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July 12, 2013

VIA ELECTRONIC FILING & U.S. MAIL

Oregon Public Utility Commission
Attn: Filing Center
550 Capitol Street, N.E., #215
P.O. Box 2148
Salem, Oregon 97308-2148

Re: In the Matter of Public Utility Commission of Oregon Investigation Into
Qualifying Facility Contracting and Pricing
Docket No. UM-1610

Dear Filing Center:

Enclosed please find the original and one (1) copy of Obsidian Renewables, LLC's Motion for Clarification the above-referenced docket.

Thank you for your assistance with this filing. Should you have any questions, please feel free to contact me.

Very truly yours,



Chad M. Stokes

CMS:sk
Enclosures

cc: UM-1610 Service List

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1610**

In the Matter of)	
)	
PUBLIC UTILITY COMMISSION OF)	MOTION FOR CLARIFICATION
OREGON,)	
)	
Investigation into Qualifying Facility)	
Contracting and Pricing.)	

Pursuant to OAR 860-001-0420, and for the reasons set forth below, Obsidian Renewables LLC (“Obsidian”) requests clarification that the Oregon Public Utility Commission’s (“Commission”) final order to be issued in Phase I (“Order”) of the above referenced docket will address approval of Portland General Electric’s (“PGE”) renewable QF rate schedule 211 (and other utilities’ renewable QF rates) (collectively “Renewable Rates”) that were developed in UM 1396, with any appropriate modifications arising from this docket.

As explained in the Reply Testimony of David Brown on behalf of Obsidian, the uncertainty surrounding the status of a Renewable Rate is an impediment to renewable resource development and the deployment of new technology. If renewable QF developers do not know the rate at which they can sell their power output, or if the utilities refuse to negotiate a Renewable Rate, it is extremely difficult (if not impossible) to proceed with development. Renewable projects, like other energy projects, need definitive pricing information in order to move forward. Delays caused by the lack of an approved Renewable Rate jeopardize access to financial incentives or other opportunities, prices with contractors and vendors and the status in interconnection and transmission queues.

Obsidian’s concerns about the lack of a Renewable Rate are not merely hypothetical but relate to an actual project that Obsidian is trying to develop. At present, Obsidian is in advanced

development of the Fremont Solar Project. The Fremont Solar Project will be an eligible QF project having a capacity of approximately 8MW, the output of which Obsidian wishes to sell to PGE as renewable power. In order for the project to move forward to completion, however, Obsidian requires an appropriate Renewable Rate from PGE. As the attached correspondence shows, PGE's proposed Renewable Rate schedule is not yet available for QF developers and PGE refuses to even negotiate a renewable rate. *See* Exhibit A. The absence of an approved Renewable Rate is causing a substantial delay that is gravely jeopardizing the Fremont Solar Project.

CONCLUSION

Obsidian respectfully requests clarification that the Commission's final order in Phase I of this docket will address the approval of utilities' Renewable Rate.

DATED this 12th day of July, 2013.

Respectfully submitted,



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Portland General Electric
121 SW Salmon Street
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July 3, 2013

David W. Brown
Senior Principal
Obsidian Renewable, LLC
5 Centerpointe Drive, Suite 590
Lake Oswego, OR 97035-8635

Dear Mr. Brown:

On June 19, 2013 you sent a letter to PGE requesting indicative prices under PGE's Schedule 202 for the 8 MW Fremont Solar project in Christmas Valley. You provided the data on PGE's Small Generator Interconnection application form. The material goes on to describe the project and that it will be interconnected with BPA and not PGE in order for energy to be provided to PGE via transmission. PGE confirmed by phone that no interconnection between PGE and your proposed project will be required, or in fact is even possible. In your package you also included a check for \$1,000 made out to PGE for an interconnection request. As no interconnection will be required your payment of this fee is not needed; and PGE has returned your check enclosed with this letter.

For your future reference, the use of the interconnection forms when no interconnection to PGE will occur will and in this case has slowed down the processing of your material. Due to the use of the interconnection forms your project description was provided to PGE's small generator interconnection group. They determined and confirmed that no interconnection to PGE is contemplated and sent the forms for processing as a request for indicative pricing and negotiation of a power purchase agreement under Schedule 202.

PGE understands that you are requesting to negotiate an agreement under Schedule 202 to sell renewable energy, instead of selling your project's output as non-renewable energy under a Standard Contract Off System Power Purchase Agreement for Intermittent Resources. As you note in your letter your project would qualify to sell to PGE under such a standard agreement. PGE is proceeding under Schedule 202 at your request, starting with providing indicative pricing.

Finally, you requested to be provided "an indicative renewable power purchase price for Fremont Solar". However, as your letter points out PGE's filed Schedule 211 has not been adopted by the OPUC. As a result, PGE is unable to provide an indicative price for renewable energy. PGE is able offer as an indicative price to Obsidian for the proposed solar plant the current schedule 201.

Obsidian Renewable, LLC: Fremont Solar
July 3, 2013
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We have attached Schedule 201 for your convenience, as well as the applicable Standard Contract. Under that contract, Obsidian would retain rights to environmental attributes and may sell them to parties other than PGE.

We look forward to communications from you.

Sincerely,

A handwritten signature in cursive script that reads "Bruce True".

Bruce True
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121 SW Salmon St., 3WTC0306
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CERTIFICATE OF SERVICE

I hereby certify that I caused to be served the foregoing **MOTION FOR CLARIFICATION** via electronic mail and, where paper service is not waived, via postage-paid first class mail upon the following parties of record:

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Dated in Portland, Oregon, this 12th day of July, 2013.



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