

BEFORE THE PUBLIC UTILITY COMMISSION OF OREGON

UM 1546

THREEMILE CANYON WIND I, LLC,)
)
 Complainant,)
)
)
 v.)
)
 PACIFICORP, dba PACIFIC POWER,)
)
)
Defendant.)

STATEMENT OF STIPULATED FACTS

1 Threemile Canyon Wind I, LLC (“Threemile Canyon”) and PacifiCorp hereby file with
 2 the Public Utility Commission of Oregon this Statement of Stipulated Facts. The parties
 3 stipulate only to the truth of the statements set forth in this stipulation. Each party
 4 reserves the right to object to the relevance of any fact set forth herein. This Statement of
 5 Stipulated Facts is principally derived from the admissions made by the parties in the
 6 pleadings filed to date in this proceeding. This Statement of Stipulated Facts is not an
 7 exhaustive statement of all uncontroverted facts which may be relevant in this
 8 proceeding. The parties reserve the right to submit evidence of additional facts, including
 9 additional uncontroverted facts, and reserve the right to seeks further admissions from
 10 one another or to engage in such other discovery as either party may deem necessary.

11 (1) PacifiCorp is an electric utility as defined in PURPA (16 U.S.C. § 2602(4)) and
 12 ORS 758.505(4) and is subject to Section 210 of PURPA (16 U.S.C. § 824a-3).

13 (2) PacifiCorp is a public utility as defined in ORS 757.005(1)(a)(A) and is subject to
 14 the Commission’s jurisdiction and regulation.

- 1 (3) Threemile Canyon Wind I, LLC is an Oregon limited liability company.
- 2 (4) Threemile Canyon owns, maintains and otherwise operates a wind-powered
3 generating facility located in Morrow County, Oregon (the "Facility").
- 4 (5) Threemile Canyon has self-certified the Facility as a qualifying facility under
5 PURPA.
- 6 (6) The Facility has six 1.65 MW Vestas V-82 wind-turbine generators installed; the
7 total nameplate capacity of the Facility therefore is 9,900 kW.
- 8 (7) Threemile Canyon's Facility is located in PacifiCorp's service territory, in a locale
9 which is served by PacifiCorp's Dalreed substation.
- 10 (8) PacifiCorp's transmission function ("PacifiCorp Transmission") maintains facilities
11 originating at the Dalreed substation to serve PacifiCorp load in the vicinity of the
12 substation.
- 13 (9) PacifiCorp's Dalreed substation and the associated PacifiCorp facilities serving
14 PacifiCorp load in the vicinity of the substation are interconnected to the rest of
15 PacifiCorp's system only by transmission facilities owned and operated by third
16 parties. PacifiCorp refers to this situation as the "Dalreed load pocket."
- 17 (10) The principle load in the Dalreed load pocket is a single farming operation with a
18 large irrigation system resulting in irrigation season loads in the Dalreed load
19 pocket of up to 40 MW and non-irrigation load of as little as 2 MW.
- 20 (11) Exelon Wind, LLC (f/k/a John Deere Renewables, LLC) and joint developer
21 Momentum Renewable Energy, Inc. approached PacifiCorp's merchant function
22 ("PacifiCorp Merchant") in September of 2006 about purchasing output from one 5

1 MW project and one 10 MW project, to be located at the Threemile Canyon site and
2 interconnected to PacifiCorp's Dalreed substation..

3 (12) On January 17, 2006, Threemile Canyon applied to PacifiCorp Transmission to
4 request an interconnection agreement for the Facility—a single 10 MW project
5 described in paragraphs 4 and 5 above.

6 (13) On July 31, 2006, PacifiCorp Transmission provided Threemile Canyon with a
7 Feasibility Study Report regarding the proposed interconnection. PacifiCorp was
8 identified in the report as the "Transmission Provider." Section 7.0, located on
9 page 11 of the report, is titled, "Participation by Affected Systems" and the one
10 sentence finding of that Section was "No Affected Systems were identified in
11 relation to this Interconnection Request."

12 (14) On November 22, 2006, PacifiCorp Transmission provided Threemile Canyon with
13 a System Impact Study Report regarding the proposed interconnection. PacifiCorp
14 was identified in the report as the "Transmission Provider." Section 5.0, located on
15 page 8 of the report, is titled, "Participation by Affected Systems" and the one
16 sentence finding of that Section was "No Affected Systems were identified in
17 relation to this Interconnection Request."

18 (15) On February 20, 2007, PacifiCorp Transmission provided Threemile Canyon with a
19 Facilities Study Report. PacifiCorp was identified in the report as the
20 "Transmission Provider." In addition, in the report's Section 2.0, "Scope and
21 Objectives of the Study," the following statement was made with respect to such
22 scope and objectives: "Specify and estimate the cost of the equipment, engineering,

1 procurement, and construction work (including overheads) needed to implement the
2 conclusions of the system impact study(s).”

3 (16) On July 15, 2008, Threemile Canyon entered into a *Distribution Generation*
4 *Interconnection Agreement* with PacifiCorp Transmission (“Interconnection
5 Agreement”), permitting Threemile Canyon to interconnect to PacifiCorp’s utility
6 system (“System”) on the 34.5 kV Simtag Feeder out of PacifiCorp’s Dalreed
7 Substation (“Point of Interconnection”).

8 (17) Threemile Canyon has paid all costs for which the Interconnection Agreement held
9 Threemile Canyon responsible.

10 (18) On December 19 2008, Threemile Canyon applied to PacifiCorp Merchant for a
11 Long-Term Standard Contract PPA (Long-Term PPA) for Threemile Canyon’s
12 Facility pursuant to PacifiCorp’s Tariff Schedule 37 (“Schedule 37”).

13 (19) On December 19, 2008, PacifiCorp Merchant notified Threemile Canyon by e-mail
14 that PacifiCorp Merchant believed the Facility would generate net output in excess
15 of load in the Dalreed load pocket during certain times of the year and that, under
16 such circumstances, PacifiCorp would need to purchase third-party transmission
17 services from BPA to move the excess generation to PacifiCorp load outside the
18 Dalreed load pocket.

19 (20) On January 23, 2009, PacifiCorp Merchant notified Threemile Canyon that
20 curtailment of the Facility’s output would be necessary if point-to-point
21 transmission service from BPA was not available to move excess power out of
22 Dalreed.

1 (21) Schedule 37 does not expressly address third-party transmission costs or the cost of
2 curtailment. In an attempt to resolve the question of which party must bear the cost
3 of third-party transmission or curtailment, the parties worked from December 2009
4 through August 2010 to prepare a joint petition to the Commission asking it to
5 resolve the question of who is responsible for such costs. The parties ultimately
6 could not agree on the terms of a joint petition to the Commission to resolve their
7 disagreement regarding the cost of third-party transmission or curtailment.

8 (22) As part of the collaborative process of developing the joint petition, which occurred
9 after conclusion of the interconnection process, PacifiCorp Merchant represented to
10 Threemile Canyon: (a) that PacifiCorp imports energy on a firm basis into the
11 Dalreed substation across BPA-owned transmission pursuant to PacifiCorp's
12 General Transmission Agreement (GTA) with BPA; (b) the GTA covers power
13 flow into Dalreed substation; (c) under the GTA, the Dalreed load is telemetered for
14 import into PacifiCorp West control area such that dynamic scheduling is not
15 required for import energy; and (d) the current GTA makes no provision for firm
16 export of energy from the Dalreed substation across BPA transmission.

17 (23) Also as part of the collaborative process of developing the joint petition, which
18 occurred after conclusion of the interconnection process, PacifiCorp conducted an
19 analysis based in part on information provided by Threemile Canyon which
20 demonstrated on a backward-looking basis that output from the Facility would have
21 exceeded total load in the Dalreed load pocket approximately 11 to 15 percent of
22 total hours in a year during the months October through April with the majority of
23 those hours concentrated in the months of November through March.

1 (24) PacifiCorp has referred to the times when the output of the Threemile Canyon QF
2 exceeds total PacifiCorp load served by the Dalreed substation as “Excess
3 Generation Events.”

4 (25) As part of the collaborative process of developing the joint petition, PacifiCorp has
5 represented to Threemile Canyon: (a) that during an Excess Generation Event,
6 PacifiCorp merchant may use (if available) firm BPA Point-To-Point (“PTP”)
7 Transmission Service (PTPTS) as defined in BPA’s Open Access Transmission
8 Tariff (“OATT”) in order to move the excess generation from Dalreed substation to
9 PacifiCorp’s greater system such that PacifiCorp can use the Facility’s excess
10 generation to serve its retail customer load; (b) that PacifiCorp has made a formal
11 request to BPA to purchase sufficient capacity to transmit 100 percent of Threemile
12 Canyon’s generation in excess of Dalreed Service Area load (8 megawatts) to
13 PacifiCorp’s other load across BPA-owned transmission for a five-year term with
14 roll-over rights to renew on an on-going basis through the term of the Power
15 Purchase Agreement (“PPA”); and (c) a customer-financed upgrade to BPA’s
16 system may be necessary before BPA long-term FFTP transmission sufficient to
17 export Threemile Canyon’s excess generation in all months is available.

18 (26) As part of the collaborative process of developing the joint petition, PacifiCorp has
19 represented to Threemile Canyon that in the event sufficient long-term firm
20 transmission service (LTFPTPTS) is not available, PacifiCorp may attempt to
21 obtain short-term firm transmission (STFPTPTS) on a month-to-month basis for the
22 months when an Excess Generation Event is expected.

23 (27) As part of the collaborative process of developing the joint petition, PacifiCorp has

1 represented to Threemile Canyon that if PacifiCorp does not purchase BPA PTPTS,
2 then PacifiCorp must curtail excess Facility generation during Excess Generation
3 Events so not to incur penalties from BPA for unscheduled deliveries under BPA's
4 OATT.

5 (28) On June 19, 2009, PacifiCorp and Threemile Canyon executed a Short-Term PPA
6 with a four-month term. The Short-Term PPA is in the form of PacifiCorp's
7 Commission-approved standard agreement for intermittent resources with
8 mechanical available guarantee, but with the addition of an addendum (Addendum
9 R – "Clarification of Contract Price"). The Short-Term PPA in its Addendum R
10 memorialized and documented the Parties' agreement on the Contract Prices that
11 would be paid by PacifiCorp to Threemile Canyon. PacifiCorp and Threemile
12 Canyon later extended their Short-Term PPA's Termination Date in succession
13 until: (a) October 31, 2009, (b) November 30, 2009; (c) April 30, 2010, (d) October
14 31, 2010, (d) March 31, 2011, and (e) September 30, 2011.

15 (29) The Short-Term PPA requires PacifiCorp to purchase all net output from the
16 Facility or else default on the Short-Term PPA, even during an Excess Generation
17 Event.

18 (30) In executing the Short-Term PPA, the parties reserved their right to dispute who
19 would pay incremental third-party transmission costs and incremental revenue
20 reductions when the Short-Term PPA expires.

21 (31) Since June 2009, PacifiCorp has purchased all net output from the Facility at the
22 point of delivery in the Dalreed load pocket. PacifiCorp has purchased such
23 Facility output under the Short-Term PPA.

1 (32) On June 27, 2011, PacifiCorp filed Advice No. 11-011 with the Commission
2 seeking revisions to Schedule 37.

3 (33) On July 1, 2011, Threemile Canyon filed its *Complaint* in this matter. PacifiCorp
4 filed its *Answer, Defenses and Counterclaims* on July 25, 2011. Threemile Canyon
5 filed its *Answer to the Counterclaims* on August 8, 2011.

6
7 DATED this 6th day of September, 2011.

8 BAIL JANIK LLP

9 By: 

10 Richard H. Allan, OSB #881477
11 Of Attorneys for Complainant,
12 Threemile Canyon Wind I, LLC
13 101 SW Main Street, Suite 1100
14 Portland, OR 972054
15 rallan@balljanik.com

16 LOVINGER KAUFMANN LLP

17 By: _____

18 Jeffrey S. Lovinger
19 Lovinger Kaufmann LLP
20 825 NE. Multnomah, Suite 925
21 Portland, OR 97232
22 lovinger@lklaw.com
23

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8 BALL JANIK LLP

9
10 By: 

Richard H. Allan, OSB #881477
Of Attorneys for Complainant,
Threemile Canyon Wind I, LLC
101 SW Main Street, Suite 1100
Portland, OR 972054
rallan@balljanik.com

16 LOVINGER KAUFMANN LLP

17
18 By: 

Jeffrey S. Lovinger
Lovinger Kaufmann LLP
825 NE. Multnomah, Suite 925
Portland, OR 97232
lovinger@lklaw.com

1 **CERTIFICATE OF FILING**

2 I hereby certify that on September 6, 2011, I filed the foregoing STATEMENT
3 OF STIPULATED FACTS (UM 1546) with the Public Utility Commission; Att'n Filing
4 Center, by electronic transmission and mailed the original and five copies to the Public
5 Utility Commission, Att'n. Filing Center, 550 Capitol Street NE, No. 215, P.O. Box 2148,
6 Salem, Oregon 97308 by first-class mail in a sealed envelope.

7
8 BALL JANIK LLP

9 By: 

Richard H. Allan, OSB #881477
Of Attorneys for Complainant
Threemile Canyon Wind I, LLC
rallan@balljanik.com

12
13 **CERTIFICATE OF SERVICE**

14 I hereby certify that on September 6, 2011, I served a true and correct copy of the
15 foregoing STATEMENT OF STIPULATED FACTS (UM 1546) by electronic
16 transmission and by first-class mail on the following individuals:

17 PacifiCorp Oregon Dockets
18 825 NE Multnomah Street, Suite 2000
19 Portland, OR 97932
oregondockets@pacificorp.com

Jeffrey S. Lovinger
Kenneth E. Kaufmann
Lovinger Kaufmann LLP
825 NE. Multnomah, Suite 925
Portland, OR 97232
lovinger@lklaw.com
kaufmann@lklaw.com

20 Jordan A. White
21 Legal Counsel
22 1407 W. North Temple, Suite 320
Salt Lake City, UT 84116
jordan.white@pacificorp.com

23 BALL JANIK LLP

24 By: 

Richard H. Allan, OSB #881477
Of Attorneys for Complainant
Threemile Canyon Wind I, LLC
rallan@balljanik.com