

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 7, 2023

REGULAR CONSENT EFFECTIVE DATE _____ N/A _____

DATE: February 27, 2023

TO: Public Utility Commission

FROM: Eric Shierman

THROUGH: Bryan Conway, JP Batmale, and Sarah Hall **SIGNED**

SUBJECT: PACIFIC POWER:
(Docket No. UM 1020)
Approval of Blue Sky grant for renewable energy development.

STAFF RECOMMENDATION:

Approve Pacific Power's Blue Sky grant for the Fort George Brewery & Public House.

DISCUSSION:

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve a grant to a for-profit entity funded by Pacific Power's (the Company) portfolio option customers.

Applicable Rule or Law

ORS 757.603 requires an electric company to provide a portfolio of rate options to residential customers. Commission Order No. 16-156 created a Renewable Fund Review Process. In Order No. 17-289, the Commission adopted with amendments, Staff's recommendation to prioritize the awarding of grant funds to non-profits from the utilities' voluntary renewable programs. In Order No. 17-455, for the purpose of voluntary renewable programs, the Commission adopted criteria for awarding grants to for-profit entities.

Analysis

Background

The voluntary renewable power programs of PGE and Pacific Power are, in part, designed to collect funds that the companies can issue as grants to eligible renewable energy projects. In this way the voluntary programs contribute directly to the development of new renewable resources that may not have otherwise been built.

Pacific Power filed for Commission approval of the Fort George Brewery & Public House (Fort George) project on January 9, 2023. The Company's filing included the project evaluation documentation that Staff has relied on to make our recommendation. Fort George is a for-profit company that provides space for a hub of community activity in Astoria, Oregon.

Project Summary

Fort George seeks grant funding for 559.81 kW direct current of new on-site solar generation to Pacific Power's existing 12.47-kV circuit 5A205 in Astoria from the roof of Fort George's waterfront distributions center. When inverted to alternating current, the nameplate capacity will be 425 kW for Pacific Power's grid.

Technology	kW	Grant \$	Project \$	Cost per Watt	Grant / Project
Solar PV	560	\$100,000	\$1,318,220	\$2.35	8%

Reason for Staff Recommendation

Order No. 17-455 established three requirements for awarding grants to for-profit entities:

- The proposed renewable project meets the respective utility's eligibility criteria and any other minimum requirements for funding.
- The proposed renewable project reflects the respective utility's preferences for certain types of projects as captured in their existing application forms.
- When a for-profit entity's project is selected for grant funding, the utility will submit a letter documenting why it supports the for-profit entity's project.¹

Fort George meets Pacific Power's eligibility criteria.

- Solar PV is an eligible renewable energy technology.
- This project offers new installation.
- The site is served by Pacific Power.
- The capacity is less than 10 MW.
- The project is planned for completion within a year of the award.

¹ See Docket No. UM 1020, OPUC, Order No. 17-455, October 31, 2017, Appendix A pp 3,4.

- Inverter production data can be monitored for at least five years.
- Fort George is a Blue Sky luminary partner.

In addition to meeting the minimum eligibility criteria, Order No. 17-455 requires a for-profit recipient to meet Pacific Power's preference criteria. Fort George meets this higher standard.

- This project's evaluation score is 81 (out of 100).
- This site will also include electric vehicle charging infrastructure.
- This grant targets underserved communities because Fort George serves coastal community customers.
- This site will contribute to resiliency by being distributed among Astoria's commercial and industrial load.
- As the first of its kind in Astoria, this project will educate Fort George customers about solar energy as well as the Blue Sky program. Fort George plans to reach out to local college administrators to showcase employment opportunities in renewable energy.
- Fort George has been a long-term Blue Sky customer.
- Advanced Energy Systems (the solar installer) works to hire more women and has recently brought on a female journeyman electrician.
- Pacific Power's grant only covers 8 percent of the project cost. The site host is invested in the responsibility of securing the rest of the project's financing.

Pacific Power has provided a letter explaining the reason for this grant. Given the facts presented in the evaluation of this project, Pacific Power states: "We feel that Fort George is a worthy project based on the application and interview evaluation we provided."² Staff agrees.

Conclusion

Based on the review of the project's documentation and discussions with Pacific Power, Staff concludes the Fort George solar project meets the Commission's requirements for a portfolio option funded grant to a for-profit entity and should be approved.

PROPOSED COMMISSION MOTION:

Approve Pacific Power's Blue Sky grant for the Fort George Brewery & Public House.

² Pacific Power. Email from the Company to Staff, February 22, 2023, p 1.