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November 27, 2007

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Oregon Public Utility Commission
550 Capitol Street NE, Suite 215
Salem, OR 97301-2551

Attention: Vikie Bailey-Goggins
Administrator, Regulatory Operations

Re: **Docket No. AR 521 – PacifiCorp’s Second Set of Comments**

Enclosed for filing by PacifiCorp dba, Pacific Power & Light Company (“PacifiCorp” or “the Company”) is PacifiCorp’s Second Set of Comments in the above-captioned docket.

Questions may be directed to Joelle Steward at (503)-813-5542.

Sincerely,

A handwritten signature in black ink that reads "Andrea L. Kelly" followed by a stylized flourish.

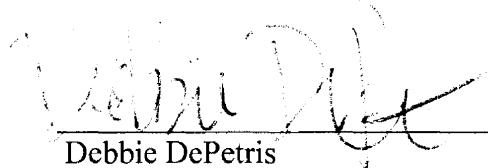
Andrea L. Kelly
Vice President, Regulation

Enclosure
cc: Service List for Docket No. AR 521

CERTIFICATE OF SERVICE

I certify that I have cause to be served the foregoing **PacifiCorp's Second Set of Comments** in OPUC Docket No. AR 521 by electronic mail and first class mail to the parties on the attached service list.

Date this 27th Day of November, 2007



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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 521

In the Matter of a Rulemaking to Adopt)	PacifiCorp's
Rules Related to Small Generator)	Second Set of Comments
Interconnection)	

INTRODUCTION

PacifiCorp appreciates the opportunity to comment on Staff's proposed Oregon Small Generator Interconnection Rules (Proposed Rules) and the associated forms (Proposed Forms). These comments are based on the Proposed Rules and Proposed Forms contained in Staff's Third Set of Comments filed in the above-captioned docket on November 9, 2007.

COMMENTS

1. Isolation Devices. The safety of crews, meter readers, and other employees requires lockable, visible, air-break type disconnect switches for every interconnection governed by the Proposed Rules. PacifiCorp suggested language to address this concern in its Initial Comments.

Under certain circumstances, the Proposed Rules require a public utility to rely on removal of the meter from its meter base as a substitute for a visible, lockable, air-break type disconnect switch. *See* Proposed Rules at 860-082-0015(9)(b). PacifiCorp opposes this approach because removal of a meter from its meter base introduces an unnecessary safety risk to employees. Moreover, use of a visible, lockable disconnect switch increases safety for emergency responders such as firefighters.

Some stakeholders have noted that California does not require a dedicated disconnect switch for every generation facility. However, in California utilities generally have access to an external master switch which allows them to safely and efficiently disconnect a customer's entire load, including any distributed generation. In contrast, the master switch for most Oregon customers is located inside the customer's home or business. As a result, electric utilities in Oregon cannot rely on an external master switch to disconnect a distributed generator and Oregon utilities therefore need a dedicated disconnect switch for each and every interconnected generator.

2. Dispute Resolution. PacifiCorp's Initial Comments include comments on dispute resolution. It has subsequently been suggested that dispute resolution might be addressed through an expedited Commission complaint process rather than through any form of mediation or arbitration. PacifiCorp continues to support the approach to dispute resolution discussed in its Initial Comments; however, PacifiCorp is not opposed in concept to an expedited complaint process if circumstances warrant. PacifiCorp needs

the opportunity to meaningfully review any concrete proposals before it can determine whether it supports the expedited complaint approach.

3. Insurance. The Proposed Rules exempt projects of 200 kW or less from the requirement to carry a prudent amount of liability insurance. PacifiCorp opposes this exemption. The Proposed Rules should be modified to require that every Interconnection Customer maintain adequate liability insurance to address risks associated with its interconnected small generation facility. PacifiCorp's Initial Comments include reasons for requiring insurance for all interconnections and suggest necessary changes in the language of the Proposed Rules and the Proposed Forms.

Most interconnections under the Proposed Rules will involve a Qualifying Facility interconnecting under the ultimate authority of PURPA. This fact further supports the conclusion that all Interconnection Customers should be required to maintain prudent amounts of liability insurance. Under PURPA, a utility is required to pay a Qualifying Facility owner no more than the utility's avoided cost for the power supplied by the Qualifying Facility. As a corollary, the Qualifying Facility is required to pay all costs associated with interconnection. Unless utilities can require Qualifying Facility owners to maintain prudent levels of liability insurance, the risk (and cost) of liability associated with the interconnection is shifted to the utility and its ratepayers. PURPA does not allow this type of cost shifting and there is nothing in present Oregon statutes that requires utilities to interconnect with distributed generation sources and to subsidize the cost of such interconnections either through assuming the risk associated with an uninsured or underinsured generation facility or in some other manner. Under PURPA, this sort of cost shifting is not allowed. The Proposed Rules should allow public utilities to require prudent amounts of liability insurance as a precondition of interconnecting any sized small generation facility.

Prudence generally requires liability insurance of at least \$1 million per incident and \$2 million aggregate for the types of interconnections governed by the Proposed Rules and PacifiCorp anticipates requiring such limits as the minimum acceptable level of coverage. General liability insurance should typically be adequate, provided it meets the requirements established by the language suggested by PacifiCorp for Article 6 of Proposed Form 8. *See* PacifiCorp's Initial Comments.

Some stakeholders have argued that liability insurance is too costly for the smallest generation projects to maintain. However, to the extent general liability insurance associated with a small project is "expensive" this would suggest that the risks associated with such projects are real and substantial and therefore require mitigation. In its net metering statute, the Oregon legislature recognized that substantial liability risk exists even when generation devices are no larger than 25 kW which is why the legislature immunized utilities from liability associated with net metering interconnections (which do not require any insurance). *See* ORS 757.300(4)(c). While the Proposed Rules are intended to facilitate distributed generation, they cannot operate to make every proposed project economic. If the cost associated with liability insurance makes a proposed small generation facility uneconomic, the utility and its ratepayers should not be required to

subsidize the project.

Finally, PacifiCorp's Initial Comments contained suggested language revisions for the Proposed Rules (at 860-082-0035) and the Proposed Forms (at Article 6 of Form 8). PacifiCorp has slightly revised its suggested changes to 860-082-0035 and now suggests the following:

Proposed Rules
860-082-0035

Insurance

- (1) ~~General liability insurance is not required for approval of an interconnection Application, or for the related Interconnection Agreement, for a Small Generator Facility with an Electric Nameplate Capacity of 200 KW or smaller.~~
- (2) ~~All other~~ Interconnection Customers must obtain general liability insurance in an amount that is prudent and sufficient to protect other ~~P~~parties including the interconnecting public utility.

PacifiCorp continues to recommend the language changes for Article 6 of Form 8 contained in PacifiCorp's Initial Comments.

4. Technical Standards. In its Initial Comments PacifiCorp recommended adding NERC and WECC reliability standards to the technical standards contained in the Proposed Rules at 860-082-0025(2). While NERC and WECC reliability standards generally do not apply directly to generation facilities of 10 MW or less (unless such small generation facilities have a critical impact on reliability), NERC and WECC standards do apply to many aspects of grid operations and could create requirements that lead a Public Utility to impose conditions or equipment requirements on an interconnection under the Proposed Rules. It is therefore necessary to include NERC and WECC standards as part of the technical standards applicable to an interconnection under the Proposed Rules.

5. Telemetry. PacifiCorp's Initial Comments recommend modifying the Proposed Rules at 860-082-0065(3)(b) by adding the terms "Where practicable" to the beginning of the subsection. The subsection in question states that the system used to communicate telemetry data "must take place using a Frame Relay or Fractional T-1 line or other such suitable device." PacifiCorp understands that this subsection has been proposed as the result of a desire on the part of stakeholders to avoid the use of radio, microwave, and other forms of communication that are generally perceived to be expensive. PacifiCorp supports the goal of using lower cost technology for telemetry communications where feasible. However, on a predominantly rural system such as PacifiCorp's there are many instances in which it is impracticable to rely on communications using a Frame Relay, a Fractional T-1 line, or other such devices. In many rural settings the infrastructure necessary for such approaches simply does not exist and it would be more costly to construct such infrastructure than it would be to rely on radio or microwave communications. Communications for telemetry in some remote or rural locations can cost tens or even hundreds of thousands of dollars *regardless of the technology used.*

The cost of telemetry is not merely a function of the cost of the communication medium used to deliver telemetry to a utility's dispatch center; there are also hardware and software costs associated with programming and routing telemetry signals to appropriate control systems. Finally, it should be recognized that microwave, radio, or similar communications may be the most appropriate (and cost effective) approach to telemetry communications when such technology is also required in order to provide fast relaying (such as transfer trip) which cannot be accomplished using telephone circuits. PacifiCorp's current practice is to design a single communication circuit to support both high speed relaying and telemetry when both functions are required.

6. Interconnection Authorization. It is inherent in the Proposed Rules that no small generator facility governed by the Proposed Rules may interconnect and operate in parallel with a public utility's transmission and distribution system unless and until the facility owner has submitted an application under the Proposed Rules and obtained authority to interconnect for a term of years pursuant to an interconnection agreement. The only partial exception to this requirement would be existing interconnections that are authorized to operate under an existing interconnection agreement. Such existing interconnections would be allowed to continue without resorting to the Proposed Rules until such time as the existing interconnection agreement expires or is terminated. Thereafter, the owner of the generation facility in question would be required to submit an application under the Proposed Rules and obtain a new interconnection agreement and certificate of completion before it would have adequate authority to remain interconnected for a new term. Likewise, upon the expiration or termination of any interconnection agreement entered into pursuant to the Proposed Rules, the interconnection customer would need to seek reauthorization to interconnect by submitting an application and obtaining a new interconnection agreement and certificate of completion. Any small generating facility interconnected in contravention of these principles would be in violation and the interconnected public utility would have the unilateral right to disconnect such a facility from the transmission and distribution system. In the interest of clarity it is important that the Proposed Rules expressly state these considerations. PacifiCorp suggests accomplishing this goal by adding a new subsection (1) to the General Requirements portion of the Proposed Rules found at 860-082-0020.

PacifiCorp recommends the following revisions to address these concerns:

Proposed Rules

860-082-0020

(1) Authority to Interconnect: Except as otherwise provided by this section, no small generator facility that is subject to the OSGIR shall interconnect with, operate in parallel with, or remain interconnected with, the transmission and distribution system of any public utility unless and until the applicant or interconnection customer that owns the small generating facility has applied for and obtained an effective interconnection agreement as provided by the OSGIR.

(a) Grandfathered Interconnection Agreements: Any small generator facility interconnected to a public utility transmission and distribution system under the terms of

an effective interconnection agreement at the time the OSGIR is adopted and made effective by the Commission shall continue to have authority to remain interconnected and to operate in parallel with the public utility to the extent such authority is granted by the existing interconnection agreement and until such time as the existing interconnection agreement expires or is terminated. Upon or before expiration or termination of such existing interconnection agreement, the owner of any such small generator facility must apply for and obtain a new interconnection agreement under the OSGIR in order to continue operating in parallel with, or remain interconnected with, the transmission and distribution system of the public utility.

(b) Interconnection Agreements Entered Under the OSGIR: Any small generator facility interconnected with a public utility transmission and distribution system under the terms of an interconnection agreement obtained pursuant to the OSGIR must apply for and obtain – upon or before expiration or termination of such prior interconnection agreement – a new interconnection agreement under the OSGIR in order to continue operating in parallel with, or remain interconnected with, the transmission and distribution system of the public utility

(c) Disconnection of Unauthorized Interconnects: A public utility may disconnect any small generator facility that is subject to the OSGIR and which is interconnected to the public utility’s transmission and distribution system without the authority required by this section.

The remaining subsections of 860-082-0020 will need to be renumbered to accommodate this proposed language.

7. Limitation of Liability. During the November 13, 2007 hearing in this docket, stakeholders were asked to comment regarding the limitation of liability contained in Section 5.2 of Proposed Form 8 (the Interconnection Agreement) which states:

5.2 Limitation of Liability and Consequential Damages

A Party is liable for any loss, cost claim, injury, or expense including reasonable attorney’s fees related to or arising from any act or omission in its performance of the provisions of an Interconnection Agreement entered into pursuant to the Rule except as provided for in ORS 757.300(4)(c).

Neither Party will seek redress from the other Party in an amount greater than the amount of direct damage actually incurred.

In general, PacifiCorp does not object to a limitation on liability regarding special, consequential or punitive damages, provided the indemnity obligations of Section 5.3 are not so limited. Indeed, this approach is presently implemented by PacifiCorp and hundreds of other public utilities under FERC’s small generator interconnection agreement. *See* FERC Order No. 2006. PacifiCorp recommends that the language of Proposed Form 8 be revised to make it consistent with the language of the FERC interconnection agreement. In addition, there is no reason to include the reference to ORS 757.300(4)(c) because Proposed Rule 860-082-0005(2) makes it clear that the Proposed Rules and Proposed Forms do not govern net metering facilities.

PacifiCorp recommends the following revisions to address these concerns:

Proposed Form 8 (Interconnection Agreement)

Section 5.2 Limitation of Liability ~~and Consequential Damages~~

~~Each~~A Party's ~~is liability~~ to the other Party for any loss, cost, claim, injury, ~~liability~~, or expense, including reasonable attorney's fees, related to or arising from any act or omission in its performance of the provisions of ~~this Agreement~~ ~~an Interconnection Agreement entered into pursuant to the Rule except as provided for in ORS 757.300(4)(e)~~. Neither Party will seek redress from the other Party in an amount greater ~~than~~ shall be limited to the amount of direct damage actually incurred. In no event shall either Party be liable to the other Party for any indirect, special, consequential, or punitive damages, except as authorized by this Agreement.

8. Definitions. PacifiCorp has comments on the following definitions.

(a) Electric Transmission and Distribution System or TDS. PacifiCorp understands that this term is intended to refer broadly to the public utility's electrical system including distribution and transmission components. However, the definition in the current draft of the Proposed Rules is derived from the definition of "distribution system" found in the FERC small generator interconnection procedures. The FERC procedures define "distribution system" and "transmission system" but do not contain a term for the combined transmission and distribution system. Because the definition of "Electric Transmission and Distribution System" contained in the Proposed Rules is derived from FERC's definition of "distribution system" and does not include any element of FERC's definition of "transmission system" the current definition of Electric Transmission and Distribution System is inadequate. PacifiCorp suggests an approach which increases consistency with the language of the FERC small generator interconnection procedures by (1) adopting definitions of both "distribution system" and "transmission system" and then (2) redefining "electric transmission and distribution system" to mean a public utilities transmission system and distribution system.

PacifiCorp recommends the following revisions to address these concerns:

Proposed Rules

860-082-0010

Definitions

(10) ~~"Electric Transmission and Distribution System"~~ or "TDS" means a public utility's transmission system and a public utility's distribution system~~the facilities and equipment used to transmit electricity to ultimate usage points.~~

()** "Distribution System" means the public utility's low voltage facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission systems which transport bulk power over longer distances. The voltage

levels at which distribution systems operate differ among areas.

(**) “Transmission System” means a public utility’s high voltage facilities and equipment used to transport bulk power over long distances or to provide transmission service under the public utility’s open access transmission tariff. The voltage levels at which transmission systems operate differ among areas.

(b) Certificate of Completion. PacifiCorp recommends minor revisions to the definition of “Certificate of Completion” to make the definition consistent with Proposed Form 3 and with the definitions of other form documents.

PacifiCorp recommends the following revisions to address these concerns:

Proposed Rules

860-082-0010

Definitions

(6) “Certificate of eCompletion” means a certificate signed by the Applicant and the Public Utility and attesting that the Small Generator Facility is complete, meets the applicable requirements of the OSGIR, and has been inspected, tested and certified as physically ready for operation. The Certificate of Completion must follow the standard form developed by the Public Utility and filed with and approved by the Commission.

(c) Interconnection Agreement. PacifiCorp recommends minor revisions to the definition of “Interconnection Agreement” to make the definition consistent with the definitions of other form documents.

PacifiCorp recommends the following revisions to address these concerns:

Proposed Rules

860-082-0010

Definitions

(16) "Interconnection agreement" means an agreement between an applicant or interconnection customer and the interconnecting public utility that governs the connection of the small generator facility to the public utility’s TDS, as well as the ongoing operation of the small generator facility after it is connected to the system. An interconnection agreement will follow the standard form agreement developed by the public utility and filed with and approved by the Commission.

(d) Interconnection Facilities. PacifiCorp recommends minor revisions to the definition of “Interconnection Facilities” to eliminate unnecessary and potentially confusing language regarding the meaning of “system upgrades” a term with its own definition. PacifiCorp also recommends inserting the concept found in the FERC definitions that ties Interconnection Facilities to upgrades required on the customer’s side of the point of interconnection.

PacifiCorp recommends the following revisions to address these concerns:

Proposed Rules

860-082-0010

Definitions

(19)) “Interconnection facilities” means the facilities and equipment located on the small generator facility’s side of the point of interconnection and required by the public utility to accommodate the interconnection of a small generator facility to the public utility’s TDS and used exclusively to interconnect a specific small generator facility.

~~Interconnection facilities do not include system upgrades that may benefit the public utility, other customers (including other interconnection customers), or an owner of an affected system.~~

(e) Interconnection Facilities Study. PacifiCorp recommends revisions to the definition of “Interconnection Facilities Study” to eliminate reference to the entity performing the study. The concept of who performs the study – the public utility or a third-party consultant with public utility review – is more appropriately dealt with in the substantive section of the rules that addresses the process of conducting such studies. In addition, the definition is revised to make it clear that the study determines the *estimated* cost and *estimated* time to procure, construct and install required facilities

PacifiCorp recommends the following revisions to address these concerns:

Proposed Rules

860-082-0010

Definitions

(20) “Interconnection Facilities Study” means a study ~~conducted by a Public Utility or a third-party consultant retained by the Public Utility or the Applicant~~ that determines the additional Interconnection Facilities and System Upgrades required to interconnect the Small Generator Facility to the Public Utility’s TDS, the estimated cost of the facilities and upgrades, and the estimated time required to complete the interconnection.

(f) Interconnection Facilities Study Agreement. PacifiCorp recommends minor revisions to the definition of “Interconnection Facilities Study Agreement” to make the definition consistent with the definitions of other form documents.

PacifiCorp recommends the following revisions to address these concerns:

Proposed Rules

860-082-0010

Definitions

(21) “Interconnection Facilities Study Agreement” means a contract between the Applicant and the interconnecting Public Utility that provides a ~~detailed~~ scope and timeline for the Interconnection Facilities study and a good faith, non-binding estimate of

the costs to perform the study. An Interconnection Facilities Study Agreement will follow the standard form agreement developed by the public utility and filed with and approved by the Commission.

(g) Interconnection Feasibility Study Agreement. PacifiCorp recommends minor revisions to the definition of “Interconnection Feasibility Study Agreement” to make the definition consistent with the definitions of other form documents.

PacifiCorp recommends the following revisions to address these concerns:

Proposed Rules
860-082-0010
Definitions

(23) “Interconnection feasibility study agreement” means a contract between the applicant and the interconnecting Public Utility that provides a scope, timeline and a good faith, non-binding estimate of the costs for the Public Utility to conduct an Interconnection Feasibility Study ~~for the Applicant.~~ An Interconnection Feasibility Study Agreement will follow the standard form agreement developed by the Public Utility and filed with and approved by the Commission.

(h) Interconnection Service. PacifiCorp recommends minor revisions to the definition of “Interconnection Service” to make the definition consistent with the terminology used in the Proposed Rules and to reflect the fact that interconnection service under the rules can apply to interconnections to either the distribution system or the transmission system.

PacifiCorp recommends the following revisions to address these concerns:

Proposed Rules
860-082-0010
Definitions

(24) “Interconnection Service” means service to an electric interconnection customer under which an small generator facility ~~on-site generating facility~~ on a customer’s premises shall be connected to the public utility’s transmission and distribution system ~~local distribution facilities~~ and is the same meaning set forth in 16 U.S.C. 2621(d)(15).

(i) Interconnection System Impact Study Agreement. PacifiCorp recommends minor revisions to the definition of “Interconnection System Impact Study Agreement” to make the definition consistent with the definitions of other form documents.

PacifiCorp recommends the following revisions to address these concerns:

Proposed Rules
860-082-0010
Definitions

(26) “Interconnection system impact study agreement” means a contract between the

Applicant and the interconnecting Public Utility that provides a statement of scope, timeline and a good faith, non-binding estimate of cost to conduct an Interconnection System Impact Study. An interconnection system impact study agreement will follow the standard form agreement developed by the public utility and filed with and approved by the Commission.

(j) Small Generator Facility. PacifiCorp recommends minor revisions to the definition of “Small Generator Facility” to clarify that Interconnection Equipment, Interconnection Facilities and System Upgrades are not considered part of the Small Generator Facility.

PacifiCorp recommends the following revisions to address these concerns:

Proposed Rules

860-082-0010

Definitions

(40) “Small Generator Facility” means a facility for the production of electrical energy that has an electric nameplate capacity of 10 MW or less and can operate in parallel with a public utility’s TDS. A Small Generator Facility does not include Interconnection Equipment, Interconnection Facilities, or System Upgrades.

(k) System Upgrades. PacifiCorp recommends minor revisions to the definition of “System Upgrades” to insert the concept found in the FERC definitions that ties System Upgrades to upgrades required on the public utility’s side of the point of interconnection.

PacifiCorp recommends the following revisions to address these concerns:

Proposed Rules

860-082-0010

Definitions

(42) “System Upgrades” means additions or modifications to the interconnecting Public Utility’s TDS or to an Affected System that are required to accommodate the proposed Interconnection and located on the public utility’s side of the point of interconnection. System upgrades do not include Interconnection Facilities.

9. Reporting. PacifiCorp opposes any expansion of reporting requirements under the Proposed Rules at 860-082-0060. Most of the information required under the reporting requirements is already publicly available as part of the Open Access Same-Time Information System (OASIS) website that each public utility must maintain. OASIS provides non-confidential interconnection information along with an electronic copy of all studies completed for each project. Adding additional reporting responsibilities unreasonably increases administrative burden without providing the public with additional benefit. The Proposed Rules should be modified to provide that a public utility can satisfy its reporting requirements by maintaining required information on OASIS. The requirement to report all disputes and their outcomes should be eliminated as too vague and burdensome. For example, what types of disputes are intended to require reporting? Likewise the requirement to report all missed timelines and all instances of

mutually agreed waiver of rules should be eliminated as overly burdensome. Any significant disputes or failure to meet timelines can be brought to the Commission's attention through the Commission complaint process. To the extent the reporting requirements require more information than that currently required on OASIS, the public utilities should be allowed to recover increased administrative costs through higher application fees or through an additional administrative fee.

PacifiCorp recommends the following revisions to address these concerns:

Proposed Rules

860-082-0060

Recordkeeping and Reporting Requirements

(1) The Public Utility must maintain, for a period of not less than two years, a record of all Applications received, the time required to complete its review of each Application, and reasons for the actions taken on the Applications.

(2) The Public Utility must maintain, for as long as the interconnection is in place, a record of all Interconnection Agreements completed and including the related "As Built" Form 7 that records equipment specifications and initial settings. The utility must provide a copy of these records to the Applicant or Interconnection Customer within 15 business days upon receipt of a written request.

(3) The Public Utility must prepare and submit to the Commission, an annual report summarizing the Public Utility's interconnection activities including, but not necessarily limited to, the following information:

(a) For all Tiers of Interconnection Applications:

(A) The number Interconnection Applications made,

(B) The number of interconnections established,

(C) The individual types of generators applying for interconnection and their capacity, and

(D) Interconnection Application location by Zip code.

~~(E) A report of any disputes and their resolution.~~

(4) ~~(b)~~ For each Tier 2 through Tier 4 Interconnection Applications: the Public Utility must provide the following information either to the Commission in an annual report or else in a publicly accessible format as part of the Public Utility's Open Access Same-Time Information System (OASIS) website:

(A) Estimated facilities costs from studies,

(B) Whether telemetry is required and if so, its basic configuration, and

(C) System upgrades required and their estimated costs.

~~(e) For all applications that led to successful interconnections:~~

~~(A) Whether or not timelines were met and if not an explanation of why they were not met, and~~

~~(B) A record of any item(s) that Parties mutually agreed to waive.~~

10. Scope. PacifiCorp suggests revision of Proposed Rule 860-082-0005(1) to make it clear that the rules do not apply if the interconnection between the public utility and the small generator facility is subject to the jurisdiction of the Federal Energy Regulatory Commission. At present the Proposed Rule states that the rules do not apply "if the small

generator facility is producing electricity for resale to a person other than the interconnecting Public Utility.” The current language is confusing because a Qualifying Facility (which should be subject to the rules) sells its output to the public utility and the public utility resells the power to its customers.

PacifiCorp recommends the following revisions to address these concerns:

Proposed Rules

860-082-0005(1)

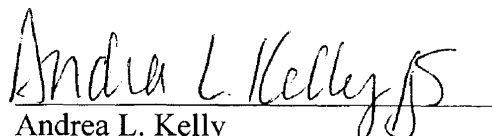
(1) OAR 860-082-0005 through 860-082-0080 (the “small generator interconnection rules” or “OSGIR”) establish rules governing the interconnection of small generator facilities with an electric nameplate capacity of 10 MW or less to the electric transmission and distribution system of a Public Utility. These rules do not apply if the ~~small generator facility is producing electricity for resale to a person other than the interconnecting Public Utility~~ interconnection between the small generator facility and the public utility is subject to the jurisdiction of the Federal Energy Regulatory Commission.

11. Implementation. The Proposed Rules and Proposed Forms represent a complex and comprehensive new scheme for regulating small generator interconnections in Oregon. PacifiCorp recommends that any Commission order adopting the Proposed Rules include careful consideration regarding the timing of implementation. At the least, public utilities will require time to draft, file and obtain Commission approval of the various forms required to implement the Proposed Rules. In the order adopting the rules the Commission should make it clear that applications for interconnection under the rules will not become effective and the process established by the rules will not become operative until after the public utilities have submitted proposed forms and the Commission has approved such forms. PacifiCorp suggests that the order adopting the rules include a date certain by which public utilities will be required to submit forms. The order should further state that applications submitted under the new rules will not be considered effective until after such forms are filed with and approved by the Commission. It is important that the Commission address implementation of the Proposed Rules so parties will not face a disorderly situation were applicants seek to interconnect under the Proposed Rules before the necessary forms have been filed with and approved by the Commission.

This concludes PacifiCorp’s Second Set of Comments.

DATED: November 27, 2007.

Respectfully submitted,


Andrea L. Kelly
Vice President, Regulation