

ITEM NO. CA2

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: January 7, 2014

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE January 11, 2014

DATE: December 29, 2013

TO: Public Utility Commission

FROM: Adam Bless *AB*

THROUGH: Jason Eisdorfer, Maury Galbraith, and Aster Adams *ME* *MG* *AA*

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 1538) Request by Baley Trotman Farms for a waiver of the 12-month solar photovoltaic system installation requirement set forth in OAR 860-084-0210(1).

**STAFF RECOMMENDATION:**

Staff recommends that the Commission grant the request by Baley Trotman Farms to extend its deadline to install a solar photovoltaic system (SPV) under the PacifiCorp Solar Incentive Program by two and a half months, to March 27, 2014. This recommendation is contingent on approval of a Small Scale Energy Loan Program (SELP) loan from the Oregon Department of Energy (ODOE). The SELP Advisory Council decision is expected on January 9, 2014.

**DISCUSSION:**

On December 17, 2013, Baley Trotman Farms requested a waiver of the 12-month deadline for installation of its SPV project under the PacifiCorp Solar Incentive Program. If granted, this would be the second extension for this project. The project was originally approved for the Solar Incentive Program in October 2012, with an installation deadline of October 12, 2013. In September 2013, Baley Trotman Farms requested an extension of three months, citing delays in the interconnection process. The Commission granted that request and set the new deadline at January 12, 2014. Baley Trotman Farms now requests a deadline of March 27, 2014.

Baley Trotman Farms requests a second extension because of unexpected financing difficulties. Baley Trotman Farms had arranged for financing through the same bank that had financed previous solar projects for Baley Trotman Farms. However, the bank decided it would no longer fund this project. This decision was unexpected given the

bank's previous history. Baley Trotman Farms has since worked with ODOE to obtain a SELP loan. ODOE staff, which advises the SELP Advisory Council, recommends approval of the loan. ODOE's recommendation is premised on the project receiving payments under the solar incentive program<sup>1</sup>. The SELP Advisory Council will meet on January 9, 2014 to review ODOE's recommendation.

Baley Trotman Farms' installation contractor, RS Energy, has already procured the solar panels, inverter, and other equipment, including a custom transformer required for the interconnection with PacifiCorp. The physical installation has begun and is in progress. Baley Trotman Farms states that it is beginning the installation with its own money, pending the SELP loan.

#### Good Cause Consideration

Pursuant to OAR 860-084-0005, the Commission may waive the 12-month installation deadline for "good cause." In determining whether there is good cause for a second extension, Staff considered the likelihood of completing the project by March 27, 2014, the applicant's prior history with the solar incentive program, and the funds already committed to this project.

Baley Trotman Farms does not foresee any circumstances under which the project would be delayed beyond March 27. The equipment and material are already purchased and installation is in progress. ODOE staff recommends approval of the loan, and does not foresee any reason why its Advisory Council would not agree. Baley Trotman Farms has already invested in the custom transformer, which would not be needed but for this project. Finally, Baley Trotman Farms has previously completed ten solar projects under the PacifiCorp program within the 12-month deadline.

Staff also considered the effect of the Commission's decision on PacifiCorp and the solar incentive program. PacifiCorp is scheduled to open the next capacity reservation window in April 2014, and needs to know in advance how much capacity to include in that window. Staff believes allowing this project to be completed will give PacifiCorp more certainty as it determines what capacity to offer in the upcoming window.<sup>2</sup>

#### Conclusion

Staff expects that if the SELP loan is approved, the project will proceed without further delay. This expectation is based largely on Baley Trotman Farm's history of completing ten previous projects without waivers. The unexpected withdrawal of financing by their

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<sup>1</sup> See December 17, 2013 email from Adam Morgan, ODOE to Adam Bless, OPUC.

<sup>2</sup> The Baley Trotman Farms project is 77 kilowatts.

bank is good cause. Completing this project will also provide PacifiCorp with greater certainty as it plans for the upcoming solar incentive program window. However, the SELP Advisory Council does not meet until January 9, 2014, and Staff does not presume the SELP decision. Staff therefore recommends that the Commission grant the requested extension, contingent on Baley Trotman Farms securing a loan from the SELP Advisory Council at its January 9, 2014 meeting.

**PROPOSED COMMISSION MOTION:**

The request by Baley Trotman Farms to waive the 12-month installation deadline for their SPV project pursuant to OAR 860-084-0210(1) be approved, contingent on approval of a SELP loan for the project by the SELP Advisory Council at its meeting on January 9, 2014. Baley Trotman Farms shall report to the Commission in writing on the results of its SELP loan application by January 10, 2014.