BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1877-UM 1882, UM 1884-UM 1886, UM 1888-UM 1890

In the Matters of

BOTTLENOSE SOLAR, LLC; VALHALLA SOLAR, LLC; WHIPSNAKE SOLAR, LLC; SKYWARD SOLAR, LLC; LEATHERBACK SOLAR, LLC; PIKA SOLAR, LLC; COTTONTAIL SOLAR, LLC; OSPREY SOLAR, LLC; WAPITI SOLAR, LLC; BIGHORN SOLAR, LLC; MINKE SOLAR, LLC; HARRIER SOLAR, LLC,

Complainants,

V.

PORTLAND GENERAL ELECTRIC COMPANY,

Defendant.

MOTION TO COMPEL DISCOVERY

EXPEDITED CONSIDERATION REQUESTED

I. INTRODUCTION

Bottlenose Solar, LLC, Valhalla Solar, LLC, Whipsnake Solar, LLC, Skyward Solar, LLC, Leatherback Solar, LLC, Pika Solar, LLC, Cottontail Solar, LLC, Osprey Solar, LLC, Wapiti Solar, LLC, Bighorn Solar, LLC, Minke Solar, LLC, and Harrier Solar, LLC ("Complainants") file this Motion to Compel Discovery, requesting that the Oregon Public Utility Commission (the "Commission" or "OPUC") Administrative Law Judge ("ALJ") Allan Arlow require Portland General Electric Company ("PGE") to provide full and complete answers to Complainants' Data Requests numbered two and three to PGE.

Complainants request expedited consideration of this motion. Delays benefit PGE and allow PGE to simply run out the clock because the Complainants incur additional costs and risks, which increase the possibility that the projects will become uneconomic. Complainants filed these complaints in early August 2017, and PGE was already provided over two months to file its answers. Complainants' opening testimony is due February 12, 2018¹ and Complainants will need time to review PGE's data responses prior to that deadline. Additionally, PGE has stated that it will need time to gather the requested information. While PGE should immediately begin gathering the documents given the possibility that it will be compelled to provide responses, the sooner the parties get a decision on this motion, the less of an excuse PGE will have to not provide the information and the more time Complainants will have to review prior to filling their opening testimony. Therefore, the Complainants request that PGE be directed to provide responsive information no later than January 12, 2018, which is one month prior to Complainants' testimony deadline.

PGE refused to provide information relevant to Complainants' complaints and the defenses asserted in PGE's answers. Specifically, these data requests are relevant to the allegations that PGE has delayed and obstructed progress towards executing power purchase agreements ("PPAs") and PGE's assertion that Commission rules and its own policies require qualifying facilities ("QFs") to go through a three-stage (draft, final, executable) contracting process. Attachment A includes Complainants' Data Requests Numbers two and three to PGE and PGE's responses.

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Docket Nos. UM 1877-UM 1882, UM 1884-UM 1886, UM 1888-UM 1890, Prehearing Conference Report (Nov. 14, 2017).

Pursuant to OAR 860-001-0420 and 860-001-0500, Complainants have made a good faith effort to confer and resolve this discovery dispute, but have been unable to reach an agreement.

II. BACKGROUND

Complainants filed their complaints between August 7 and 14, 2017, requesting that the Commission: 1) find PGE in violation of the mandatory purchase obligations of the Oregon and federal Public Utility Regulatory Policies Acts ("PURPA"), its own Schedule 201, and related state and federal regulations, policies, and orders; 2) order PGE to enter into a PPA or legally enforceable obligation with Complainants to purchase the net output of Complainants' projects at the Schedule 201 rates in effect when the Complainants executed the PPAs; and 3) impose any other relief the Commission deems necessary. PGE filed its answers between October 11 to 18, 2017, and ALJ Arlow adopted a schedule on November 14, 2017.

One reason Complainants are entitled to relief is because PGE delayed and obstructed progress towards a final executable PPA.² The Commission has been made aware of some of the delay tactics PGE has been using in its contracting process.³ Of

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See e.g. Docket No. UM 1877, Complaint at 2 & ¶ 95 (Aug. 7, 2017).

See Re PGE Application to Lower Standard Price and Contract Eligibility Cap for Solar QFs, Docket No. UM 1854, The Northwest and Intermountain Power Producers Coalition, Community Renewable Energy Association, and the Renewable Energy Coalition's Joint Response at 36-39 (July 27, 2017). (citations omitted) ("refusing to answer phone calls or return voice messages; returning contracts with completed information different than what the QF developer included; requiring developers to wait an additional 15 business days to obtain the next draft of a PPA after PGE mistakenly inputted basic information; requiring developers to submit exactly the same information multiple times to obtain PPAs; rejecting applications that included exactly the same information that it used to previously execute PPAs; requiring projects to agree to metering requirements typically included in the interconnection process; including requesting types of

particular importance to this motion, PGE distinguishes between "draft," "final draft" and "executable" contracts.⁴ PGE asserts that, at a minimum, three stages are required: a draft contract, a final draft contract, and an executable contract.⁵ PGE's position delays the PPA contracting process by at least an additional 15 business days because PGE has a practice of taking all the time allowed, plus additional time when it misses its due dates.

Relevant to this motion, Complainants dispute: 1) that each of these stages is required by Commission rule or by PGE's own Schedule 201; and 2) that PGE has uniformly followed its own procedure. Once the terms in a draft contract are agreed upon, the Complainants assert that a QF can request an executable contract. PGE's additional "final draft" phase is unnecessary and just serves the purpose of delaying and obstructing progress towards a final executable contract by at least an additional 15 business days. Thus, once the parties are in complete agreement to all terms and conditions, PGE's practices result in an at least a six-week period of time prior to PGE providing an executable contract. This motion to compel does not address the legal arguments

information that it never previously requested; refusing to accept requests for PPAs based on its self-imposed limitations; requiring projects to include voluminous and unnecessary details in their PPAs; challenging the nameplate capacity of projects that previously sold power to PacifiCorp; raising entirely new issues late in the contracting process and immediately before contract execution; making numerous mistakes when filling out PPAs that represent either extreme sloppiness or intentional delay; incorrectly calculating the dates for responding with draft, final and executable PPAs or requests for additional information; asking developers to fill in information to locked Excel files; PGE stopping the entire negotiation process if a QF disagrees with PGE or attempts to correct a PGE mistake, inserting different commercial operation dates without notifying the developer, and often taking more than the required time to respond").

See e.g. Docket No. UM 1877, Answer of Portland General Electric Company ¶ 87 (Oct. 11, 2017).

⁵ Attachment A (PGE Response to Data Request No. 3).

In contrast, the Federal Energy Regulatory Commission has found that a legally enforceable obligation can be found in about one month. Rainbow Ranch Wind,

regarding whether or not PGE is required to impose its "three-stage" process on all contracts, or whether PGE's actions are consistent with state and federal PURPA laws and policies.

Instead, the Complainants focus in this motion is on PGE's actual practices and whether or not PGE has consistently required QFs to go through the three steps of draft, final and executable PPAs. If PGE has not uniformly followed its three-stage process, then PGE's insistence that Complainants follow this unnecessary process supports the argument that PGE has delayed and obstructed progress towards an executable PPA. Essentially, it becomes more likely that PGE has recently manufactured this three-stage process as another tool to further delay the contracting process, and that PGE is discriminating against the Complainants.

Complainants' data requests seek information relevant to PGE's assertion that this three-stage process is required and uniformly applied to all QFs. Among other things, Complainants requested: 1) copies of PGE's internal policies regarding the negotiation of standard QF contracts;⁷ 2) the dates that PGE has provided a draft, final, and executable PPA for each QF contract executed in the last 10 years; 3) PGE's policy regarding this three-stage process; and 4) underlying documents supporting whether PGE followed the three-stage process.⁸

<u>LLC</u>, 139 FERC ¶ 61,077 at PP 2-5, 24 (2012); <u>Grouse Creek Wind Park, LLC</u>, 142 FERC ¶ 61,187, at PP 37-39 (2013).

Complainants are not filing a motion to compel regarding this data request at this time, but are attempting to informally resolve a discovery dispute related to PGE's refusal to answer this question.

Attachment A (Data Requests Nos. 1, 2 and 3)(electronic files not included).

PGE objects to Complainants' requests and asserts that it has not tracked the information requested until May 2017. In order to reduce any burdens on PGE, the Complainants are willing to accept the underlining documents and communications, and Complainants will compile the information into a useable format. In the end, it is impossible for Complainants to determine whether PGE has uniformly followed this procedure without the data it requested. In addition, the Complainants are willing to drop their motion to compel, if PGE will stipulate and admit that it has not consistently followed its claimed three-stage process prior to May 2017.

III. LEGAL STANDARD

In a proceeding before the Commission, discovery is a matter of right, and the Commission follows the Oregon court rules of discovery to the extent not inconsistent with the Commission's administrative rules. ¹⁰ Under the Oregon Rules of Civil Procedure ("ORCP"), a party is entitled to discovery of any document that is relevant to a claim or defense. ¹¹ Specifically, "parties may inquire regarding any matter, not privileged, which is relevant to the claim or defense of the party seeking discovery or to the claim or defense of any other party." Additionally, although not provided for in the ORCP, the Commission's rules also provide parties with the right to written interrogatories into potentially relevant matters. ¹² Relevant evidence must: 1) tend to

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^{&#}x27; Id.

OAR 860-001-0000(1); OAR 860-001-0500; In Re Pacific Power & Light, dba
PacifiCorp, Docket No. UE 177, Order No. 08-003 at 2 (2008); In Re Portland
General Elec. Co., Docket No. UE 102, Order No. 98-294 at 3 (1998)
("[d]iscovery is a right afforded to parties in a legal proceeding by our rules and by the Oregon Rules of Civil Procedure, which we follow except where our rules differ").

ORCP 36(B).

OAR 860-001-0540(1).

make the existence of any fact at issue in the proceedings more or less probable than it would be without the evidence; and 2) be of the type commonly relied upon by reasonably prudent persons in the conduct of their serious affairs. 13

In addition, "[i]t is not ground for objection that the information sought will be inadmissible at the trial if the information sought appears reasonably calculated to lead to discovery of admissible evidence." ¹⁴ The Oregon courts and the Commission have affirmed that the information sought need not be admissible itself, as long as it is reasonably calculated to lead to the discovery of admissible evidence.¹⁵

The Commission allows a party to file a motion to compel. 16 Under ORCP 46, a party may move to compel production if the opposing party is not responsive to the discovery request. On a motion to compel, "an evasive or incomplete answer is to be treated as a failure to answer." The Commission expects utilities to err "on the side of producing too much information . . . rather than too little." ¹⁸

IV. **ARGUMENT**

PGE should be compelled to respond fully and provide Complainants with the data requested because it is relevant to the claim that PGE has delayed and obstructed progress towards an executed PPA and PGE's objections cannot stand.

Complainants requested that PGE provide the dates that PGE provided a draft, final, and executable PPA for each QF contract that PGE executed in the last ten years,

14 ORCP 36(B).

¹³ OAR 860-001-0450(1).

¹⁵ Baker v. English, 324 Or 585, 588 n.3 (1997); In Re Portland Extended Area Service Region, Docket No. UM 261, Order No. 91-958 at 5 (July 31, 1991).

¹⁶ OAR 860-001-0500(7).

¹⁷ ORCP 46A(3).

¹⁸ Re Portland General Electric Co., Docket No. UE 196, Order No. 09-046 at 8 (Feb. 5, 2009).

and the underlying documents that support whether that three-stage process was followed. PGE objected that the requests are "vague, ambiguous, unduly burdensome, overly broad, unreasonably cumulative, unreasonably duplicative, may seek irrelevant, confidential or privileged information, and that responding to the request would require PGE to develop information or prepare a study for another party." PGE also responded that PGE developed a system for tracking is processing of solar QF applications in May 2017 and instead provided a list of currently effective PPAs and the limited information in the three monthly compliance reports it filed in OPUC Docket No. UM 1854.

The dates PGE provided draft, final, and executable contracts are relevant to the issues of whether PGE has an internal policy and whether PGE has consistently followed it. Depending on when the drafts for the eventually executed contracts become due and how far apart those dates were spaced, they would tend to make the existence of PGE's internal three-stage policy more or less probable and would tend to prove or disprove whether PGE has consistently followed that policy. The list of currently effective QF PPAs does not help Complainants determine whether PGE has followed the three-stage process for those QFs. It is also not helpful to only review the processing of PPA requests prior to May 2017. Since PGE indicates it was at that time that PGE experienced growth in QF activity, it was at or around that time that the incentive for PGE to delay the contracting process increased. Complainants need to know whether PGE had this policy and followed this procedure prior to its recent efforts to develop new and creative ways to slow down the contract negotiation process.

¹⁹ Attachment A (Data Requests Nos. 1, 2 and 3).

This is the kind of information commonly relied upon by reasonably prudent persons in the conduct of their serious affairs. The Commission has already determined this information is relevant to evaluate and monitor PGE's actions. In UM 1854, among other things, PGE requested that the Commission lower the standard rate eligibility cap to 2 megawatts, and declare a solar QF project with capacity above 100 kilowatts as not eligible for a standard contract or avoided cost prices if any owner of the solar QF project requested or obtained standard prices from PGE for more than 10 megawatts of solar capacity. QFs and renewable energy trade associations opposed that request, with some parties pointing out that PGE was engaging in abusive, illegal, obstructionist, and discriminatory practices.²⁰ Staff was concerned that PGE was not following the contracting and timing requirements in Schedule 201 and proposed the unusual condition that PGE to file a monthly report on QF contracting activity.²¹ The Commission granted Staff's request for PGE to file monthly reports.²²

In its data responses to the Complainants, PGE simply provided the spreadsheets already publicly available in UM 1854, including the dates certain recent sellers requested contracts and the dates PGE provided them. The fact that the Commission has required PGE to provide this information demonstrates that the dates are information commonly relied and relevant to determining whether PGE's process is being followed.

Re PGE Application to Lower Standard Price and Contract Eligibility Cap for Solar QFs, Docket No. UM 1854, The Northwest and Intermountain Power Producers Coalition, Community Renewable Energy Association, and the Renewable Energy Coalition's Joint Response at 36-39 (July 27, 2017).

Re PGE Application to Lower Standard Price and Contract Eligibility Cap for Solar QFs, Docket No. UM 1854, Staff Response at 6 (July 27, 2017).

Re PGE Application to Lower Standard Price and Contract Eligibility Cap for Solar QFs, Docket No. UM 1854, Order No. 17-310 at 7-8 (Aug. 18, 2017).

PGE's objections fail on their merits because PGE has not stated why it believes these requests are overly broad or unduly burdensome. First, the requests are not vague or ambiguous. Complainants have clarified its requests with PGE as a part of its efforts to resolve this discovery dispute, but PGE has still refused to provide the requested information. The Complainants have made themselves available to discuss any alleged vagueness or ambiguity. Second, these requests are also not unreasonably cumulative or duplicative because Complainants have not otherwise requested or received from PGE the relevant information.

Third, the requests are not overly broad or unduly burdensome because the requests specifically state the information and/or documents needed, and PGE has access to all those documents and/or information. Presumably, PGE maintains a file for each OF contract is executes containing a record of the relevant contracts and communications, or a record of letters and emails sent. PGE provided a list of the currently effective QF contracts that have been executed since October 2006 when PGE states that it implemented this three-stage process. For each of these QF contracts, PGE would merely be required to produce three documents from each file: 1) a dated communication enclosing the draft PPA; 2) a dated communication enclosing the final draft PPA; and 3) a dated communication enclosing the executable PPA. That amounts to only 258 documents, most of which are likely to be only a page or two in length and easy to locate. PGE has not asserted that it does not maintain any such files, that it has destroyed any of these records, or that the records are otherwise unavailable. Even if PGE did not maintain files of QF contracts, it would still not be burdensome to tack down the 258 relevant communications from employee's email boxes or PGE's outgoing mail records.

In addition, if the information has been completely destroyed, then the Complainants are entitled to know that the information is unavailable, the reason for its destruction, and then decide whether to schedule depositions of PGE's current and former employees to understand whether PGE has followed its claimed policy and the reason the information is no longer available. Therefore, because these requests are limited to a reasonable number of documents, are specifically delineated, and reasonably accessible, PGE's objection that the request is overly broad or unduly burdensome fails.

Fourth, these requests do not may seek irrelevant, confidential or privileged information. As discussed above, these requests are relevant to the factual question regarding whether PGE had a three-stage process since 2006 and whether PGE has consistently followed it or just recently manufactured it to delay the QF contracting process. Additionally, if PGE identifies specific confidential information, Complainants are willing to sign a protective order or make other arrangements with PGE to address PGE's confidentiality concerns. Last, if PGE believes there are specific privileged documents, PGE's remedy is to produce a privilege log instead of making a blanket objection.

Finally, Complainants are willing to narrow these requests so that they do not require PGE to develop any information or prepare a study for Complainant. While the Complainants strongly prefer that PGE gather the information, the crux of Complainants' requests is to get the dates PGE provided the draft, final draft, and executable PPAs. Complainants do not need PGE to compile this information, if PGE is unwilling to compile it. PGE indicates that it started tracking this in May of 2017 and for the contracts executed prior to this tracking system, in the interest of compromise,

Complainants are willing to accept only the underlining documents. Therefore, because PGE does not need to develop information or prepare a study, this objection also fails

V. CONCLUSION

Complainants' data requests at issue in this motion to compel concern

Complainants' access to the dates PGE provided draft, final draft, and executable

contracts. Because this information would tend to prove whether PGE actually had its

asserted three-stage process in place since 2006 and whether PGE actually followed that

process, it is relevant to the complaint that PGE has delayed and obstructed progress

towards executable PPAs with Complainants. PGE's objections fail because PGE has not

explained why its objections apply here. Further, the requests do not require that PGE

develop information or prepare a study to merely provide the underlying documents

separately, as requested by Complainants. The requests are not overly broad or unduly

burdensome because they are limited to a reasonable number of specifically identifiable

documents that PGE most likely has records of. Therefore, PGE should be directed to

provide responsive information.

Dated this 21st day of December, 2017.

Respectfully submitted,

Irion A. Sanger

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Portland, OR 97215

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Fax: 503-334-2235 irion@sanger-law.com

Of Attorneys for Complainants

Attachment A

Complainants' Data Requests and PGE Responses

December 5, 2017

TO: Irion Sanger

Sanger Law, P.C.

Chris Norqual

Cyprus Creek Renewables

FROM: Patrick Hager

Manager, Regulatory Affairs

PORTLAND GENERAL ELECTRIC UM 1877-UM 1882, UM 1844-UM 1886, UM 1888-UM 1890 PGE Response to Sanger Law's Data Request No. 001 Dated November 21, 2017

Request:

For the last ten years, please provide copies of all of PGE's internal policies regarding the negotiation of standard qualifying facilities ("QF") contracts, and all training materials regarding the negotiation of QF contracts.

Response:

PGE objects to this request on the grounds that it is overly broad and is unduly burdensome. Notwithstanding and without waiving the foregoing objections, PGE responds as follows:

Consistent with the requirements of the Public Utility Commission of Oregon's ("Commission") orders and PGE's Schedule 201, PGE does not negotiate standard QF contracts. As a result, PGE has no internal policies or training materials regarding the negotiation of standard QF contracts. Nor does PGE have any training materials regarding the negotiation of Schedule 202 contracts.

December 5, 2017

TO: Irion Sanger

Sanger Law, P.C.

Chris Norqual

Cyprus Creek Renewables

FROM: Patrick Hager

Manager, Regulatory Affairs

PORTLAND GENERAL ELECTRIC UM 1877-UM 1882, UM 1844-UM 1886, UM 1888-UM 1890 PGE Response to Sanger Law's Data Request No. 002 Dated November 21, 2017

Request:

For the last ten years, please provide for each QF contract that PGE executed:

- a. The date that PGE provided the draft PPA;
- b. The date that PGE provided the final PPA; and
- c. The date that PGE provided the executable PPA.

Response:

PGE objects to this request on the grounds that it is overly broad, unduly burdensome and requires PGE to develop information or prepare a study for Complainant. Notwithstanding and without waiving the foregoing objections, PGE responds as follows:

In response to an increasing number of QF applications, PGE developed a robust system for tracking the processing of solar applications for standard QF PPAs in approximately May 2017. Attachments 002-A, 002-B and 002-C are the three monthly compliance reports that PGE has filed to date in Docket UM 1854.

Attachment 002-A

Provided in Electronic Format only

UM 1854 QF Report September 2017

Attachment 002-B

Provided in Electronic Format only

UM 1854 QF Report October 2017

Attachment 002-C

Provided in Electronic Format only

UM 1854 QF Report November 2017 December 5, 2017

TO: Irion Sanger

Sanger Law, P.C.

Chris Norqual

Cyprus Creek Renewables

FROM: Patrick Hager

Manager, Regulatory Affairs

PORTLAND GENERAL ELECTRIC UM 1877-UM 1882, UM 1844-UM 1886, UM 1888-UM 1890 PGE Response to Sanger Law's Data Request No. 003 Dated November 21, 2017

Request:

Please confirm that it is PGE's position that PGE follows a three-stage process with all requests for standard QF contracts that involves: 1) a draft Standard power purchase agreement ("PPA"); 2) a final draft Standard PPA; and 3) an executable PPA. If that is not PGE's position, please explain when PGE uses this kind of three-stage process and when it does not. Please also:

- a. Provide PGE's policy regarding the three-stage process described above, and any internal communications developing PGE's policy and/or process for negotiating OF PPAs.
- b. Provide any internal communications developing or implementing the process utilized during the PPA negotiations with Complainants.
- c. Explain when PGE adopted this policy regarding the three-stage process described above, or otherwise began implementing the process for standard contract QFs. Please explain how and when PGE adopted this policy.
- d. Please identify each QF that PGE has entered into a PPA with since PGE adopted the three-stage process described above, and indicate whether PGE followed the three-stage process, and confirm whether PGE required each of the QFs to be provided a draft PPA, a final PPA and then an executable PPA.
- e. Please identify each QF requesting a PPA, that PGE provided an executable PPA, since PGE adopted the three-stage process described above, and indicate whether PGE followed the three-stage process, and confirm whether PGE required each of the QFs to be provided a draft PPA, a final PPA and then an executable PPA.
- f. For the responses to data requests 3d and 3e, please provide supporting documents supporting whether PGE followed the three-stage process described above.

Response:

PGE objects to this request on the grounds that it is vague, ambiguous, unduly burdensome, overly broad, unreasonably cumulative, unreasonably duplicative, may seek irrelevant, confidential or privileged information, and that responding to the request would require PGE to develop information or prepare a study for another party. Notwithstanding and without waiving the foregoing objections, PGE responds as follows:

Consistent with relevant Commission orders and PGE's Schedule 201, PGE's policy is to follow a three-stage process with all requests for standard QF contracts that involves: 1) a draft Standard power purchase agreement ("PPA"); 2) a final draft Standard PPA; and 3) an executable PPA.

- a. PGE's current policy regarding the stages of the standard QF contracting process is reflected in Schedule 201 and in the form letter attached as Attachment 003-A and shared with each applicant for a standard QF contract. Schedule 201 and the form letter implement Commission orders, including Commission Order Nos. 05-584 and 06-538. Consistent with the requirements of the Commission's orders and PGE's Schedule 201, PGE does not negotiate standard QF contracts. Therefore it has no internal communications developing PGE's policy and/or process for negotiating standard QF contracts.
- b. PGE does not negotiate standard QF PPAs and did not develop or implement a negotiation process during the time in which it was processing Complainants' PPA requests.
- c. PGE has not developed or adopted a negotiation policy. However, PGE adopted its standard QF three-stage contracting process in October 2006 in compliance with Commission Order No. 06-538. PGE filed a revised Schedule 201 with the Commission in PGE Advice No. 06-26 on October 20, 2006.
- d. PGE adopted a three-stage process in October 2006. Attachment 003-B is a list of currently effective PPAs that have been executed since October 2006. PGE did not track its implementation of the three-stage process until May 2017. Please see PGE's response to Sanger DR 002, Attachments 002-A, 002-B and 002-C which are the three monthly compliance reports that PGE has filed to-date in Docket UM 1854.
- e. See PGE's response to part (d) above.
- f. See PGE's response to parts (a) and (d) above

Attachment 003-A

Provided in Electronic Format only

Standard Form Letter

Attachment 003-B

Provided in Electronic Format only

List of Executed PPAs