

Comments of Sorenson Engineering  
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Attorneys for Sorenson Engineering, Inc.

BEFORE THE  
PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF RULEMAKING TO )  
ADOPT RULES RELATED TO )  
SMALL GENERATOR )  
INTERCONNECTION )  
\_\_\_\_\_ )

CASE NO. AR 521  
FINAL COMMENTS OF  
SORENSEN  
ENGINEERING, INC.

**COMES NOW**, Sorenson Engineering, Inc. (“Sorenson”) by and through its attorney of record, Peter J. Richardson, and pursuant to the schedule established by the Administrative Law Judge in the above captioned matter and hereby lodges its Final Comments to the Commission Staff’s proposed rules and forms.

**I**  
**INTRODUCTION**

Sorenson is an engineering firm with offices in Idaho Falls, Idaho. It is a successful engineer, developer, owner and operator of numerous small power production facilities in the Northwest. Sorenson also provides consulting services to parties which either own small power production facilities in Oregon or are in the planning stages of developing new small power production facilities in Oregon. Currently, in addition to Sorenson’s own interest in acquiring or developing small power production facilities in Oregon, Sorenson is

formally representing the following entities in this proceeding: Central Oregon Irrigation District, Swalley Irrigation District, Real Energy LLC, and PaxStar Energy.

The following final comments have been prepared with the assistance of John R. Lowe, director of Business Development for Sorenson Engineering. Mr. Lowe has significant experience in the matter of interconnections and interconnection agreements for small power production facilities.

## II

### **SUMMARY OF SORENSON'S COMMENTS**

Sorenson and its clients continue to strongly believe, as demonstrated in its November 27, 2007 comments and its June 11, 2008 comments that the costs associated with interconnection are of paramount concern. Any reasonable means by which to reduce interconnection costs to the interconnection customer, provided there are no negative impacts upon safety and reliability, along with ensuring that the public utility costs are fully reimbursable, should be advanced in the rules. Key areas of concern are the operation and maintenance reimbursement for interconnection facilities, the ability of interconnection customers to study, design, construct, own and operate interconnection facilities and equipment, the threshold for telemetry, the application of secondary metering versus primary metering, and the requirement for telephonic access of metering. Sorenson also recognizes that some of its comments related to cost control may be more suitable for addressing by means other than changes to the actual rules.

The operation and maintenance reimbursement for interconnection facilities needs to be directly addressed either in the body of the rules or in the form interconnection agreement. Sorenson has requested that the actual verified cost of operation and maintenance of the interconnection facilities by the public utility be considered as the reasonable basis for such costs. The rules as proposed do not provide certainty with regard to this very significant interconnection cost element. In addition Sorenson endorses the Comments filed by the Industrial Customers of Northwest Utilities with respect to limiting cost recovery to just those costs that are demonstrably reasonable and necessary.

The telemetry requirement threshold of 3MW, while a significant improvement over the traditionally applied threshold of 1MW, still requires demonstration of its appropriateness. Until the basis for any telemetry threshold can be "proved", Sorenson suggests such threshold either be removed or raised to a significantly higher value. Sorenson suggests that the Commission consider a timeline for the public utilities to each provide an evaluation and demonstration of their needs for telemetry.

In reference to PacifiCorp's third set of comments, Sorenson's does agree that with most small generating facilities the requirement for telephonic meter access can be reasonably applied. However, there are a number of cases and conditions in which this requirement is cost prohibitive, i.e. very small remotely located facilities, and other creative means to resolve the access to metering data can be reasonably applied.

## **SORENSEN'S ADDITIONAL COMMENTS**

### **860-082-0020**

#### **Pre-Application Process**

Sorenson suggests that, provided the interconnection customer is reimbursing the public utility all reasonable costs, the pre-application process include a Scoping Meeting in which limited technical expertise can be made available. One of the stated purposes of the pre-application process is to understand the feasibility, which should include the optional points of interconnection and the magnitude of cost, timing and complexity (i.e. ownership opportunities for interconnection facilities). A significant number of potential small generating facilities will benefit by a more robust pre-application process especially since proceeding with a completed interconnection application may not practical.

### **860-082-0005**

#### **Scope and Applicability**

Sorenson suggests that the Commission consider, recognizing a unique circumstance, that small generating facilities that have entered into pre-AR521 vintage interconnection agreements while waiting for the conclusion of this docket but have not yet been interconnected, be afforded right and benefit to convert their interconnection agreements to the AR-521 approved form interconnection agreement within thirty days of its availability.

**860-082-0080**

**Arbitration of Disputes**

Sorenson suggests that the Commission consider as an alternative to this section of the rule the California Rule 21 based process presented in the last workshop by Sorenson's client RealEnergy, LLC. This process for dispute resolution has been tested on many occasions by RealEnergy and others and has proven to be a very effective and efficient means to resolve the interconnection parties' differences. One of the distinct advantages of the California Rule 21 procedure is that it allows for an informal process prior to going to the formal complaint stage allowing the parties to often resolve disputes without having to involve the PUC.

Respectfully submitted this 20<sup>th</sup> day of August, 2008.

RICHARDSON & O'LEARY PLLC

By: /s/ Peter J. Richardson  
Peter J. Richardson  
RICHARDSON & O'LEARY, PLLC  
Attorneys for Sorenson Engineering, Inc.

CERTIFICATE OF SERVICE

I certify that I have caused to be served the foregoing FINAL COMMENTS OF SORENSON ENGINEERING, INC., in OPUC Docket No. AR 521 by electronic mail only. Dated this 20<sup>th</sup> day of August, 2008.

/s/ Nina M. Curtis  
Nina Curtis  
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