

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 1610

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,Investigation into Qualifying Facility
Contracting and Pricing.

ORDER

DISPOSITION: APPLICATION FOR RECONSIDERATION DENIED

On April 24, 2014, OneEnergy Inc. (OneEnergy) and the Community Renewable Energy Association (CREA) filed an application for reconsideration of Order No. 14-058 (Motion for Clarification), requesting either clarification or reconsideration of two issues. Reconsideration of one issue was granted by a ruling issued on June 10, 2014. With regard to the second issue, the two parties request that we clarify “that the cost of transmission upgrades to serve load from all proxy resources (whether on-system or off-system) must be added to avoided cost prices.”¹ OneEnergy and CREA request language be added to our resolution at page 17 of Order No. 14-058 in order to more fully address certain testimony, as follows:

If the proxy resource used to calculate a utility’s avoided costs is an on-system resource and able to serve load as a network resource without transmission upgrades, there are no avoided transmission costs, and thus the costs of third-party transmission (or on-system transmission upgrades) are *not* included in the calculation of avoided costs prices. ~~This is the situation for Pacific Power.~~

OneEnergy and CREA assert that the proposed language changes “will ensure that a proxy resource located in an on-system generation bubble – and therefore requiring transmission upgrades or third-party transmission to move its generation to load – is responsible for such costs, in similar fashion to the Commission’s treatment of a QF located in a load pocket.”²

On May 9, 2014, Commission Staff filed a response asserting that the Motion for Clarification actually seeks two changes: 1) a reversal of our “decision that third-party transmission costs are not included in avoided cost prices when the proxy resource is on

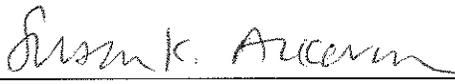
¹ Motion for Clarification at 1.

² *Id.* at 5.

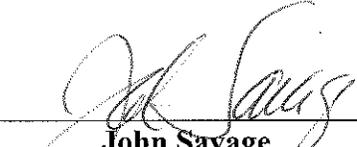
system”³; and 2) an additional decision “that avoided transmission upgrades for in-system proxy resources are includable in avoided cost prices.”⁴ Staff argues that OneEnergy and CREA fail to demonstrate that reconsideration of Order No. 14-058 is warranted with regard to the first requested change. With regard to the second requested change, Staff asserts that the proposed language changes would reach beyond the original scope of the order. Staff explains that the order language at issue is limited to the question specifically presented in Issue 4B of the investigation. Staff further observes that we acknowledged in Order No 14-058 that we did not address all issues raised by the parties in the investigation, including the question of whether transmission upgrades should be included in avoided cost prices.

OAR 860-001-0720(3) provides the basis for granting reconsideration of an order. We agree with Staff that OneEnergy and CREA ask for more than clarification of Order No. 14-058 yet fail to demonstrate that reconsideration of the order is warranted, as opposed to raising any additional or unanswered question(s) in Phase II of this docket. The application for reconsideration (Motion for Clarification) of OneEnergy and CREA is denied.

Made, entered, and effective JUN 20 2014



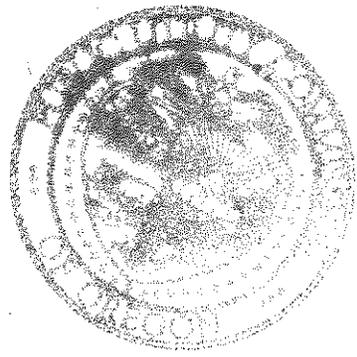
Susan K. Ackerman
Chair



John Savage
Commissioner



Stephen M. Bloom
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.

³ Staff’s Response at 4.
⁴ *Id.*