

1 **BEFORE THE PUBLIC UTILITY COMMISSION**  
2 **OF OREGON**

3 **UM 1610**

4 In the Matter of Public Utility Commission of  
5 Oregon

**STIPULATION RE: ISSUES LIST**

6 INVESTIGATION INTO QUALIFYING  
7 FACILITY CONTRACTING AND PRICING.

8 **I. Parties**

9 The parties to this Stipulation are Staff of the Public Utility Commission of Oregon (Staff),  
10 Portland General Electric Company (PGE), PacifiCorp, Idaho Power Company (Idaho Power),  
11 One Energy, Inc., Obsidian Renewables LLC (Obsidian), the Community Renewable Energy  
12 Association (CREA), the Renewable Energy Coalition, the Small Utility Business Advocates  
13 (SBUA), and the Oregon Department of Energy (ODOE) (together the "Parties").

14 **II. Background**

15 The Commission opened this investigation into qualifying facility (QF) pricing and  
16 contracting in June 2012 and subsequently divided the docket (No. UM 1610) into two phases.  
17 On October 25, 2012, Administrative Law Judge (ALJ) Grant issued a ruling finalizing an issues  
18 list. On December 21, 2012, ALJ Grant issued a ruling adopting a procedural schedule, and  
19 dividing the investigation into two phases. On January 30, 2013, ALJ Grant issued a ruling  
20 modifying the schedule. ALJ Grant's rulings deferred consideration of the following issues to  
21 Phase II:

- 22 1. Should standard contracting process, steps and timelines be revised?
- 23 2. What is the maximum time allowed between contract execution and power delivery?
- 24 3. Should QFs smaller than 10 MW have access to the same dispute resolution process as  
25 those greater than 10 MW?
- 26

- 1 4. Should off-system QFs be entitled to deliver under any form of firm point to point  
2 transmission that the third party transmission provider offers? If not, what type of method  
3 of delivery is required or permissible? How does method of delivery affect pricing?
- 4 5. What terms should address security and liquidated damages?
- 5 6. May utilities curtail QF generation based on reliability and operational considerations, as  
6 described at 18 CPR §292.304(f)(1)? If so, when?
- 7 7. What is the appropriate process for updating standard form contracts, and should the  
8 utilities' recently filed standard contracts be amended by edits from the stakeholders or  
9 the Commission?
- 10 8. Should PPAs include conditions that reference the timing of the interconnection  
11 agreement and interconnection milestones? If so, what types of conditions should be  
12 included?
- 13 9. Should QFs have the ability to elect a larger role for third party contractors in the  
14 interconnection process? If so, how could that be accomplished?

15 On February 24, 2014, the Commission issued Order No. 14-058 resolving several issues in  
16 Phase I and deferring consideration of the following four issues to Phase II:

- 17 1. What is the most appropriate methodology for calculating non-standard avoided cost  
18 prices? Should the methodology be the same for all three electric utilities operating  
19 in Oregon?
- 20 2. When is there a legally enforceable obligation?
- 21 3. How should third-party transmission costs to move QF output in a load pocket to load  
22 be calculated and accounted for in the standard contract?
- 23 4. How should utilities calculate penalties for a QF's failure to meet the Mechanical  
24 Availability Guarantee (MAG)?

25 On September 29, 2014, Administrative Law Judges Kirkpatrick and Pines issued a  
26 memorandum establishing the procedural schedule for Phase II of Docket No. UM 1610, which  
included a December 4, 2014 due date for proposed issues. On December 4, 2014, ALJ Pines  
granted Staff's request for additional time to finalize and file stipulations among several parties  
addressing the Phase II Issues List and some substantive issues. ALJ Pines granted Staff's  
January 12, 2015 request for another extension of the time in which to submit the stipulations

1 and to suspend the remainder of the procedural schedule. Under ALJ Pines' January 12, 2015  
2 ruling, parties have until February 17, 2015, to submit their stipulations and ask the ALJs to add  
3 issues to the Phase II Issues list.

4 The Parties met on October 14 and 28, November 18, 2014, and February 5, 2015, to  
5 determine whether they could agree on what issues should be considered in Phase II and whether  
6 they could agree on the merits of any of these issues.

7 Following these negotiations, the Parties agreed that they will: 1) ask the Commission to  
8 consider five contested issues in addition to three of the four issues the Commission has already  
9 decided to consider in Phase II; 2) file a separate stipulation resolving other PURPA-related  
10 issues, including two of the issues deferred from Phase I to Phase II by the Commission, and  
11 some of the issues originally scheduled to be resolved in Phase II; and 3) ask the Commission to  
12 approve the stipulated resolution of these issues prior to the time parties file their first round of  
13 testimony in Phase II of this docket.

### 14 **III. Agreement**

15 The Parties agree:

16 A. The following issues should be added to the Phase II Issues List:

- 17 1. Who owns the Green Tags during the last five years of a 20-year fixed price PPA during  
18 which prices paid to the QF are at market?
- 19 2. Should avoided transmission costs for non-renewable and renewable proxy resources be  
20 included in the calculation of avoided cost prices?
- 21 3. Should the capacity contribution calculation for the standard non-renewable avoided cost  
22 prices be modified to mirror any change to the solar capacity contribution calculation  
23 used to calculate the standard renewable avoided cost price?
- 24 4. What is the appropriate forum to resolve disputed inputs and assumptions?
- 25 5. Whether the market prices used during the Resource Sufficiency Period sufficiently  
26 compensate for capacity?

- 1 B. The Parties will submit to the Commission a separate stipulation (“Stipulation”) resolving  
2 several issues and ask the Commission to address this stipulation prior to the time the  
3 first round of testimony of Phase II is filed. To the extent the Commission does not  
4 approve the Parties’ agreed-to resolution of any of the issues submitted in the Stipulation,  
5 any Party may ask that the issue be included on the Phase II Issues List. Other Parties  
6 will not oppose any such request.
- 7 C. The Phase II issues list including three of the issues ordered by the Commission in Order  
8 No. 04-058 and the five issues listed in III.A. above, is attached as Exhibit A. A list of  
9 the issues that the parties agree to not address in Phase II is attached as Exhibit B.
- 10 D. Interconnection process issues were originally scheduled to be addressed in Phase II of  
11 this proceeding. Interconnection process issues should be addressed in this or a separate  
12 docket following the completion of Phase II. These issues include but are not limited to  
13 Issues 7A and 7B on the Issues List adopted by ALJ Grant.
- 14 E. The Parties recommend that the Commission initiate a rulemaking to revise the  
15 Commission’s rules regarding qualifying facilities to comply with the final order(s) in  
16 this docket.
- 17 F. Notwithstanding anything stated and agreed to in this Stipulation, as well as the  
18 accompanying Stipulation referenced in paragraphs B. above, Idaho Power hereby  
19 reserves the right to bring as separate case filings matters related to: (1) revision of the  
20 standard rate eligibility cap; (2) the appropriate maximum contract term; (3)  
21 implementation of solar integration charges; and (4) revision of Idaho Power’s resource  
22 sufficiency period. The parties have agreed that these matters not be included in the  
23 proceedings for UM 1610, and further agree and understand that removing these Idaho  
24 Power issues from UM 1610 should not prejudice any right of Idaho Power to bring these  
25 matters before the Commission as Idaho Power specific case filings.
- 26

- 1 G. The Parties recommend and request that the Commission approve the adjustments and  
2 provisions described herein as appropriate and reasonable resolutions of the identified  
3 issues in this docket.
- 4 H. This Stipulation represents a compromise in the positions of the parties.
- 5 I. This Stipulation will be offered into the record in this proceeding and the Parties agree to  
6 support this Stipulation throughout this proceeding. By entering into this Stipulation, no  
7 Stipulating Party shall be deemed to have approved, admitted or consented to the facts,  
8 principles, methods or theories employed by any other Party in arriving at the terms of  
9 this Stipulation.
- 10 J. This Stipulation may be signed in any number of counterparts, each of which will be an  
11 original for all purposes, but all of which taken together will constitute one and the same  
12 agreement.

13  
14 Dated this 19<sup>th</sup> of February, 2015.

15  
16  \_\_\_\_\_ STAFF

17  
18  
19 \_\_\_\_\_  
20 COMMUNITY RENEWABLE ENERGY  
ASSOCIATION

21  
22 \_\_\_\_\_  
23 RENEWABLE ENERGY COALITION

24  
25 \_\_\_\_\_  
26 PACIFICORP dba PACIFIC POWER

- 1 G. The Parties recommend and request that the Commission approve the adjustments and  
2 provisions described herein as appropriate and reasonable resolutions of the identified  
3 issues in this docket.
- 4 H. This Stipulation represents a compromise in the positions of the parties.
- 5 I. This Stipulation will be offered into the record in this proceeding and the Parties agree to  
6 support this Stipulation throughout this proceeding. By entering into this Stipulation, no  
7 Stipulating Party shall be deemed to have approved, admitted or consented to the facts,  
8 principles, methods or theories employed by any other Party in arriving at the terms of  
9 this Stipulation.
- 10 J. This Stipulation may be signed in any number of counterparts, each of which will be an  
11 original for all purposes, but all of which taken together will constitute one and the same  
12 agreement.

13  
14 Dated this 18<sup>th</sup> of February, 2015.

15  
16 \_\_\_\_\_ STAFF

17  
18   
19 \_\_\_\_\_

20 COMMUNITY RENEWABLE ENERGY  
21 ASSOCIATION

22  
23 \_\_\_\_\_  
24 RENEWABLE ENERGY COALITION

25  
26 \_\_\_\_\_  
PACIFICORP dba PACIFIC POWER

1 Power issues from UM 1610 should not prejudice any right of Idaho Power to bring these  
2 matters before the Commission as Idaho Power specific case filings.

3 G. The Parties recommend and request that the Commission approve the adjustments and  
4 provisions described herein as appropriate and reasonable resolutions of the identified  
5 issues in this docket.

6 H. This Stipulation represents a compromise in the positions of the parties.

7 I. This Stipulation will be offered into the record in this proceeding and the Parties agree to  
8 support this Stipulation throughout this proceeding. By entering into this Stipulation, no  
9 Stipulating Party shall be deemed to have approved, admitted or consented to the facts,  
10 principles, methods or theories employed by any other Party in arriving at the terms of  
11 this Stipulation.

12 J. This Stipulation may be signed in any number of counterparts, each of which will be an  
13 original for all purposes, but all of which taken together will constitute one and the same  
14 agreement.

15

16 Dated this \_\_\_\_\_ of February, 2015.

17

18

\_\_\_\_\_  
STAFF

19

20

21

\_\_\_\_\_  
COMMUNITY RENEWABLE ENERGY  
ASSOCIATION

22

23

*Lucretia Savage*  
\_\_\_\_\_  
RENEWABLE ENERGY COALITION

24

25

26

- 1 G. The Parties recommend and request that the Commission approve the adjustments and  
2 provisions described herein as appropriate and reasonable resolutions of the identified  
3 issues in this docket.
- 4 H. This Stipulation represents a compromise in the positions of the parties.
- 5 I. This Stipulation will be offered into the record in this proceeding and the Parties agree to  
6 support this Stipulation throughout this proceeding. By entering into this Stipulation, no  
7 Stipulating Party shall be deemed to have approved, admitted or consented to the facts,  
8 principles, methods or theories employed by any other Party in arriving at the terms of  
9 this Stipulation.
- 10 J. This Stipulation may be signed in any number of counterparts, each of which will be an  
11 original for all purposes, but all of which taken together will constitute one and the same  
12 agreement.

13  
14 Dated this 19<sup>th</sup> of February, 2015.

15  
16 \_\_\_\_\_ STAFF

17  
18  
19 \_\_\_\_\_  
20 COMMUNITY RENEWABLE ENERGY  
21 ASSOCIATION

22 \_\_\_\_\_  
23 RENEWABLE ENERGY COALITION

24  
25 \_\_\_\_\_  
26 PACIFICORP dba PACIFIC POWER



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

PORTLAND GENERAL ELECTRIC CO.

IDAHO POWER COMPANY

OBSIDIAN RENEWABLES, LLC

ONE ENERGY, INC.

SMALL BUSINESS UTILITY  
ADVOCATES

OREGON DEPARTMENT OF  
ENERGY

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

---

PORTLAND GENERAL ELECTRIC CO.



IDAHO POWER COMPANY

---

OBSIDIAN RENEWABLES, LLC

---

ONE ENERGY, INC.

---

SMALL UTILITY BUSINESS  
ADVOCATES

---

OREGON DEPARTMENT OF  
ENERGY

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

---

PORTLAND GENERAL ELECTRIC CO.

---

IDAHO POWER COMPANY

---

OBSIDIAN RENEWABLES, LLC

*Ken Kaufmann (for Bill Eldred)*  
ONE ENERGY, INC.

---

SMALL BUSINESS UTILITY  
ADVOCATES

---

OREGON DEPARTMENT OF  
ENERGY

---

PORTLAND GENERAL ELECTRIC CO.

---

IDAHO POWER COMPANY

---

OBSIDIAN RENEWABLES, LLC

---

ONE ENERGY, INC.

---

SMALL BUSINESS UTILITY  
ADVOCATES

---

OREGON DEPARTMENT OF  
ENERGY

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

---

PORTLAND GENERAL ELECTRIC CO.

---

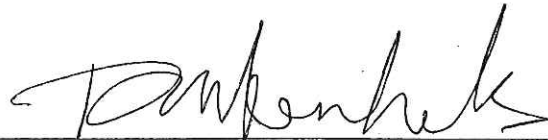
IDAHO POWER COMPANY

---

OBSIDIAN RENEWABLES, LLC

---

ONE ENERGY, INC.



---

SMALL BUSINESS UTILITY  
ADVOCATES

---

OREGON DEPARTMENT OF  
ENERGY

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

---

PORTLAND GENERAL ELECTRIC CO.

---

IDAHO POWER COMPANY

---

OBSIDIAN RENEWABLES, LLC

---

ONE ENERGY, INC.

---

SMALL BUSINESS UTILITY  
ADVOCATES

*Jane Outley for Renee France*  

---

OREGON DEPARTMENT OF  
ENERGY

## Issue Stipulation Exhibit A – UM 1610 Phase II Issue List

1. Who owns the Green Tags during the last five years of a 20-year fixed price PPA during which prices paid to the QF are at market?
2. Should avoided transmission costs for non-renewable and renewable proxy resources be included in the calculation of avoided cost prices?
3. Should the capacity contribution calculation for the standard non-renewable avoided cost prices be modified to mirror any change to the solar capacity contribution calculation used to calculate the standard renewable avoided cost price?
4. What is the appropriate forum to resolve litigated issues and assumptions?
5. Whether the market prices used during the Resource Sufficiency Period sufficiently compensate for capacity?
6. What is the most appropriate methodology for calculating non-standard avoided cost prices? Should the methodology be the same for all three electric utilities operating in Oregon?
7. When is there a legally enforceable obligation?
8. How should third-party transmission costs to move QF output in a load pocket to load be calculated and accounted for in the standard contract?

**Issue List Exhibit B – Issues not included on Phase II Issues List**

1. What terms should address security and liquidated damages?
2. What is the appropriate contract term? What is the appropriate duration for the fixed price of the contract?
3. What taxes are applicable to PacifiCorp's proxy wind plant in Wyoming?
4. Do all utilities' avoided costs include avoided taxes? If not, should they?
5. What is the impact of partial acknowledgment of the Company's Integrated Resource Plan on the demarcation of Resource Sufficiency and Resource Deficiency Periods for purposes of calculating avoided cost prices?
6. Should off-system QFs be entitled to deliver under any form of firm point to point transmission that the third party transmission provider offers? If not, what type of method of delivery is required or permissible? How does method of delivery affect pricing?
7. May utilities curtail QF generation based on reliability and operational considerations, as described at 18 CFR 292.304(f)(1). If so, when?