

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: November 26, 2013

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE November 27, 2013

DATE: November 18, 2013

TO: Public Utility Commission

FROM: Adam Bless   

THROUGH: Jason Eisdorfer, Maury Galbraith, and Aster Adams

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 1538) Request by PGPV LLC for a waiver of the 12-month solar photovoltaic system installation requirement for its 100 kW Highway 97 Project, pursuant to OAR 860-084-0210(1).

**STAFF RECOMMENDATION:**

Staff recommends that the Commission grant the request by PGPV LLC (PGPV) to extend the 12-month deadline to install a solar photovoltaic system (SPV) for its 100 kilowatt (kW) Highway 97 project by three months, to January 12, 2014.

**DISCUSSION:**

On November 12, 2013, PGPV requested a waiver of the 12-month deadline for installation of a solar photovoltaic system (SPV) under the PacifiCorp Solar Incentive Program for its Highway 97 project. The current deadline is October 12, 2013. PGPV requests an extension of three months, to January 12, 2014. PGPV submitted its request after its current deadline had passed, but Staff recommends approval based on our review of the facts regarding this project.

The project is a 100 kW SPV installation near Chiloquin, OR<sup>1</sup>. In its waiver request, PGPV cites difficulties with financing and equipment delivery as the major reasons for the delay in completing the project. PGPV is simultaneously requesting waivers for three other SPV projects, with a combined capacity of more than 500 kW. The combined cost of these and other SPV projects was too great for PGPV's former lender, forcing PGPV to seek financing from a larger bank. PGPV also experienced delays in

<sup>1</sup> PGPV simultaneously submitted a waiver request for its 100 kW Modoc project, also located near Chiloquin, OR. Although the two projects are similar, Staff treated them as separate waiver requests.

delivery of tracking equipment. PGPV cites these financing and delivery delays as evidence of good cause for the waiver.

PGPV states that it now has secured all required financing, and provided a letter from OnePacific Bank, noting that the size and scope of PGPV's portfolio of projects required a significant amount of time to complete the financing transaction, and confirming that PGPV has loan facilities in place with the bank. PGPV states that as of November 12, 2013, it has spent over \$145,000 on this project, representing about 70 percent of the project's final cost. In its waiver request, PGPV described its schedule for the remaining work, which it estimates will take approximately 5 weeks. PGPV states that it can complete this work by its requested date of January 12, 2014.

#### Conclusion

I am persuaded that the challenge of obtaining financing for this large amount of SPV capacity is good cause for a delay of three months. I also consulted with the Oregon Department of Energy, which confirmed that PGPV is an experienced third party solar provider with a significant impact on the development of solar projects in Oregon. I am also persuaded by the large investment PGPV has made, the amount of work already done, and the fact that major delays with this project appear to be resolved. I believe PGPV has made a reasonable case that it can complete the project by its requested deadline. I recommend approval of the waiver as requested.

#### **PROPOSED COMMISSION MOTION:**

PGPV's request for a waiver of the 12-month installation requirement for the SPV system under PacifiCorp's Solar Incentive Program be granted for the Highway 97 Project, and the deadline be extended to January 12, 2014.