

ORDER NO. 13 043

ENTERED FEB 12 2013

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

UM 1538

In the Matter of

PGPV, LLC,

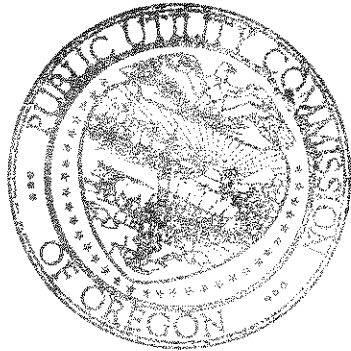
Request for Waiver of the 12-month  
Solar Photovoltaic System Installation  
Requirement under OAR 860-084-0210(1).

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its Public Meeting on February 12, 2013, the Public Utility Commission of Oregon adopted Staff's recommendation in this matter. The Staff Report with the recommendation is 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.

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: February 12, 2013

REGULAR \_\_\_\_\_ CONSENT X EFFECTIVE DATE February 12, 2013

DATE: February 5, 2013

TO: Public Utility Commission

FROM: Robert J. Procter *RP*

*E*  
THROUGH: Jason Eisdorfer and Maury Galbraith *MG*

**SUBJECT:** OREGON PUBLIC UTILITY COMMISSION STAFF: (Docket No. UM 1538) Request by Rick Post of Energy Wise Lighting on behalf of PGPV LLC for a waiver of the 12 -month solar photovoltaic system installation requirement pursuant to OAR 860-084-0210(1).

**STAFF RECOMMENDATION:**

Staff recommends the Commission grant the waiver request to PGPV, LLC and extend the installation deadline by six months from December 31, 2012 until June 30, 2013.

**DISCUSSION:**

Energy Wise Lighting (Applicant) was awarded a number of capacity reservations under the Solar Photovoltaic Pilot Program (Pilot) in October 2011. Of the various awards to the Applicant, they previously received a three-month extension that expired on December 31, 2012. They are now requesting a six-month extension from December 31, 2012 until June 30, 2013 for the eight projects listed below.

1. Cascade Christian School, 100 kw
2. Evangelical Free Church, 10 kw
3. First Baptist Church, 100 kw
4. First United Methodist Church, 10 kw
5. Life Path Church of Nazarene, 10 kw
6. Medford Congregational UCC, 10 kw
7. St. Mary's Elementary, 10 kw
8. Travis Sheffield, 10 kW

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Applicant has continued to encounter delays and unanticipated reductions in their 1603 grant awards from the U.S. Treasury. Applicant relies heavily upon those funds to finance projects, and the result has been a slow-down in their rigorous installation schedule.

Staff is concerned about whether or not these projects will ever be installed. Considering that this proposed extension is on top of (a) the initial 12-month period for installation, and (b) a three-month extension to that 12-month install period, Staff's view is that the resulting 21-month installation period (includes this 6-month extension) is extraordinary and no further extension should be requested. In addition, due to the extraordinarily unique circumstances involved in this particular case, Staff recommends this extension not set any precedent for future extension requests by any party.

In response to Staff's concern about getting these projects installed, Staff requested that the Applicant address the concern about receiving U.S. Treasury funding and then receive sufficient private funding to complete the installations. The Applicant has indicated the following:

The appraisal came back at \$4/watt. Having Treasury honor this cost basis, which we deem to be very likely after talking with multiple lawyers and accountants that specialize in the 1603 Grant Program, will give us a debt service coverage ratio that both meets and exceeds the Bank's requirement for a loan. The Bank we have been in talks with is eager to move forward as long as we can meet this ratio. Our past experience of obtaining financing for and constructing solar PV projects under this program, combined with the declining cost of materials, makes our prognosis for obtaining a loan very good.

Staff has also requested a timeline of expected project completion. In reply, the Applicant has provided the following installation schedule.

Install Customer	Serving Utility	Install Date Deadline
Cascade Christian School	PPL	April 24, 2013
Evangelical Free Church	PPL	May 2, 2013
First Baptist Church	PPL	April 10, 2013
First United Methodist Church	PPL	May 15, 2013
Life Path Church of Nazarene	PPL	May 7, 2013
Medford Congregational UCC	PPL	April 29, 2013
St. Mary's Elementary	PGE	May 10, 2013
Travis Sheffield	PGE	May 17, 2013

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**PROPOSED COMMISSION MOTION:**

Applicant's request for a waiver of the 12-month installation requirement be granted and the installation deadline is extended by 6-months from December 31, 2012 to June 30, 2013.

P/Utility/UM1538/PGPV Extension Request