

ORDER NO. 25-154

ENTERED Apr 28 2025

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1930

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Community Solar Program
Implementation.

ORDER

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED

At its public meeting on April 28, 2025, 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:



Alison Lackey
Chief Administrative Law Judge



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. CA1

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: April 28, 2025**

REGULAR _____ **CONSENT** X **EFFECTIVE DATE** April 29, 2025

DATE: April 21, 2025

TO: Public Utility Commission

FROM: Kiran Ayub

THROUGH: JP Batmale and Sarah Hall **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 1930)
Requests Certification of projects with waivers in the Community Solar Program.

STAFF RECOMMENDATION:

Grant temporary waivers of OAR 860-088-0050(2)(c) requirements for a period of 12 months and certify Pilot Rock Solar 1 and Pilot Rock Solar 2 projects in the Community Solar Program.

DISCUSSION:

Issue

Whether the Public Utility Commission of Oregon (Commission) should grant requested temporary waivers and certify the Pilot Rock Solar 1 and 2 projects in the Community Solar Program.

Applicable Rule or Law

Section 22 of Senate Bill 1547, codified in ORS 757.386, directs the Commission to establish a community solar program (Program or CSP).

On June 29, 2017, the Commission adopted formal rules for the Program under OAR Division 88 of Chapter 860. OAR 860-088-0050 details the requirements for project Certification, including compliance with applicable low-income requirements

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OAR 860-088-0080(2) requires at least 10 percent of the total generating capacity of the Community Solar Program to be allocated exclusively for use by low-income residential customers.

OAR 860-088-0005(2) permits the Commission to waive CSP rules for good cause shown.

Section 5.2 of the CSP Program Implementation Manual (PIM) outlines the information and documentation that projects must submit to the CSP Program Administrator (PA) as part of the Certification application.

Analysis

Background

Pilot Rock Solar 1 (PRS 1) is a 1,980 kW-AC project in Pilot Rock, Oregon, as is Pilot Rock Solar 2 (PRS 2), a 2,990 kW-AC project. While the outreach and customer management are both nominally conducted by Pilot Rock Solar 1, LLC and Pilot Rock Solar 2, LLC both LLCs are controlled and operated by Sunthurst Energy. In this memo, when Staff references the Project Manager (PM) for these projects, it is referring to Sunthurst Energy.

Table 1: Recommended Projects

Project Name	Name of Project Manager	Utility Territory	Project Size (kW-AC)	Attachment #	Waiver Requested
Pilot Rock Solar 1	Pilot Rock Solar 1, LLC	Pacific Power	1,980	A	Yes
Pilot Rock Solar 2	Pilot Rock Solar 2, LLC	Pacific Power	2,990	B	Yes

PRS 1 and PRS 2 were both Pre-certified in the CSP in the Spring of 2020 and have both received extensions to their Certification deadlines. In late 2020 the PM filed a complaint against PacifiCorp (PAC) regarding the reasonableness of interconnection costs for PRS 1 and PRS 2. The complaint was dismissed with prejudice in September 2021.¹

In April 2024, Sunthurst Energy filed a complaint against PAC regarding several issues in its interconnection agreements with the company.² On November 1, 2024, in Order

¹ See Docket No. UM 2118, Order No. 21-296, September 15, 2021.

² Sunthurst Energy's complaint against PacifiCorp seeking modification of existing executed interconnection agreements for five projects including PRS 1 and PRS 2, April 4, 2024 [um2322haa327737033.pdf](https://www.oregon.gov/energy/um2322haa327737033.pdf)

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No. 24-402, the Commission ruled in the contested case and ordered PAC to remove certain costs.³ The Commission also directed Staff to monitor and review interconnection progress, leaving open the possibility of further Commission action.

In January 2025, Staff began negotiating directly with PAC and Sunthurst Energy to facilitate resolution of remaining interconnection disagreements in Docket No. UM 2322 and achieve an agreement to interconnect both projects in 2025. On March 21, 2025, Staff filed its proposal for resolution of interconnection issues.

Importantly, Staff's proposal was based on the unique factual circumstances presented by the two projects alone. Finally, on April 9, 2025, in Order No. 25-132, the Commission adopted, on a non-precedential basis and based on the unique factors of PRS1 and PRS2, Staff's proposal to resolve interconnection issues for both projects.⁴

Separate from the UM 2322 proceeding, Sunthurst Energy, via its two projects, submitted the necessary Certification paperwork to the PA on January 30, 2025. The projects Certification paperwork included a request for a waiver of the Low-Income (LI) capacity requirement for a period of 12 months from the project's current COD.

It is important to note that the CSP PA was not a party in UM 2322. Thus, the PA considered the PRS 1 and PRS 2 Certification requests entirely on their merits and independent of the negotiations for a resolution of interconnection issues in UM 2322.

The PA completed its review of the requests for Certification on April 9, 2025. The PA found both projects met the requirements for Certification, except for the LI capacity requirement that ten percent of each project's capacity be subscribed to low-income participants. As a result, the PA could not recommend Certification of the projects at this time as discussed in Attachments A and B.

³ *In the Matter of PILOT ROCK SOLAR 1, LLC; PILOT ROCK SOLAR 2, LLC; TUTUILLA SOLAR, LLC; BUCKAROO SOLAR 1, LLC; and BUCKAROO SOLAR 2, LLC; Complainants, vs. PacifiCorp, dba PACIFIC POWER, Defendant, Pursuant to ORS 756.500, Order No. 24-402, November 1, 2024* (Commission ruling regarding commercial online dates and progress payment issues for the PRS 1 and PRS 2 projects).

[UM 2322 Order encrypted .pdf](#)

⁴ *In the Matter of Pilot Rock Solar 1, LLC; Pilot Rock Solar 2, LLC; Tutuilla Solar, LLC; Buckaroo Solar 1, LLC; and Buckaroo Solar 2, LLC; Complainants, vs. Pacificorp, dba Pacific Power, Defendant, Pursuant to ORS 756.500, Order No. 25-132, April 9, 2025* (adopting, on a non-precedential basis, Staff's proposal to resolve interconnection issues for the PRS 1 and PRS 2 projects), <https://apps.puc.state.or.us/orders/2025ords/25-132.pdf>.

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Staff Recommendation

In Order No. 25-132 the Commission resolved interconnection issues for PRS 1 and PRS 2, adopting a Staff proposal to ensure the projects have a viable path for interconnecting in 2025, especially for project financing. To this end, Staff recently learned that Sunthurst Energy's long-term financing partner also requires immediate evidence that the projects are Certified in the Program. As a result, lack of project Certification in the very near-term poses a risk of securing long-term financing and thus undermines the potential of Order No. 25-132 to facilitate the projects energizing in 2025.

Accordingly, Staff recommends the Commission grant a temporary waiver of the LI Requirements, under OAR 860-088-0550(2)(c), for twelve months from the CSP Certification of PRS 1 and PRS 2 and certify both projects.

Staff has conferred with the PA, which is aware of and not opposed to Staff's recommendation. Staff also sought advice from the PA on an acceptable length of time for the extension. The PA suggested 12 months from Certification would be consistent with the timeframe in which the PA believes the PMs can subscribe at least ten percent of each project's capacity to LI participants. This duration also represents approximately half of the time requested by the PMs in their waiver requests.

Staff emphasizes that its recommendation to grant a temporary waiver and to certify these projects is due only to the unique circumstances involved with PRS1 and PRS2. It should not be interpreted as a change in Program policy nor as setting precedence for other projects. Staff intends to closely monitor the remaining interconnection processes for these two projects, especially around LI enrollments, and will advise the Commission on any additional actions needed.

Conclusion

Staff has discussed the project applications with the PA and reviewed CSP requirements. Staff recommends that the Commission grant two requests for temporary waiver of OAR 860-088-0050(2)(c) and approve Certification of the Pilot Rock Solar 1 and 2 projects in the Program.

PROPOSED COMMISSION MOTION:

Grant temporary waivers of OAR 860-088-0050(2)(c) requirements for a period of 12 months and certify Pilot Rock Solar 1 and Pilot Rock Solar 2 projects in the Community Solar Program.

Project Certification Review and Recommendation

The Oregon Community Solar Program Administrator (PA) has reviewed the certification request of the project described below and recommends that the project does not Certify at this time.

Project Information

Project ID: PP-2020-13

Project Name: Pilot Rock Solar 1

Project Manager: Pilot Rock Solar 1, LLC

Subscription Manager: Pilot Rock Solar 1, LLC

Utility Service Area: PAC

Project Site Address: 45°30'19.16"N, 118°49'48.89"W Pilot Rock, OR 97868

Project Size (kW-AC): 1,980

Carveout-eligible: No

Date of Pre-Certification: 3/13/2020

Expected Commercial Operations Date: 8/30/2025

Project Description

Pilot Rock Solar 1 is a 1,980 kW-AC project in Pilot Rock, Oregon in Umatilla County. The project manager entity is controlled by Sunthurst Energy. Outreach and customer management are conducted through Pilot Rock Solar 1, LLC.

Review Summary

Date Review Completed: 3/14/2025

Project Satisfies all Certification Requirements?: No

PA Recommendation: Reject

Review Notes

The Project Manager (PM) is requesting Certification with a waiver to the low-income capacity requirement. The Project has achieved all Certification requirements except for the low-income capacity requirement. The PM updated low-income marketing plans and signed an agreement with the low-income facilitator (LIF) in February 2025. The PM has chosen to conduct their own recruitment to meet the low-income requirement by working with housing providers. The LIF will work closely with the PM to verify the low-income capacity.

The PA does not recommend certifying the project at this time. The PA has recommended waivers to the low-income capacity requirement in the past when projects provided sufficient notice to the LIF for recruitment and the LIF could not provide enough leads to meet the project needs due to a high volume of requests. However, in this situation the PM did not request LIF recruitment until February 2025, and has chosen to recruit their own leads through MultiFamily Housing. The PM stated the permanent lender is looking for the project to be Certified and operational before repaying the debt obligation and that uncertainty in interconnection timelines has hindered subscription efforts. While the PA understands the PM's challenging circumstances, the PM has not yet demonstrated adequate effort to meet the low-income capacity requirement. The project's COD is currently scheduled for September 2025 which provides additional time for the PM to fulfill the

low-income capacity before the project becomes operational. All other requirements have been met, and the PA recommends certifying the project once the LI requirement is met. The LIF will continue to work closely with the PM to meet the low-income capacity requirement ahead of the operational date. If the project does not meet the 10% low-income requirement by September and the PM demonstrates adequate effort to meet the requirement, the PA may reconsider a waiver to the low-income capacity requirement.

Attachments Included

Project Manager's Waiver attached.



Low-Income Discount Waiver Request Form

The Oregon Community Solar Program requires that at least 10 percent of generating capacity be reserved for low-income customers, and that low-income customers be provided a subscription price that includes at least a 20 percent discount compared to the bill credit rate that a participant receives. Additional information on low-income requirements is provided in the Oregon Community Solar Program Implementation Manual, available at www.oregoncsp.org/pim.

In certain cases, a project manager may wish to reserve a greater portion of project capacity for low-income customers than the 10 percent minimum required by the program, and project economics may limit their ability to do so while also providing the required 20 percent discount to low-income participants. In these cases, a project may request that the 20 percent discount requirement be lowered or waived. In no case may low-income customers be charged a subscription fee that exceeds their bill credit rate.

Waiver requests will be reviewed and potentially granted on a case-by-case basis. A project manager may not request that this requirement be waived if they do not plan to reserve more than the minimum amount of capacity for low-income participants. The intent of this waiver process is to provide a means for project managers to provide greater benefits to low-income participants and communities than they would be able to in the absence of a waiver (such as a project manager that proposes to allocate 100% of a project's capacity to low-income customers). Waivers would not be granted if the Program Administrator and OPUC determine that a project manager is only proposing a modest increase in low-income participation as a means of waiving the discount requirement.

The process for requesting a waiver is as follows:

- 1. The Project Manager will fill out this waiver request form and submit to the Program Administrator on the Community Solar Program Platform at www.oregoncsp.org.** Waiver requests may be submitted as part of the project pre-certification or certification submittal process. It is recommended that Project Managers submit their waiver requests early in the process in order to better inform their project planning.
- 2. The Program Administrator will review the waiver request and provide a recommendation to the Oregon Public Utility Commission.** As part of this review, the Program Administrator may schedule a meeting with the project manager to discuss their project plans. Waiver requests will not be granted automatically but will be considered based on their merits on a case-by-case basis. The final decision to grant a waiver is made by Commission at the time that a project is pre-certified, and the recommendation provided by the Program Administrator is not binding. If a project manager requests a waiver prior to submitting a pre-certification application, the Program Administrator will inform the project manager whether it intends to recommend that the waiver request be approved, but this would be subject to OPUC approval.
- 3. The Oregon Public Utility Commission will make a final determination on whether to grant the waiver request at the time of pre-certification.** As part of approving a waiver, the Commission may place additional conditions on a project that must be met, such as achieving a higher level of low-income participant enrollment by the time of project certification.

Oregon Community Solar Program Low Income Discount Waiver RequestProject Manager Entity Name: Pilot Rock Solar 1, LLCPoint of Contact Name: Daniel Hale

Point of Contact Phone Number: _____

Point of Contact Email: PM1@pilotrocksolar.comWhat percentage of capacity do you propose to reserve for low-income customers? 10 %What subscription fee do you propose to charge low-income customers? \$ 0.07816**Please provide a brief narrative that describes:**

- a) The reason that you are requesting a waiver to the 20 percent discount requirement for low-income customers,
- b) How this waiver would allow your project to provide benefits that are equal to or greater than the benefits that low-income customers would receive if a waiver is not granted, and
- c) How you plan to recruit low-income customers to your project in the absence of the financial incentive provided by the required discount.

*You may submit this narrative as a separate document if preferred.***Pilot Rock Solar 1 (1.95MWAC)**

We have 5.98+ MWAC of fully constructed projects that are ready to achieve COD in 2024. We are requesting relief from the OPUC for these projects, as we do not believe CEP will provide enough successful leads to fulfill the LMI requirements and give our providers enough time for outreach to reach our energization dates in 2024. Our (5) projects (Pilot Rock Solar 1, Pilot Rock Solar 2, Tutuilla Solar, Buckaroo Solar 1, and Buckaroo Solar 2) representing 11.92+ MWAC of OR Community Solar have been subject to multiple, costly Contested Case proceedings and obstruction of smooth interconnection promised in UM 1930 with the IOU's Interconnection Plan and Order. As a direct consequence, our subscription efforts were hindered and outreach less effective due to substantial program reputation of delays and complexities.

We seek this waiver and certification for permanent lender, who grown frustration having projects under term sheets for over 2 years. They require full assurance of operations and generating revenue before closing to repay the debt obligation.

We understand the immense pressure on the CEP, but these two projects are fully built, and many have already received approved JHA inspections. They all earmarked to use CEPs LI subscription support, and we have monitored the struggles in obtaining them for prior projects. We must receive timely certification and energize the projects to receive revenue to meet financing benchmarks. Delay prohibits remaining (3) projects from obtaining construction lending and fuels lender speculation the CS Program is high risk in interconnection and regulatory performance.

Once operational, our plan is use re-engage (10) low income multifamily, owners and additional ones determined eligible to fulfill the Low Income requirement. We subscribed all LI for Tutuilla (3rd project in line) and believe will meet the 10% requirement in 12months. We will continue working with CEP and our subscription managers until LMI is fulfilled, but we are seeking relief here to ensure that the sites are not sitting idly for months, where customers have already been subscribed. The OPUC's relief will not only allow 90% of customers on the 12 MWAC to start seeing the benefits of Community Solar but also relieve some of the strain in assessing CEP's timeline on these projects. This relief will also help us, as we have financed these projects to COD in 2024 but have faced constant delays.

Lastly, many of the program participants (subscribers) have been waiting up to three years, including the State of

Project Certification Review and Recommendation

The Oregon Community Solar Program Administrator (PA) has reviewed the certification request of the project described below and recommends that the project does not Certify at this time.

Project Information

Project ID: PP-2020-71

Project Name: Pilot Rock Solar 2

Project Manager: Pilot Rock Solar 2, LLC

Subscription Manager: Pilot Rock Solar 2, LLC

Utility Service Area: PAC

Project Site Address: 45°30'32.67"N, -118°49'38.87"W Pilot Rock, OR 97868

Project Size (kW-AC): 2,990

Carveout-eligible: No

Date of Pre-Certification: 4/27/2020

Expected Commercial Operations Date: 8/30/2025

Project Description

Pilot Rock Solar 2 is a 2,990 kW-AC project in Pilot Rock, Oregon in Umatilla County. The project manager entity is controlled by Sunthurst Energy. Outreach and customer management are conducted through Pilot Rock Solar 2, LLC.

Review Summary

Date Review Completed: 3/14/2025

Project Satisfies all Certification Requirements?: No

PA Recommendation: Reject

Review Notes

The Project Manager (PM) is requesting Certification with a waiver to the low-income capacity requirement. The Project has achieved all Certification requirements except for the low-income capacity requirement. The PM updated low-income marketing plans and signed an agreement with the low-income facilitator (LIF) in February 2025. The PM has chosen to conduct their own recruitment to meet the low-income requirement by working with housing providers. The LIF will work closely with the PM to verify the low-income capacity.

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