

ORDER NO. **18 016**

ENTERED **JAN 17 2018**

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 593

In the Matter of

Rulemaking Regarding Power Purchases by
Public Utilities from Small Qualifying
Facilities.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

This order memorializes our decision, made and effective at our January 17, 2018 Regular Public Meeting, to adopt Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A.

Dated this 17 day of January, 2018, at Salem, Oregon.

Lisa D. Hardie
Chair

Stephen M. Bloom
Commissioner



Megan W. Decker
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 Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. RM3

PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: January 17, 2018

REGULAR X CONSENT EFFECTIVE DATE N/A

DATE: January 10, 2018

TO: Public Utility Commission

FROM: Brittany Andrus 

THROUGH: Jason Eisdorfer and JP Batmale 

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. AR 593) Rulemaking Regarding Power Purchases by Public
Utilities From Small Qualifying Facilities.

STAFF RECOMMENDATION:

Staff recommends that the Commission approve Staff's proposal to begin stakeholder engagement activities and to develop draft rules in Docket No. AR 593 for Commission consideration.

DISCUSSION:

Issue

Whether the Commission should direct Staff to resume the rulemaking process for Docket No. AR 593 as required by Order No. 16-056.

Applicable Rules and Statutes

ORS 758.235(2)(a) specifies that the Commission shall adopt rules to govern the terms and conditions for the purchase of energy and capacity from a qualifying facility by a public utility.

Analysis

Background

In November 2015, Obsidian Renewables LLC (Obsidian) petitioned the Commission to open a rulemaking proceeding to revise administrative rules for power purchases by

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public utilities from Qualifying Facilities (QFs) under PURPA.¹ The Commission declined to adopt the rules proposed by Obsidian in its petition, and adopted Staff's recommendation that a rulemaking was appropriate under ORS 758.535(2)(a).²

At the February 9, 2016, public meeting, the Commission concluded that administrative efficiencies would be realized by waiting to commence the rulemaking process until the conclusion of a pending QF policy docket.³ Subsequent to the opening of this rulemaking, additional QF-related issues have been or are being addressed in other dockets.⁴

Current Status

Staff believes that because a preponderance of the outstanding QF-related issues have been addressed, the time is ripe to begin stakeholder engagement and draft rules for Commission consideration. Staff anticipates that following Commission approval, Staff will develop and distribute a first draft and conduct a workshop to solicit stakeholder input.

Conclusion

The majority of QF contracting and pricing issues that were pending at the time this rulemaking was opened have been resolved. Therefore it is an appropriate time to resume the rulemaking process.

PROPOSED MOTION:

Adopt the Staff proposal to begin stakeholder engagement activities and to develop draft rules in Docket No. AR 593 for Commission consideration.

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¹ Petition for Rulemaking 1.

² Docket No. AR 593, Order No. 16-056, February 9, 2016.

³ Docket No. UM 1610, Investigation into Qualifying Facility Contracting and Pricing.

⁴ Docket No. UM 1725, Idaho Power Standard Contract Eligibility Cap; Docket No. UM 1734, Pacific Power – QF Contract Term and Eligibility Cap, et al.