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November 8, 2007

Ted Durrenberger
Oregon Public Utility Commission
Via email

Re: Draft Proposed Small Generator Interconnection Rules

Dear Ted,

Energy Trust appreciates the opportunity to comment on staff's draft small generator interconnection rules. We congratulate the OPUC staff for your work with all the stakeholders to develop these interconnection rules.

Energy Trust has supported numerous small generators as part of its mission to support new clean energy sources for customers of Pacific Power and Portland General Electric. We have found that interconnection procedures and requirements can easily become the most significant impediment to funding and completing projects.

With the passage of SB 838, Energy Trust now has a requirement to focus even more on small generator projects. Open, clear, fast and cost effective interconnections procedures and requirements will be critical to meeting goals for our revised focus. We have to recognize that burdening small generation with processes and costs similar to large projects will not help us reach the community energy goals in SB 838.

We offer the following comments, including suggested improvements for specific sections in the draft rules, as noted below:

860-082-0005 (3)(b)(Scope and Applicability- unilateral timeline waiver)

We request that the Public Utility not be allowed a unilateral waiver from the timelines set forth in the OSGIR and instead propose that the utility provide adequate staff resources or subcontract out the work to a third party. The demand for small generator interconnections will only increase in the future as developers respond to the community energy goals of SB 838 and it is the responsibility of the utility to respond in a timely fashion to interconnection requests.

860-082-0060 (Recordkeeping and Reporting Requirements)

We support the recordkeeping and reporting requirements as a set of valuable tools to add transparency of the process but are suggesting changes to further increase their value.

Knowing whether issues are repetitive allows improvements to be made to the rules. Further, it allows participants to see what solutions worked so the small generators can come in with the right solutions first or at least know what the acceptable solutions cost.

An issue we face today is the process always taking the maximum amount of time for each step, no matter how simple or complex the circumstance. It is also common for a utility to present very expensive upgrade requirements that require additional time to negotiate to a more acceptable solution. Negotiation timelines are not in the rules and can add considerable time to the process. The additional data points will help define whether additional rules are needed or situations are truly unique and separable.

In addition to the data requirements in the draft rules, we recommend adding the following requirements for Tier 2 through Tier 4 Interconnection Applications:

- Actual facilities costs
- Actual system upgrades and costs
- Estimated telemetry basic configuration
- Actual telemetry basic configuration
- Estimated telemetry cost
- Actual telemetry cost
- Number of days to deliver each agreement
- The number of days to complete each study
- The number of days to complete the facility installation and system upgrades.

Due to the potential confidential nature of this data we suggest that 1) the interconnection customer be asked to waive this data for reporting purposes or 2) if they refuse, report it to the commission on a confidential basis for commission staff review.

With the proposed rules is the need for transparency to ensure non-discriminatory interconnection of small generators. To this end, we recommend a periodic review of interconnection applications with modifications to the small generation interconnection rules as necessary. The rules are inherently flexible due to the technical complexity of interconnection. With this flexibility comes the opportunity of abuse that can be addressed through periodic reporting and reviews of interconnection applications

860-082-0080 (Dispute Resolution)

We agree with the small generator community that a streamed-line arbitrator-based dispute resolution process is better than the more formal OPUC complaint process. OPUC staff has stated that this provision is not necessary and should be removed from the rules. Respectfully, we disagree. We recognize the desire to not reinvent the wheel and staffs and utility familiarity

with today's procedure. However, longer, formal processes are time consuming and expensive. They put a disproportionate cost burden on small projects and can increase above-market costs. The process proposed by the small generator community appears to us faster, clear and cheaper. We appreciate that it remains in the draft rules allowing the topic to be aired in the rulemaking process.

860-082-055 (7) Approval

The proposed rules are silent about the time allowed for the construction of upgrades. The Applicant has no means to ensure the construction of the upgrades occurs in a reasonable timeframe as dictated by the scope of the construction. There needs to be an agreed period.

We suggestion additional language in this section to address this issue. The following points should be included:

1. The Public Utility and the Applicant will identify a mutually agreed timeline for the construction of the upgrades and the date that the system will be able to accommodate the project for witness testing, commissioning and operation.
2. If the Public Utility and the Applicant can not mutually agree to a timeline and cost, the applicant shall have the option to have the upgrades contracted to an independent contractor to obtain a more favorable timeline.

Form 4 (11-2 rev) Interconnection Facilities Study Form Agreement

Item 6 specifies a thirty calendar day study period when no upgrades are required. When upgrades are required, no timeline or guidance is offered. We request there be language to require the Public Utility to provide a timeline when upgrades are necessary. If timelines cannot be mutually agreed to, the Applicant then has the option to arrange for a third party to perform the facilities study as provide in section 860-082-055 (6)(b) of the proposed rules.

Small generators can't be held up if some other utility issue has diverted their internal staff. Certainly not when acceptable alternatives exist. Utilities often use consultants to speed or outsource work on interconnection. Small generators should also have this option to hurdle time constraints.

Again, we thank the OPUC staff for the all the work involved in these small generator interconnection rules. The issues can be difficult, complex and polarized. This proceeding is a very important step to helping small generators connect and provide clean power for Oregon.

Sincerely,

Alan Cowan
Renewable Energy Program Manager