

ORDER NO. 12 053

ENTERED FEB 14 2012

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1538

In the Matter of

PGPV, LLC,

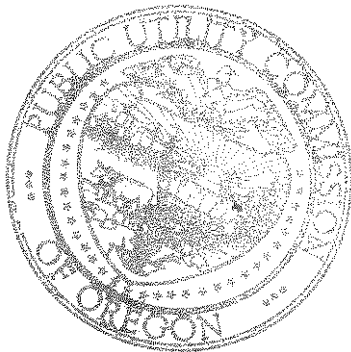
Request for Waiver of OAR 860-084-0210(1)
12-month Solar System Installation
Requirement.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its Public Meeting on February 14, 2012, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter, attached as Appendix A.

BY THE COMMISSION:



Becky L. Beier

Becky L. Beier
Commission Secretary

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. 1

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: February 14, 2012

REGULAR X CONSENT _____ EFFECTIVE DATE February 14, 2012

DATE: February 7, 2012

TO: Public Utility Commission

FROM: Moshrek Sobhy *M/S*

THROUGH: *MEG BC* Bryan Conway, *MG* Maury Galbraith, and *LK* Lori Koho

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 1538) Request by PGPV, LLC (PGPV) 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 PGPV's waiver request and extend the 12-month installation requirement to July 1, 2012.

DISCUSSION:

Portland General Electric awarded PGPV capacity reservations during the April 2011 enrollment period to install one 250 kW Solar Photovoltaic (SPV) system for Mt. Angel School District and six 10 kW SPV systems at Camp Tilikum in Newberg, Oregon. PGPV is requesting a waiver of the 12-month installation requirement and to extend the installation deadlines to July 1, 2012.

In support of its request, PGPV stated that the process to obtain approval for the financing of the projects took longer than expected but it ultimately received a letter of approval from Central Willamette Community Credit Union on January 24, 2012 for two million dollars. The loan is to install several SPV systems including, but not limited to, the Mt. Angel School District and Camp Tilikum projects.

PGPV completed the engineering and design plans for the 250 kW Mt. Angel School District project. Additionally, PGPV has actively pursued the installation, manufacturing, and purchase of the system components. PGPV presented information that it spent \$87,000 in purchasing and installing a new transformer, switch gear and other electrical parts for the 250 kW SPV system. In addition, PGPV incurred \$313,620 for the

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Mt. Angel's system solar panels. Also, PGPV spent \$23,000 on fencing and gravel road access for the installation site, which is shared with another 100 kW system for the Mt. Angel Middle School that is near completion.

PGPV also prepared the engineering plans for the systems at the Camp Tilikum site, but it did not begin construction work. PGPV explained that the delay in financing approval and the construction of several other SPV projects have contributed to the delay in installing these systems during the 12-month installation requirement. PGPV provided that it completed four other projects from the April 2011 enrollment period and is currently working on five more projects in addition to the 100 kW system for the Mt. Angel Middle School.

PGPV provided a construction schedule that anticipates completion of the installation of the 250 kW system by May 1, 2012, and the six 10 kW systems by June 1, 2012. PGPV's request for extension until July 1, 2012 is to allow additional time in the event unforeseen delays occur especially since some parts will be shipped from Europe.

OAR 860-084-0000(3) provides:

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

Staff does not consider the inability to complete projects within the required installation period due to engagement in other projects as "good cause" for a waiver. However, Staff agrees that the delay and difficulty in obtaining financing, especially under the current tight lending environment, can have a negative impact on completing projects under the originally estimated construction schedules.

Accordingly, Staff finds that the information provided by PGPV, such as successfully securing the financing of a significant amount of the capital needed for the proposed systems, the completion of the engineering plans in addition to the purchasing and the installation of electrical components for the proposed systems demonstrate PGPV's commitment to install the projects. Therefore, Staff concludes that PGPV established "good cause" for the waiver request.

Based on this information, Staff recommends that the Commission grant PGPV a one-time waiver of the 12-month installation requirement and extend the installation deadline to July 1, 2012.

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PROPOSED COMMISSION MOTION:

PGPV's request for waiver of the 12-month installation requirement be granted and the installation deadline be extended to July 1, 2012 on a one-time only basis.

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