided the results to PNW Solar on
4 November 30, 2017.

5 36. PGE admits the allegations in paragraph 36. As of the date PNW Solar filed its
6 Complaint, the estimated completion date for the Facilities Study had not yet
7 passed. PGE provided the results of the Facilities Study to PNW Solar on
8 November 30, 2017.

9 37. PGE denies the allegations in paragraph 37.

10 38. PGE admits that PNW Solar asked to extend the dates in Sections 2.2.1 and 2.2.2 of
11 the PPA by one year. PNW Solar's PPA has been amended to extend the requested
12 dates by at least two years.

13 39. PGE admits that, on June 23, 2017, PNW Solar sent a letter to PGE that was
14 incorrectly dated May 8, 2017. PGE denies that the letter explained how delays in
15 the interconnection process had harmed PNW Solar.

16 40. PGE admits the allegations in paragraph 40.

17 41. PGE admits that PGE's Feasibility Study Agreement and System Impact Study
18 Agreement submitted to the Commission in Docket No. AR 521 state that the
19 studies will be completed "within thirty (30) calendar days after this Agreement is
20 signed by the Parties unless an alternate schedule has been agreed to by parties."
21 PGE denies that its Facilities Study Agreement provides a 30-day timeline in all
22 situations. Rather, the Facilities Study Agreement provides that the Facilities Study

1 will be completed within 30 calendar days “[i]n cases where no System Upgrade or
2 Interconnection Facilities is required.”

3 42. PGE admits the allegations in paragraph 42.

4 43. PGE admits the allegations in paragraph 43. Although PGE always has maintained
5 a QF interconnection queue, ordered by the date on which completed applications
6 and application fees were received, pursuant to OAR 860-082-0015(29), PGE did
7 not begin assigning queue numbers to keep track of each applicant’s queue position
8 until January 2017.

9 44. PGE denies the allegations in paragraph 44. Duus was assigned a queue position
10 when its application was complete and application fees received, pursuant to OAR
11 860-082-0015(29). Duus was assigned a queue number in or around January 2017.

12 **VII. Legal Claims**

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

14 45. In response to paragraph 45 of Complainant’s First Claim for Relief, PGE refers to
15 and incorporates herein all the preceding paragraphs.

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

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

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

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

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

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

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

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

9 54. The allegations in paragraph 54 are legal conclusions and require no response.
10 Therefore, PGE denies the same.

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

13 56. The allegations in paragraph 56 are legal conclusions and require no response.
14 Therefore, PGE denies the same.

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

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

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

21 60. The allegations in paragraph 60 are legal conclusions and require no response.
22 Therefore, PGE denies the same.

1 61. The allegations in paragraph 61 are legal conclusions and require no response.

2 Therefore, PGE denies the same.

3 62. The allegations in paragraph 62 are legal conclusions and require no response.

4 Therefore, PGE denies the same.

5 63. The allegations in paragraph 63 are legal conclusions and require no response.

6 Therefore, PGE denies the same.

7 64. The allegations in paragraph 64 are legal conclusions and require no response.

8 Therefore, PGE denies the same.

9 65. The allegations in paragraph 65 are legal conclusions and require no response.

10 Therefore, PGE denies the same.

11 66. The allegations in paragraph 66 are legal conclusions and require no response.

12 Therefore, PGE denies the same.

13 67. The allegations in paragraph 67 are legal conclusions and require no response.

14 Therefore, PGE denies the same.

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

16 68. In response to paragraph 68 of Complainant's Second Claim for Relief, PGE refers
17 to and incorporates herein all the preceding paragraphs.

18 69. The allegations in paragraph 69 are legal conclusions and require no response.

19 Therefore, PGE denies the same.

20 70. The allegations in paragraph 70 are legal conclusions and require no response.

21 Therefore, PGE denies the same.

22 71. The allegations in paragraph 71 are legal conclusions and require no response.

23 Therefore, PGE denies the same.

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

2 72. In response to paragraph 72 of Complainant's Third Claim for Relief, PGE refers to
3 and incorporates herein all the preceding paragraphs.

4 73. The allegations in paragraph 73 are legal conclusions and require no response.
5 Therefore, PGE denies the same.

6 74. The allegations in paragraph 74 are legal conclusions and require no response.
7 Therefore, PGE denies the same.

8 75. The allegations in paragraph 75 are legal conclusions and require no response.
9 Therefore, PGE denies the same.

10 76. The allegations in paragraph 76 are legal conclusions and require no response.
11 Therefore, PGE denies the same.

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

13 77. In response to paragraph 77 of Complainant's Fourth Claim for Relief, PGE refers
14 to and incorporates herein all the preceding paragraphs.

15 78. PGE admits the allegations in paragraph 78.

16 79. PGE admits the allegations in paragraph 79.

17 80. The allegations in paragraph 80 are legal conclusions and require no response.
18 Therefore, PGE denies the same.

19 81. The allegations in paragraph 81 are legal conclusions and require no response.
20 Therefore, PGE denies the same.

21 82. The allegations in paragraph 82 are legal conclusions and require no response.
22 Therefore, PGE denies the same.

VIII. PGE’s Defenses

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83. PNW Solar failed to timely provide the Feasibility Study deposit and disputed that such a deposit was required. PNW Solar’s actions delayed the initiation of the Feasibility Study.

84. After receiving the results of the Feasibility Study, PNW Solar asked PGE a number of questions about the interconnection requirements for different project sizes. PNW Solar’s actions delayed the provision of the System Impact Study Agreement.

85. The Commission’s interconnection rules require only that PGE’s study agreements contain a reasonable schedule for completion of the study and that PGE make reasonable, good-faith efforts to follow the schedule; the rules do not contemplate that every departure from a study’s estimated schedule constitutes a violation of the rules. PGE’s interconnection personnel and engineers made reasonable, good faith efforts to accurately estimate the time required to complete the Feasibility, System Impact, and Facilities Studies and to adhere to those estimates in completing the Studies, in light of the rapidly increasing number of interconnection requests. PGE’s interconnection personnel and engineers have continued to refine their study estimates and procedures as the number of QF interconnection requests have increased.

86. PGE always has maintained a QF interconnection queue, ordered by the date on which completed applications and application fees were received, pursuant to OAR 860-082-0015(29). Because PGE previously received very few QF interconnection applications, it was not necessary for PGE to assign queue numbers to keep track of

1 each applicant’s queue position. After the volume of applications increased, PGE
2 began assigning queue numbers in January 2017.

3 87. Other factors unrelated to the interconnection process may have caused or may
4 result in delay to the date on which the Duus Project ultimately comes online. PGE
5 should not be held responsible for any delays that occurred in the interconnection
6 process if such delays do not actually affect the date on which the Duus Project
7 comes online.

8 88. PGE already has amended PNW Solar’s PPA to extend the date for initial deliveries
9 of Net Output and the Commercial Operation Date by at least two years.

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IX. Prayer for Relief

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PGE respectfully requests that the Commission deny PNW Solar's requested relief

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and dismiss the Complaint.

Dated: December 5, 2017

MCDOWELL RACKNER GIBSON PC



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