



Cleantech Law Partners, PC

6228 SW Hood Ave.
Portland, OR 97239
541.270.6001

April 29, 2013

Oregon Public Utility Commission
Attention: Filing Center
550 Capitol Street NE, #215
PO Box 2148
Salem OR 97308-2148
E-mail: PUC.filingcenter@state.or.us

Re: Docket UM 1610—Investigation into Qualifying Facility Contracting and Pricing

Attention Filing Center:

Enclosed for filing in UM 1610 are an original and five (5) copies of

Reply Testimony of Small Business Utility Advocates:
SBUA 200 Testimony of Gregory Price

This document is being filed by electronic mail with the Filing Center. Hard copies will be sent via US Mail.

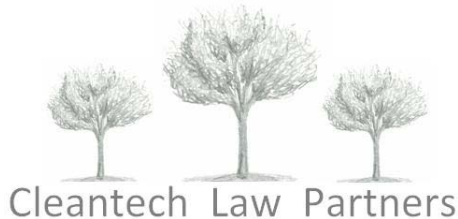
This document is being served upon the UM 1610 service list.

Sincerely,

Diane Henkels, CLP
Counsel for SBUA

Enclosure

Cc: UM 1610 Service list (by e-mail)



Cleantech Law Partners, PC

6228 SW Hood Ave.
Portland, OR 97239
541.270.6001

CERTIFICATE OF FILING SERVICE

I hereby certify that on April 29, 2013, I served a copy of SBUA's Reply Testimony upon the persons named in the UM 1610 Service list by electronic mail only as all parties have waived service.

Oregon Dockets
PacifiCorp, dba Pacific Power
825 NE Multnomah St, Ste 2000
Portland OR 97232
oregondockets@pacificorp.com

Regulatory Dockets
Idaho Power Company
PO Box 70
Boise ID 83707-0070
dockets@idahopower.com

RNP Dockets
Renewable Northwest Project
421 SW 6TH Ave., Ste. 1125
Portland OR 97204
dockets@rnp.org

Citizen Utility Board
Citizens Utility Board
610 SW Broadway, Ste 400
Portland OR 97205
dockets@oregoncub.org

Paul Ackerman
Exelon Business Services Company
100 Constellation Way, Ste 500C
Baltimore, MD 21202
Paul.ackerman@constellation.com

Gregory M. Adams
Richardson & O'Leary
PO Box 7218
Boise ID 83702
greg@richardsonandoleary.com

Northwest Energy Systems Company
LLC
Daren Anderson
1800 NE 8TH ST., STE 320
Bellevue WA 98004-1600
da@thenescogroup.com

Brittany Andrus
Public Utility Commission of Oregon
PO Box 2148
Salem OR 97308-2148
Brittany.andrus@state.or.us

Stephanie Andrus
Oregon Department of Justice
Business Activities Section
1162 Court St NE
Salem OR 97301-4096
Stephanie.andrus@state.or.us

James Birkelund, President
Small Business Utilities Advocates
548 Market St. Ste 11200
San Francisco, CA 94104
james@utilityadvocates.org

Adam Bless
Public Utilities Commission of Oregon
PO Box 2148
Salem OR 97308
adam.bless@state.or.us

Peter Blood
VP Origination & Portfolio Mgmt
Columbia Energy Partners LLC
317 Columbia St.
Vancouver WA 98660
pblood@columbiaenergypartners.com

Kacia Brockman
Oregon Department of Energy
Energy Policy Analyst
625 Marion St NE
Salem OR 97301
kacia.brockman@state.or.us



Cleantech Law Partners, PC

6228 SW Hood Ave.
Portland, OR 97239
541.270.6001

Larry Cable
Cable Huston Benedict Haagensen &
Lloyd LLP
1001 SW Fifth, Suite 2000
Portland, OR 97204
lcable@cablehuston.com

Annala, Carey, Baker et al
Will H. Carey
PO Box 325
Hood River OR 97031
wcarey@hoodriverattorneys.com

R. Bryce Dalley
Pacific Power
825 NE Multnomah St., Ste 2000
Portland OR 97232
bryce.dalley@pacificcorp.com

Megan Walseth Decker
Renewable Northwest Project
421 SW 6TH Ave #1125
Portland OR 97204-1629
megan@rnp.org

Lloyd Fery
11022 Rainwater Lane SE
Aumsville OR 97325
dlchain@wvi.com

J. Richard George
Portland General Electric Company
121 SW Salem ST 1WTC1301
Portland OR 97204
richard.george@pgn.com

Robert Jenks
Executive Director
Citizens Utility Board
610 SW Broadway, Ste 400
Portland OR 97205
bob@oregoncub.org

Randy Dahlgren
Portland General Electric
121 SW Salmon St - 1WTC0702
Portland OR 97204
pge.opuc.filings@pgn.com

Melinda Davison
Davison Van Cleve PC
333 SW Taylor St Ste 400
Portland OR 97204
mjd@dvclaw.com
mail@dvc.law.com

Bill Eddie
One Energy Renewables
206 NE 28TH Ave
Portland OR 97232
bill@oneenergyrenewables.com

Renee M. France
Senior Assistant Attorney General
Natural Resources Section
1162 Court St NE
Salem OR 97301-4096
renee.m.france@doj.state.or.us

John Harvey
Exelon Wind
4601 Westorn Pkwy. #300
West Des Moines, IA 50266
John.harvey@exeloncorp.com

Kenneth Kaufmann
Lovinger Kaufmann LLC
825 NE Multnomah Ste 925
Portland OR 97232-2150
kaufmann@lklaw.com



Cleantech Law Partners, PC

6228 SW Hood Ave.
Portland, OR 97239
541.270.6001

Matt Krumenauer
Oregon Department of Energy
Senior Policy Analyst
625 Marion St NE
Salem OR 97301
matt.krumenauer@state.or.us

David A. Lokting
Stoll Berne
209 SW Oak Street, Ste 500
Portland OR 97204
dlokting@stollberne.com

Richard Lorenz
Cable Huston Benedict Haagensen &
Lloyd LLP
1001 SW Fifth Avenue, Ste 2000
Portland, OR 97204-1136
rlorenz@cablehuston.com

Jeffrey S Lovinger
Lovinger Kaufmann LLC
825 NE Multnomah Ste 925
Portland OR 97232-2150
lovinger@lklaw.com

John Lowe
Renewable Energy Coalition
12050 SW Tremont St
Portland OR 97225-5430
jravensandmarcos@yahoo.com

Adam Lowney
McDowell Rackner & Gibson PC
419 SW 11TH Ave, Ste 400
Portland OR 97205
adam@mcd-law.com

Mike McArthur
Executive Director
Association of Oregon Counties
PO Box 12729
Salem OR 97309
mmcarthur@aocweb.org

G. Catriona McCracken
Legal Counsel/Staff Attorney
Citizens Utility Board
610 SW Broadway, STE 400
Portland OR 97205
catriona@oregoncub.org

Glenn Montgomery
Oregon Solar Energy Industries
Association
PO Box 14927
Portland OR 97293
glenn@oseia.org

Thomas Nelson
Attorney at Law
PO Box 1211
Welches OR 97067-1211
nelson@thnelson.com

Kathleen Newman
Oregonians for Renewable Energy
Policy
1553 NE Greensword Dr
Hillsboro OR 97214
Kathleenoipl@frontier.com;
k.a.newman@frontier.com

Mark Pete Pengilly
Oregonians for Renewable Energy
Policy
PO BOX 10221
Portland OR 97296
mpengilly@gmail.com

Elaine Prause
Energy Trust of Oregon
421 SW Oak ST #300
Portland OR 97204-1817
elaine.prause@energytrust.org

Greg Price
PMB 634
11124 NE Halsey
Portland, OR 97220



Cleantech Law Partners, PC

6228 SW Hood Ave.
Portland, OR 97239
541.270.6001

Lisa F. Rackner
McDowell Rackner & Gibson PC
419 SW 11TH AVE., STE 400
Portland OR 97205
dockets@mcd-law.com

Peter J. Richardson
Richardson & O'Leary PLLC
PO Box 7218
Boise ID 83702
peter@richardsonandoleary.com

Toni Roush, Roush Hydro Inc.
366 E Water
Stayton OR 97383
tmroush@wvi.com

Irion A. Sanger
Davison Van Cleve PC
333 SW Taylor - Ste 400
Portland OR 97204
ias@dvclaw.com

Donald W. Schoenbeck
Regulatory & Cogeneration Services,
Inc.
900 Washington St. Ste 780
Vancouver WA 98660-3455
dws@r-c-s-inc.com

John W. Stephens
Esler Stephens & Buckley
888 SW Fifth Ave Ste 700
Portland OR 97204-2021
stephens@eslerstephens.com;
mec@eslerstephens.com

Chad Stokes
Cable Huston Benedict Haagensen &
Lloyd LLP
1001 SW Fifth, Suite 2000
Portland, OR 97204
cstokes@cablehuston.com

David Tooze
City of Portland Bureau of Planning &
Sustainability
1900 SW 4TH Ste 7100
Portland, OR 97201
david.tooze@Portlandoregon.gov

John Volkman
General Counsel
Energy Trust of Oregon
421 SW Oak St #300
Portland OR 97204
john.volkman@energytrust.org

S. Bradley Van Cleve
Davison Van Cleve PC
333 SW TAYLOR - STE 400
PORTLAND OR 97204
bvc@dvclaw.com

Donovan E. Walker
Idaho Power Company
PO BOX 70
BOISE ID 83707-0070
dwalker@idahopower.com



Mary Wiencke
Pacific Power
825 NE Multnomah St., Ste 1800
Portland OR 97232-2149
mary.wiencke@pacificorp.com

Cleantech Law Partners, PC

6228 SW Hood Ave.
Portland, OR 97239
541.270.6001

Dated: April 29, 2013.

Diane Henkels, Attorney at Law
Cleantech Law Partners, PC
Attorneys for SBUA

**UM 1610 Investigation into Qualifying Facility
Contracting and Pricing**

Small Business Utility Advocates

Reply Testimony of Gregory Price

April 29, 2013

1 **Q: Are you the same Gregory Price who provided testimony for Small Business Utility**
2 **Advocates on March 18, 2013?**

3 A: Yes.

4
5 **Q: What is the purpose of your testimony?**

6 A: The purpose of my testimony today is to provide more information on which I based my
7 previous testimony and to clarify certain points.

8
9 **Q: Refer to your testimony from March 18, 2013, on what do you base 10 MW of**
10 **capacity as a “clear demarcation” between large and small non-PURPA projects?**

11 A: Please refer to the facts, figures, calculations, or work papers used in docket UM 1129
12 that established 10 MW nameplate as a threshold distinguishing projects eligible to receive
13 standard contracts from utilities and larger PURPA projects which must negotiate power
14 purchase agreements with the utilities. Rates for projects larger than 10 MW but eligible as
15 qualifying facilities for PURPA rates must be individually negotiated with the utility. Order 05-
16 584 referred to parties’ positions on the topic of eligibility threshold for standard contracts and
17 noted that:

18 “The evidence in this proceeding shows that market barriers other than transaction costs
19 pose obstacles to a QF’s negotiation of a power purchase contract. In addition to transaction
20 costs, which in economics and related disciplines are traditionally considered to encompass only
21 those costs that are incurred to make an economic exchange, parties identified other market
22 barriers such as asymmetric information and an unlevel playing field that obstruct the negotiation
23 of non-standard QF contracts. Just like transaction costs, these market barriers can render certain
24 QF projects uneconomic to get off the ground if an individual contract must be negotiated... We
25 rely, in particular, on the facts that Staff’s proposed threshold of 10 MW took into account the
26 extent to which market barriers prevented successful negotiation of a contract and that [Oregon
27 Department of Energy] ODOE, which has significant experience with the development of QF
28 projects, indicated that 10 MW represented a point at which the costs of negotiation become a
29 reasonable fraction of total investment costs.”

30

1 Order 05-584, pp. 16-17, available at: <http://apps.puc.state.or.us/orders/2005ords/05->
2 584.pdf. As stated above, in 2005, ODOE had found that 10 MW was a threshold point, and
3 ODOE still recommends a 10 MW as a threshold for standard contract PURPA energy projects.
4 In UM 1610, testimony by ODOE State Energy Loan Program staff demonstrates continued
5 support for a 10 MW cap. Exhibit ODOE/200/Elliott/2.

6

7 **Q: Please refer to your testimony of March 18, 2013 SBUA/100, page 5, where you state**
8 **“yet these smaller projects can be the ones that create the most local value to the**
9 **community where the projects are located. A National Renewable Energy Laboratory**
10 **Report indicates a higher rate of return to communities of smaller wind projects.” Please**
11 **provide a copy of the National Renewable Energy Laboratory Report that supports this statement.**

12 **A:** A National Renewable Energy Laboratory Report supports this statement and is available
13 at <http://www.nrel.gov/docs/fy09osti/45555.pdf>. Note that this same report was referred to in the
14 CREA testimony of Ormand Hilderbrand. Exhibit CREA/100/Hilderbrand/3. See also an NREL
15 2009 Report “Economic Development Impacts of Community Wind Projects: A Review and
16 Empirical Evaluation”, also supporting this.

17 http://www.oregon.gov/energy/RENEW/Wind/docs/CommunityWindReviewAnalysis_1.pdf, p.

18 6.

19 **Q: As of March 18, 2013, how many SBUA members in Oregon own a DG project or**
20 **receive power from a community DG project?**

21 **A:** SBUA members include entities engaged in the renewable energy industry, and at least
22 one such entity, the Distributed Wind Energy Association (“DWEA”), is a membership
23 organization of which a publicly available list of renewable energy companies is available at the
24 following website: <http://distributedwind.org/home/members/>. Bergey Windpower, BridgeWell

1 Resources, Southwest Windpower, Endurance, Wind Analytics, Wind Turbine Industries Corp,
2 and American Resource and Energy, for example, all have projects or technology sold in Oregon
3 and Bridgewell is based in Oregon; however, it is unknown how many of these companies own
4 or receive power from a community distributed energy.

5 In addition, the Articles of Incorporation and mission of SBUA includes advancing small
6 businesses “in their efforts to develop clean and renewable technologies in a cost effective
7 manner” (SBUA Articles of Incorporation, Art. II (b)), and to advance this goal the corporation
8 has focused, at least in part, on representing the interests of small renewable energy generators
9 nationwide in PUC proceedings.

10 **Q: Regarding SBUA/100, page 7, lines 6-13, you appear to be asking that in return for**
11 **a Mechanical Availability Percentage (MAP) being imposed on resources signed to a**
12 **standard contract, the utility raise the paid rate above avoided costs as a de facto MAP**
13 **premium. Is this indeed what you support?**

14 **A:** When I referred to “more amenable terms” such terms would have to relate to the
15 savings of costs not incurred by the utility. PURPA specifies that the rates paid by utilities for
16 electric energy purchased from qualifying facilities (“QFs”) shall be just and reasonable to the
17 electric consumers of the electric utility and in the public interest, and may not exceed “the
18 incremental cost to the electric utility of alternative electric energy.” 16 U.S.C. § 824a-3(b)(1) &
19 (2). PURPA defines incremental costs as “the cost to the electric utility of the electric energy
20 which, but for the purchases from such [QF], such utility would generate or purchase from
21 another source.” 16 U.S.C. § 824a-3(d). Oregon passed parallel state legislation (ORS 756.516
22 and ORS 758.500, et seq.). “More amenable terms” would reflect savings a utility incurs in its
23 incremental costs when it purchases power from a QF, including lack of line losses experienced,
24

1 improving reliability and other benefits, such as those listed in an ODOE report, “Distributed
2 Generation in Oregon: Overview, Regulatory Barriers and Recommendations” (“Distributed
3 Generation Report”) available at: http://www.oregon.gov/puc/electric_gas/dg_report.pdf , pp 7-
4 11. This report was referenced in Exhibit One Energy/100/Eddie/4, and I understand that ODOE
5 is undertaking an effort to update or build on this 2005 Distributed Generation Report. This and
6 other information such as the Distributed Wind Power Assessment by the National Wind
7 Coordinating Committee, available at http://www.perihq.com/documents/distributed_wind.pdf ,
8 pp 29-46, and especially pp 35-37, produced in 2001, regarding distributed wind generation, are
9 either presently available to inform this docket on distributed generation and its impacts on grid
10 reliability and security, or will be available as studies on distributed generation are completed
11 and updated.

12 **Q: Are there any other issues you would like to address?**

13 A: No.

14 **Q: Does this conclude your testimony?**

15 A: Yes.