

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2108

In the Matter of
PACIFICORP, dba PACIFIC POWER,
Application for an Order Approving
Queue Reform Proposal.

DALREED SOLAR’S REPLY TO
PACIFICORP’S RESPONSE TO
APPLICATION FOR REHEARING
AND RECONSIDERATION

I. INTRODUCTION

Dalreed Solar, LLC (“Dalreed Solar”) hereby requests leave from the Oregon Public Utility Commission (“Commission”) to file a reply and submits its proposed reply to PacifiCorp, dba Pacific Power’s (“PacifiCorp’s”) response (“Response”) to Dalreed Solar’s Application for Reconsideration or Waiver (“Application”). Dalreed Solar seeks to file this limited reply to: 1) briefly explain how taking part in the first Cluster Study will harm Dalreed Solar, and 2) provide correspondence between Dalreed Solar and PacifiCorp that the Commission should review before making a determination on the previous Application. Dalreed Solar is raising concerns with its power purchase agreement (“PPA”) negotiation process to support its Application. It is not requesting that the Commission resolve any PPA related disputes in this proceeding. However, if the Commission denies the Application and does not require PacifiCorp to provide Dalreed Solar with a Feasibility Study, then Dalreed Solar’s only choices to obtain a *draft* PPA would be to wait about half a year or to file a complaint against PacifiCorp.

II. REQUEST FOR LEAVE TO FILE A REPLY

Dalreed Solar respectfully requests that the Commission accept this reply to ensure the record is complete and the arguments on rehearing and reconsideration are joined. OAR 860-001-0720(4) does not provide for a reply to a response to an application for rehearing and reconsideration unless requested by an Administrative Law Judge (“ALJ”); however, the Commission has accepted replies when they have been promptly filed and appropriately limited in scope.¹ Dalreed Solar conferred with PacifiCorp and Staff. PacifiCorp was unable to take a position on Dalreed Solar’s request to file a reply given the limited time provided to take a position, and Staff did not object to the request to file a reply.

III. REPLY

PacifiCorp’s asserts that granting the reconsideration will result in preferential treatment toward Dalreed Solar,² and the Commission Staff asserts that Dalreed Solar has “failed to identify a reason it should be treated differently than a large number of interconnection customers who were waiting for a Feasibility Study when the Commission issued Order No. 20-278.”³

¹ *Portland General Elec. Co. v. Alfalfa Solar I, LLC et al.*, Docket No. UM 1931, Ruling: Request for leave to Reply Granted, Reply Accepted at 1 (Oct. 24, 2019); *Re PacifiCorp: dba Pacific Power, Transition Adjustment, Five-Year Cost of Service Opt-Out*, Docket No UE 267, Order No 15-195 at 1 n2 (June 16, 2015); *PaTu Wind Farm, LLC v. Portland General Elec. Co.*, Docket No UM 1566, Order No 14-425 at 1 & n. 1 (Dec. 8, 2014).

² PacifiCorp Response at 2.

³ Staff Report at 9.

Participating in PacifiCorp’s first Cluster Study rather than the Serial Queue will harm Dalreed Solar.⁴ Dalreed Solar is one of few state jurisdictional interconnection customers that are not similarly situated and are in a different position than Federal Energy Regulatory Commission (“FERC”) jurisdictional interconnection customers. For QF PPAs, PacifiCorp will not enter into, or even provide draft PPAs until the qualifying facility has provided certain information, including an interconnection study performed by PacifiCorp. In addition to the reasons explained in the Application for Reconsideration, the issue of QF contracting, unique to the few state jurisdictional customers, is why Dalreed Solar should be treated differently than the large number of FERC jurisdictional interconnection customers.

Dalreed Solar has requested a draft PPA from PacifiCorp, but PacifiCorp is refusing to provide it until Dalreed Solar can provide PacifiCorp with an interconnection study. If PacifiCorp had properly processed Dalreed Solar’s interconnection request as agreed to in the executed study agreement, then a Feasibility Study should have been provided no later than August 31, 2020. At that time, Dalreed Solar could have provided the Feasibility Study to PacifiCorp, and then PacifiCorp might have provided Dalreed Solar a draft PPA.

⁴ Dalreed Solar has elected to participate in the first Cluster Study to comply with PacifiCorp’s imposed participation deadlines as a precaution in the event that the Commission does not allow it to be studied in a Serial Queue.

Dalreed Solar has requested that PacifiCorp provide it with a draft PPA, even though PacifiCorp has not provided Dalreed Solar with an interconnection study.⁵ There had been earlier communications, but Dalreed Solar first asked its counsel to contact PacifiCorp to request a PPA on August 6, 2020.⁶ In response to that request, PacifiCorp responded on August 20, 2020, stating that it would not provide a draft PPA until Dalreed Solar provided an interconnection study.⁷ Dalreed Solar's counsel responded to PacifiCorp on September 25, 2020, once again requesting a draft PPA and explaining to PacifiCorp why this interconnection study requirement was inconsistent with federal and state law.⁸ Still, PacifiCorp has not provided a draft PPA, citing to its Oregon Non-Standard Avoided Cost Rates Schedule and insisting that it can require an interconnection study before delivering a draft PPA.

PacifiCorp has made it clear that it will not provide Dalreed Solar with a draft PPA prior to receiving a completed interconnection study. Therefore, a decision regarding whether Dalreed Solar can be studied in its original Serial Queue (which it prefers), or whether it must participate in the first Cluster Study impacts the PPA negotiation process as well as the interconnection process.

⁵ Attachment A to this Reply includes a history of certain communications with PacifiCorp in the form of three letters between Dalreed Solar's counsel and PacifiCorp.

⁶ Attachment A (Energy of Utah Letter to PacifiCorp at 2 (Aug. 6, 2020))(the first page and a half of the August 6 letter addresses a pricing issue which is not relevant to the interconnection matters at issue here).

⁷ Attachment A (PacifiCorp Letter to Energy of Utah (Aug. 20, 2020)).

⁸ See Attachment A (Energy of Utah Letter to PacifiCorp at 1 (Sept. 25, 2020)); *FLS Energy, Inc.*, 157 FERC ¶ 61,211 at P. 26 (2016); *Qualifying Facility Rates and Requirements Implementation Issues Under the Publ. Util. Reg. Policies Act of 1978*, 172 FERC ¶ 61,041 at PP. 684-695 (2020).

PacifiCorp has previously stated that it will not complete the first Cluster Study results until at least March 30, 2021.⁹ PacifiCorp accepted Dalreed Solar's interconnection application on April 27, 2020. Therefore, Dalreed Solar will have to wait roughly a year after its initial interconnection application to obtain a *draft* PPA from PacifiCorp, which is seven months after PacifiCorp should have timely completed the Feasibility Study and provided the draft PPA. Therefore, participating in the first Cluster Study (rather than the Serial Queue) will harm Dalreed Solar.

IV. CONCLUSION

For the reasons explained above, Dalreed Solar requests that the Commission accept this reply and grant rehearing and reconsideration of Order No. 20-268.

Dated this 5th day of October 2020.

Respectfully submitted,

Sanger Law, PC



Irion A. Sanger
Joni Sliger
Sanger Law, PC
1041 SE 58th Place
Portland, OR 97215
Telephone: (503) 756-7533
Fax: (503) 334-2235
irion@sanger-law.com

Of Attorneys for Dalreed Solar, LLC

⁹ Attachment A (Energy of Utah Letter to PacifiCorp at 2 (Sept. 25, 2020)).

Attachment A

PPA Letters

August 6, 2020

Via Email

Cynthia Mifsud
Assistant General Counsel
PacifiCorp
Pacific Power
825 NE Multnomah Blvd, Suite 2000
Portland, Oregon 97232

Re: Energy of Utah
Power Purchase Agreement and Pricing

Dear Ms. Mifsud:

Energy of Utah is in receipt of PacifiCorp's letter dated August 5, 2020 regarding indicative pricing for the Dalreed Solar qualifying facility ("QF"), which will be built either as a solar-only facility or as a solar-plus-storage facility. The indicative pricing PacifiCorp provided lacks a reasonable capacity payment for storage. Energy of Utah requests that PacifiCorp expeditiously provide the underlying data supporting its indicative pricing. Energy of Utah also requests that PacifiCorp provide a power purchase agreement ("PPA") for the facility. PacifiCorp has stated that it will not provide a PPA until Energy of Utah provides information about the facility's interconnection arrangements, but, as recently articulated by the Federal Energy Regulatory Commission ("FERC"), PacifiCorp cannot refuse to provide a PPA on the basis of a QF's interconnection status.

PacifiCorp provided illustrative levelized avoided cost prices for a solar-only facility of [REDACTED] and [REDACTED], and for a solar-plus-storage facility of [REDACTED] and [REDACTED], non-renewable and renewable pricing, respectively. These prices indicative a [REDACTED] in non-renewable pricing when a storage facility is added, but only a [REDACTED] in renewable pricing. This difference suggests storage is four times *less* valuable under one pricing methodology than another. This requires explanation. Energy of Utah requests that PacifiCorp provide the underlying data supporting its indicative pricing, both renewable and non-renewable. This request is consistent with PacifiCorp's obligations under Oregon and federal law.

PacifiCorp's letter states that it provided indicative pricing in accordance with PacifiCorp's Oregon Non-Standard Avoided Cost Rates Schedule ("Schedule"), specifically Part B.2. Per PacifiCorp's Schedule, that PacifiCorp must calculate non-renewable prices using the partial displacement differential revenue requirement ("PDDRR") method approved by the Commission. In approving that method, the Commission stated:

[W]e recognize that use of GRID and the PDDRR method to establish nonstandard avoided cost prices should be as transparent and comprehensible as possible to QF developers and all interested parties. PacifiCorp has offered to make GRID open to QF developers and to provide training and technical assistance upon request. We thank PacifiCorp for this offer and ask PacifiCorp to make access, training, and technical assistance available.¹

Energy of Utah requests transparency from PacifiCorp, consistent with the Commission's order.

Similarly, per PacifiCorp's Schedule, PacifiCorp must calculate renewable prices "using the methodology consistent with Commission Order No. 07-360 and Order No. 18- 131," specifically the Adjusted Standard Price Method. In approving this method, the Commission stated that "the yearly avoided costs approved for the 20-year period for standard contracts should serve as the starting point for negotiations. The prices may be modified to address specific enumerated factors approved by the Oregon Commission. The utility will provide to the QF a description of the methodology for each adjustment to standard avoided costs and how each adjustment was made."² PacifiCorp did not provide a description of its methodology and how any adjustments were made.

Energy of Utah requests that PacifiCorp comply with the Commission's orders and please provide the computer model or other electronic files used to calculate the prices, and supporting documentation and additional information, including but not limited to a list of key model inputs that affected PacifiCorp's renewable and non-renewable indicative pricing for Dalreed Solar.

Energy of Utah also requests that PacifiCorp provide a draft PPA to begin the contracting phase. PacifiCorp has stated that it will not provide a draft PPA until Energy of Utah provides an interconnection study for Dalreed Solar, but this is inconsistent with PacifiCorp's obligations. PacifiCorp is not permitted to condition the provision or execution of a PPA upon the completion of interconnection studies. For your reference, Energy of Utah has submitted an interconnection application for Dalreed Solar, which PacifiCorp Transmission accepted on April 27, 2020. However, PacifiCorp Transmission did not provide a feasibility study agreement until July 14, 2020, approximately 45 days after it was due. Energy of Utah promptly signed and returned that study agreement and is doing everything in its power to move forward and obtain interconnection. Importantly, PacifiCorp Transmission's failure to timely process that application and provide a study does not justify PacifiCorp Merchant in refusing to provide a draft PPA.

¹ *In re Investigation into Qualifying Facility Contracting and Pricing*, Docket No. UM 1610, Order No. 16-174 at 23 (May 13, 2016).

² *In re Staff's Investigation Relating to Electric Utility Purchases from Qualifying Facilities*, Docket No. UM 1129, Order No. 07-360 at App. A, 1 (Aug. 20, 2007); *In re Investigation to Examine PacifiCorp, dba Pacific Power's Non-Standard Avoided Cost Pricing*, Docket No. UM 1802, Order No. 18-131 at 11 (Apr. 19, 2018). Notably, Part B.2 of PacifiCorp's Schedule also requires PacifiCorp to provide both "the indicative prices and a description of the methodology used to develop the prices."

Energy of Utah intends to move forward with interconnection studies and agrees that it would be useful for Energy of Utah to know its interconnection, transmission and distribution system upgrade costs before executing a PPA. Energy of Utah is moving as expeditiously as it can through the interconnection process. However, it is not required to complete that process before executing a PPA. FERC has clearly held that the execution of a PPA cannot be held up while the purchasing utility is conducting interconnection studies. FERC explained that:

because the utility can, for example, delay the facilities study and the tendering to the QF of an executable interconnection agreement, the requirement of an executed interconnection agreement imposed by the Montana Commission is no different than requiring a utility-signed contract before the QF can establish a legally enforceable obligation, which, as noted, the Commission has previously found is inconsistent with PURPA and our regulations. In sum, as the Commission has stated: “when a state limits the methods through which a legally enforceable obligation may be created to only a fully-executed contract, the state’s limitation is inconsistent with PURPA, and our regulations implementing PURPA.” The Montana Commission’s requiring a signed interconnection agreement is no different than requiring a utility-signed contract, and equally impermissible.³

Very recently, FERC further clarified this standard and stated that:

[I]t bears remembering that the concept of a LEO was specifically adopted to prevent utilities from circumventing the mandatory purchase requirement under PURPA by refusing to enter into contracts. The Commission thus has found that requiring a QF to have a utility-executed contract or interconnection agreement, or *requiring the completion of a utility-controlled study places too much control over the LEO in the hands of the utility and defeats the purpose of a LEO and is inconsistent with PURPA*. When reviewing factors to demonstrate commercial viability and financial commitment, states thus should place emphasis on those factors that show that the QF has taken meaningful steps to develop the QF that are within the QF’s control to complete, and not on those factors that a utility controls. For example, requiring a QF to make a deposit as Portland General and sPower proposed or whether the QF has applied for system impact, interconnection or other needed studies are the types of factors that may show that the QF has taken meaningful steps to develop the QF that are within the QF’s control and the type of objective and reasonable standards that states can consider in their implementation.⁴

³ *FLS Energy, Inc.* 157 FERC ¶ 61,211 at P. 26 (2016).

⁴ *Implementation Issues Under the Public Utility Regulatory Policies Act of 1978*, 172 FERC ¶ 61,041 at P. 695 (internal citations omitted) (emphasis added); *see also* 172 FERC ¶ 61,041 at PP. 684-695.

Requiring that Energy of Utah complete interconnection studies would inappropriately allow PacifiCorp to control “whether and when a legally enforceable obligation exists – e.g., by delaying the facilities study or by delaying the tendering by the utility to the QF of an executable interconnection agreement.”⁵ PacifiCorp cannot impose restrictions on Energy of Utah’s LEO formation that are inconsistent with PURPA or FERC’s regulations.

Finally, Energy of Utah requests that PacifiCorp provide both the pricing data and the draft PPA in an expedited fashion. Energy of Utah understands that PacifiCorp’s Schedule requires PacifiCorp to provide a PPA within 30 days of a complete request, but Energy of Utah requests that PacifiCorp provide a PPA within no more than 15 days of this letter, i.e. no later than August 21, 2020. This expedited schedule is necessary due to PacifiCorp’s delays in providing indicative pricing.

A brief summary of those delays is illustrative:

- On June 2, 2020, PacifiCorp emailed Energy of Utah to confirm that it had all of the required information and would provide indicative pricing for Dalreed Solar by June 19, 2020.
- On June 16, 2020, PacifiCorp emailed Energy of Utah that pricing for Dalreed Solar would not be available until “likely no later than July 17, 2020.”
- On July 17, 2020, Energy of Utah emailed PacifiCorp and requested an update on the pricing for Dalreed Solar that was due that day.
- On July 20, 2020 (a Monday), PacifiCorp emailed Energy of Utah that PacifiCorp expected to have pricing for Dalreed Solar “in the next week”.
- On July 25, 2020, Energy of Utah emailed PacifiCorp and requested that the overdue pricing for Dalreed Solar be provided no later than July 27, 2020.
- PacifiCorp did not provide pricing by July 27, 2020.
- On July 29, 2020, PacifiCorp emailed Energy of Utah that PacifiCorp expected to have pricing for Dalreed Solar by “early next week.”
- Finally, on August 5, 2020, PacifiCorp provided the letter and indicative pricing discussed in this letter.

In short, PacifiCorp provided indicative pricing for Dalreed Solar no fewer than *65 days* after Energy of Utah requested indicative pricing. This was more than twice the timeline allowed in PacifiCorp’s Schedule (i.e., 30 days), and it was 47 days later than when PacifiCorp had committed to provide the pricing. Further, as discussed earlier, the indicative pricing provided is still incomplete.

Under the timeline in PacifiCorp’s Schedule, Energy of Utah should have obtained indicative pricing no later than July 2, 2020. Then, Energy of Utah could have requested a draft PPA that PacifiCorp would be obligated to provide no later than August 3, 2020. Had PacifiCorp complied with its Schedule, Energy of Utah would already be reviewing a draft PPA. Instead, it is only now able to request one.

⁵ *Id.* at P. 23.

To make up for this lost time, Energy of Utah requests that PacifiCorp provide a draft PPA on an expedited basis and specifically within no more than 15 days of this letter, i.e. no later than August 21, 2020. This deadline should not be a problem for PacifiCorp, since Energy of Utah has already provided all necessary information for PacifiCorp to finalize its form PPA.

Sincerely,



Irion A. Sanger

cc: Ros Vrba, Energy of Utah



825 NE Multnomah
Portland, Oregon 97232
Phone: (503) 813-6566
cynthia.hansen@pacificorp.com

VIA EMAIL

August 20, 2020

Irion A. Sanger
Sanger Law PC
1041 SE 58th Place
Portland, Oregon 97215

SUBJECT: Energy of Utah – Request for Pricing Data and Draft Power Purchase Agreement

Dear Mr. Sanger:

PacifiCorp received your August 6, 2020, response on behalf of Energy of Utah to PacifiCorp's August 5, 2020, indicative pricing letter for the Dalreed Solar qualifying facility ("QF Project"). In your letter, you request that PacifiCorp provide (i) access to the underlying data supporting PacifiCorp's indicative pricing for the QF Project; and (ii) a draft power purchase agreement ("PPA") for the QF Project.

Please find attached two non-confidential summaries describing PacifiCorp's pricing methodologies. In addition, PacifiCorp is preparing a non-confidential response to this data request that will be issued in short order.

Confidential pricing materials and access to PacifiCorp's GRID model are available upon request upon execution and delivery by your client of the attached non-disclosure agreement ("NDA"). As soon as PacifiCorp receives the signed NDA, steps will be taken to issue confidential responses to the data request and, if GRID model access is requested, to set up a user id / log-in to enable your client to access PacifiCorp's GRID model. To that end, PacifiCorp will need the name and contact information of the individual who, subject to the terms of the NDA, is authorized to access the GRID model on your client's behalf.

With regard to your client's request for a proposed PPA, please be advised that PacifiCorp has not changed its policy of requiring an interconnection study be provided first, notwithstanding the selectively quoted passage from the Federal Energy Regulatory Commission's ("FERC") Order No. 872 included in your August 6, 2020, letter. As discussed below, this passage in and of itself does not capture the broader context and process within which FERC made the referenced statements. However, even assuming the FERC directive was as substantively definitive as you claim, it would be premature for PacifiCorp to modify its PURPA PPA policies at this time. FERC Order No. 872 is subject to multiple requests for rehearing on a vast array of substantive issues, including the 71-page request you filed on behalf of the Northwest and

Intermountain Power Producers Coalition (“NIPPC”), the Community Renewable Energy Association (“CREA”) and the Renewable Energy Coalition.

As mentioned, the quoted passage from your letter should be read in the larger context of the order. Specifically, the quoted passage is located at the very end of a section that began with the following finding:

In this final rule, we adopt the NOPR proposal to require QFs to demonstrate that a proposed project is commercially viable and that the QF has a financial commitment to construct the proposed project, pursuant to objective, reasonable, state-determined criteria in order to be eligible for a LEO. We also affirm that the states have flexibility as to what constitutes an acceptable showing of commercial viability and financial commitment, albeit subject to the criteria being objective and reasonable. We find that requiring a showing of commercial viability and financial commitment, based on objective and reasonable criteria, will ensure that no electric utility obligation is triggered for those QF projects that are not sufficiently advanced in their development, and therefore, for which it would be unreasonable for a utility to include in its resource planning. At the same time, the criteria ensure that the purchasing utility does not unilaterally and unreasonably decide when its obligation arises. We believe this strikes the right balance for QF developers and purchasing utilities and should encourage development of QFs.¹

FERC followed this finding with a discussion of FERC’s view of various potential financial viability factors a state might require, but ultimately made it clear that it was allowing states the flexibility to establish factors that address the individual circumstances of each state.² Indeed, FERC rejected requests that it limit states’ flexibility in any way, including by establishing specific factors for the states to apply, or even a *baseline* for eligible factors.³

This discussion makes it very clear that, even after the conclusion of the Order No. 872 proceeding, the next critical step will be for states to implement FERC’s high-level guidance on QF financial viability in a way that addresses the individual circumstances and needs of the state. PacifiCorp is required to follow the existing state-established rules and policies unless and until those rules and policies are modified.

With respect to the current landscape in Oregon in particular, the Public Utility Commission of Oregon (“OPUC”) has authority to approve and dictate the appropriate implementation of PacifiCorp’s tariffs, rules, and schedules. Currently, under Sections B.3.f and B.4 of PacifiCorp’s Oregon Non-Standard Avoided Cost Rates Schedule (“Schedule”), PacifiCorp is not required to provide a qualifying facility a proposed PPA until . . . “f) evidence that any necessary interconnection studies have been completed and assurance that the necessary interconnection arrangements are being made.”

¹ FERC Order No. 872 at P 684.

² FERC Order No. 872 at P 688.

³ FERC Order No. 872 at P 690.

Mr. Irion Sanger
August 20, 2020
Page 3 of 3

Thus far, the OPUC has not signaled that it will be taking immediate steps to modify its QF power purchase agreement requirements in response to Order No. 872. For example, as you are aware, in connection with the OPUC Docket No. UM 2108, staff released a recommendation dated August 3, 2020, after FERC Order No. 872 was issued, stating:

Staff also disagrees with the premise that a process in which a QF can obtain a PPA before knowing if it can afford to interconnection and when it can interconnect is superior to PAC's current process. Staff believes allowing QFs to enter into PPAs with no idea whether they will actually be able to interconnect necessarily results in speculative contracting. The Joint Coalition's proposal to allow QFs to enter into PPAs prior to obtaining an interconnection study and then let the QFs refresh their scheduled CODs to a later date accommodate interconnection ignores the potential harm to ratepayers associated with stale avoided cost prices.

Further, as you are also aware, during OPUC deliberations in that same docket from August 11-12, 2020, the Commission declined your request, made on behalf of NIPPC and CREA, to direct PacifiCorp to immediately discontinue its practice of requiring a QF to produce an interconnection study as a prerequisite to providing a proposed power purchase agreement in light of Order No. 872. Specifically, the Commission acknowledged that issue has been raised in Docket No. AR 631 and should be addressed at a later date in that proceeding.

To the extent this issue is resolved in AR 631, PacifiCorp could ultimately be directed by the OPUC to make changes to the Schedule. Following OPUC approval of revisions to the Schedule that alter PacifiCorp's PPA requirements, PacifiCorp will take action to change its practices consistent therewith. If, following the resolution of the issue in AR 631, Energy of Utah believes OPUC's decision is inconsistent with the final directives in the FERC Order No. 872 proceeding, Energy of Utah could file a petition for enforcement against the OPUC at FERC and, if FERC declines to act, later file a petition against the OPUC in U.S. district court.

Please let me know if you have any questions.

Sincerely,



Cynthia H. Mifsud
Assistant General Counsel
Pacific Power Legal

Attachments

cc: Heather Eberhardt
Bruce Griswold
Daniel McNeil
Susan A. Rolfe

September 25, 2020

Via Email

Cynthia Mifsud
Assistant General Counsel
PacifiCorp
Pacific Power
825 NE Multnomah Blvd, Suite 2000
Portland, Oregon 97232

Re: Energy of Utah
Power Purchase Agreement and Pricing

Dear Ms. Mifsud:

Energy of Utah is again requesting that PacifiCorp provide a draft power purchase agreement (“PPA”) to begin the contracting phase. PacifiCorp has stated that it will not provide a draft PPA until Energy of Utah provides an interconnection study for Dalreed Solar, which is inconsistent with PacifiCorp’s obligations under federal and state law. Energy of Utah requests that PacifiCorp commit to provide a PPA within seven calendar days or by October 2, 2020, and that PacifiCorp provide a draft PPA within 14 days, or by October 9. If PacifiCorp does not agree to provide a draft PPA, then Dalreed Solar will file a complaint against PacifiCorp at the Oregon Public Utility Commission (“OPUC”).

I will not summarize the factual background of this dispute, except to provide you with additional information since August 8, 2020. I refer to you to our August 8, 2020 letter requesting a draft PPA, and your August 20, 2020 letter responding for additional background. Your August 20 letter refused to provide a draft PPA on the grounds that Dalreed Solar has not provided a completed interconnection study. Dalreed Solar has elected to participate in PacifiCorp’s transition cluster study.¹ It is our understanding that October 31, 2020 is the deadline for transition cluster study readiness, and PacifiCorp has committed to use “reasonable efforts” to complete cluster studies within 150 calendar days after that date. This would be

¹ Dalreed Solar has requested that the OPUC reconsider its ruling in UM 2108 to allow Dalreed Solar to be processed under the serial queue, which could likely result in Dalreed Solar obtaining a draft PPA more quickly. For the purposes of this letter, Dalreed Solar is basing the timelines on the current Commission order in UM 2108. Regardless of whether Dalreed Solar is processed in the Transition Cluster Study or the Serial Queue, no further delays are warranted because Dalreed Solar should already have been provided its Feasibility Study results.

March 30, 2021.² Thus, Dalreed Solar understands that PacifiCorp will not begin to prepare a draft PPA until at least March 30, 2021, assuming the transition cluster study results are not delayed. This means that Dalreed Solar will likely not be provided even a draft PPA until April or May of 2021. This will be almost a year after Dalreed Solar provided complete information to begin the PPA process.

Dalreed Solar makes its final request that PacifiCorp provide a draft PPA before it resorts to litigation at the OPUC. Please confirm that PacifiCorp will provide a draft PPA to Dalreed Solar, and provide this commitment by October 2, 2020.

Sincerely,



Irion A. Sanger

cc: Ros Vrba, Energy of Utah

² This ignores all the delays that occurred prior to Dalreed Solar electing to participate in the Cluster Study. As a reminder, Dalreed Solar submitted an interconnection application, which PacifiCorp Transmission accepted on April 27, 2020. PacifiCorp Transmission did not provide a feasibility study agreement until July 14, 2020, approximately 45 days after it was due. Energy of Utah promptly signed and returned the Feasibility Study Agreement. PacifiCorp should have provided a Feasibility Study no later than August 31, 2020, and arguably considerably earlier given other delays.