Oregon PUC Little Under Commission

e-FILING REPORT COVER SHEET

Send completed Cover Sheet and the Report in an email addressed to: <u>PUC.FilingCenter@state.or.us</u>

REPORT NAME:	Request for waiver of 12-month installation requirement - OAR 860-084-0210(1
COMPANY NAME:	Edgewood Ranch, Inc.
DOES REPORT CON	ITAIN CONFIDENTIAL INFORMATION? No Yes
	ubmit only the cover letter electronically. Submit confidential information as directed in the terms of an applicable protective order.
If known, please selec	t designation: RE (Electric) RG (Gas) RW (Water) RO (Other)
Report is required by:	OAR 0AR 860-084-0210(1)
	Statute Enter statute number
	Order Enter PUC Order No
	Other Enter reason
Is this report associate	d with a specific docket/case? No
If yes, enter do	ocket number: UM 1538
List applicable Key W	ords for this report to facilitate electronic search:
Edgewood Ranch S	olar Project Klamath Falls
DO NOT electronica	lly file with the PUC Filing Center:
• Ann • OU • Ann • Ann • Acc	nual Fee Statement form and payment remittance or S or RSPF Surcharge form or surcharge remittance or y other Telecommunications Reporting or y daily safety or safety incident reports or cident reports required by ORS 654.715
Please file the above	reports according to their individual instructions.

PUC FM050 (Rev. 6/29/12)

March 20, 2014

Oregon Public Utilities Commission 550 Capitol Street NE #215 P.O. Box 2148 Salem, OR 97308-2148

RE: Request for waiver of twelve-month installation requirement (OAR 860-084-0210) for solar photovoltaic system. Pacific Power Solar Incentive Program Tracking # 5792222

To Whom It May Concern:

Edgewood Ranch plans to install a 97.5 kW ground-mounted photovoltaic system at an irrigation pump that is critical to the farm's water needs. Our ranch's overall electricity consumption averages 2,500,000 kW-Hrs annually, and we view this solar project as an important step in the long-term viability of our family's farm operation. The VIR payments offered through the OSIP program will help offset our energy costs and protect our business against future rate increases.

Edgewood Ranch has already taken many steps as part of its ongoing Energy and Resource Management Plan, including:

- Irrigation practices have been changed from open ditch to buried mainlines to achieve water conservation goals. NRCS was involved in this effort.
- Older pumps have been switched to more efficient pumps to reduce the total horsepower by almost 85%.
- To further reduce power consumption, the farm switched from high pressure irrigation systems to low pressure systems.
- Edgewood Ranch volunteered to participate in a Wetland Reserve Program (WRP) through the NRCS, which involves more than 1600 acres of the ranch's property.

Although we have taken many steps to mitigate the increasing power rates in our area, we are still paying more than \$200,000 per year in utility bills, when our annual cost used to be closer to \$30,000.

This solar project will also provide stability to the employment opportunities we offer our staff. Our company treats every employee as family, and in Klamath County where our median household income is 20% below the state average, we need every job we can get. We are proud of our ranch's strong track record of employee retention:

- 8 full-time employees work for the farm.
- In the summer, up to 10 part-time employees are typically hired, and largely include high school and college-age students who need the work. We are working with the local community college to start a pilot program for the agriculture department's internship requirements.

 3 of our staff have been working for us for 16 years, and two of those have been with us for over 25 years.

There are two additional benefits provided to the local community through this renewable energy project. Winema Electric and Superior Fence, both businesses located in Klamath Falls, will provide almost all of the installation labor. Farmers in the area that rely on Edgewood Ranch to pelletize their alfalfa and other baled crops will also directly benefit from decreased operating costs at the pellet mill.

The ranch plans on financing a portion of the system costs and is pursuing a SELP loan. The business is in good financial standing, and our company financials are available upon request. We fully intend to develop and install the proposed solar project if our extension request is granted.

I think it is important to point out that financing for farmers is traditionally very difficult. It took us more than 14 months to complete a refinance for our mortgage loan. We watched the interest rates climb more than 100 basis points in the time it took to close the new loan. Most farms are family owned and ours is no exception. The process that we must go through to acquire financing requires that every family member's financial statements and tax returns are included in the process. Part of what is holding up the current loan application is that we are waiting for 2013 tax returns to be finished for all but one of the family members' that are required to submit their financials.

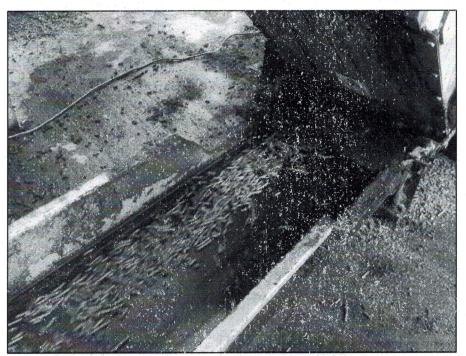
Finally, the Oregon PUC should be aware of the situation that all farmers in the Klamath Basin are faced with in 2014. In the last 10 years we have watched our power rates increase by more than 1,000%. While our pumping rates are greater than 9 cents per kW-Hr, irrigators in the counties next to us enjoy prices less than 5.5 cents. Farmers like us need the PUC on our side so that we can prevent the further marginalization of our community.

Sincerely,

Lauren Jespersen

Chief Financial Officer

Edgewood Ranch, Inc.



Alfalfa being pelletized. Edgewood Ranch sells this feed product domestically (with export orders occasionally shipped out in containers). Edgewood Ranch also buys forage crops from nearby farms that rely on the pellet mill to monetize their harvest.



Near the irrigation pump and installation site, Edgewood Ranch employees take a break from running the pellet mill during the winter months. Shown in the picture from left to right Lauren Jespersen, Ridel Ruiz, Martin Alvarado, Greg Jackson and Gabriel Franco.