

ORDER NO. 11 377

ENTERED SEP 27 2011

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1538

In the Matter of

KIGIN ENERGY,

Request for Waiver of 12-Month
Installation Requirement
(OAR 860-084-0210 (1))

ORDER

DISPOSITION: APPLICATION APPROVED

On July 28, 2011, Kigin Energy filed an application with the Public Utility Commission of Oregon (Commission) under OAR 860-084-0210 (1) requesting a waiver of the 12 month installation requirement.

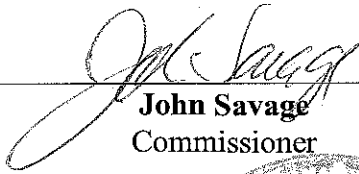
A full description of the filing, its procedural history, and Staff's recommendation are contained in the Staff Report, attached as Appendix A and incorporated by reference.

At its Public Meeting on September 20, 2011, the Commission adopted Staff's recommendation to grant an extension, but extended the recommended extension from December 30, 2011 to January 30, 2012. Because Kigin Energy delayed initiating the permitting process for this project, the Commission also clarified that it would not be granting any further extensions.

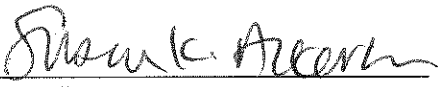
ORDER

IT IS ORDERED that Kigin Energy's request for waiver of the 12-month installation requirement for the proposed Solar Photovoltaic system is approved, and the deadline is extended to January 30, 2012.

Made, entered, and effective SEP 27 2011.



John Savage
Commissioner



Susan K. Ackerman
Commissioner



A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Court of Appeals in compliance with ORS 183.480 through 183.484.

ITEM NO. 3

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 20, 2011**

REGULAR X CONSENT _____ EFFECTIVE DATE September 20, 2011

DATE: September 12, 2011

TO: Public Utility Commission

FROM: Moshrek Sobhy *MS*

THROUGH: *MG* Lee Sparling, *MS* Maury Galbraith, and *MG* Lori Koho *lx*

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No.UM 1538)
Request by Kigin Energy for a waiver of the 12-month solar system installation requirement pursuant to OAR 860-084-0210 (1).

STAFF RECOMMENDATION:

Staff recommends the Commission grant the waiver request to Kigin Energy Partners and extend the installation deadline to December 30, 2011.

DISCUSSION:

Kigin Energy Partners, LLC (KEP) is requesting a waiver and a four-month extension for the installation of a 96 kW Solar Photovoltaic (SPV) system that will serve Rogue Valley Sewer System (RVSS) in Central Point, Oregon. PacifiCorp allocated capacity for the proposed SPV on October 1, 2010. According to OAR 860-084-210, the installation of the proposed SPV system should be completed within 12 months of the capacity reservation date. According to KEP, there were several major factors that delayed installing the system before expiration of the original deadline:

- In May 2011, KEP became aware of a possible supply constraint with the dual-axis tracking equipment that was to be provided by PV Trackers. As a result, KEP and RVSS explored alternative system designs using two other dual-axis tracking systems made by Sun-Storage and Meca Solar. Given that both of these systems require concrete footings, rather than helical pier foundations used by the PV Tracker system, additional engineering and design work had to be undertaken prior to completing their respective system designs.

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- Based on the prior experience by Advanced Energy Systems (AES), the applicant's engineering and construction firm, permitting of solar facilities in Jackson County historically has taken approximately 2-3 weeks to complete. As a result of this anticipated timeframe, the permitting process was not initiated until the other project milestones were completed such as the Purchased Power Agreement (PPA), land lease of an adjacent property, financing, insurance, and finalized the system design.^{1,2}
- On July 1, 2011, KEP applied for a permit from the Jackson County Planning Department (JCPD). On July 5, 2011, JCPD issued a zoning information sheet (ZIS), which is subject to a Type 2 planning review process, a significantly more extended permitting process of up to five months to allow for a public comment period.

OAR 860-084-0000(3) provides:

"The Commission may waive any of the rules contained in Division 084 for good cause."

Since the beginning of processing the Pilot waiver applications in May 2011, Staff has observed that a significant number of applicants who demonstrated commitment to install their SPV systems were unable to meet the installation requirement due to following a single task approach in their projects. For example, in some cases applicants focus entirely on securing a financing source before working on the system design. In other cases, applicants do not inquire about the specific permitting requirements from the regulating authorities until two or three months before the installation deadline.

This approach significantly increases the chances of not completing the installation within the required 12-month period as specified by the administrative rules. Each project has its unique conditions and may have specific permitting requirements that are different than another project similar in size and located in the same county.

Therefore, Staff recommends applicants under the Solar Photovoltaic Pilot Program (Pilot) seek specific information about their projects and begin the development of their execution plan following a multitasking approach with respect to the different aspects involved in such projects such as financing, design and permitting.

¹ The parties pursued the land lease of an adjacent property to install the SPV and allow for servicing and maintaining the underground pipelines that were discovered in the initial site.

² Financing is provided through a third-party.

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This process should begin when parties elect to participate in the Pilot and execution should begin immediately when an interconnection agreement is approved by the utility.

Notwithstanding Staff's observation about the multitasking approach, KEP has demonstrated in this waiver request its commitment to install the proposed SPV system within the 12-month installation requirement. However, due to an unanticipated delay caused by the JCPD permitting process as previously described, which is not under KEP's control, KEP is unable to complete the installation without the extension.

Staff finds that KEP has invested a significant amount of resources and time in designing and planning the proposed system. Based on this information, Staff agrees that KEP has shown good cause for the waiver and recommends extending the installation deadline to December 30, 2011.

PROPOSED COMMISSION MOTION:

KEP's request for waiver of the 12-month installation requirement for the proposed SPV system be granted and the deadline be extended to December 30, 2011.

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