

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 521

In the Matter of a Rulemaking to Adopt)
Rules Related to Small Generator)
Interconnection.)

STAFF COMMENTS
November 27, 2007

AR 521 Small Generator Facility Interconnection Rule

Staff Fourth Set of Comments

OPUC Staff would like to begin its fourth set of comments by expressing its gratitude to the many stakeholders and interested parties who participated in the rulemaking process and whose perspective and expertise in the area of small generator facility interconnection was invaluable in drafting the proposed Rule.

Staff notes that it mistakenly stated in its third set of comments that FERC Order No. 2006 governs the interconnection of qualifying PURPA small wholesale power generators in Oregon. In fact, the interconnection of Oregon PURPA facilities is not governed by FERC. The interconnection of PURPA qualifying Small Generating Facilities is currently under the jurisdiction of the Public Utility Commission of Oregon and small generators with electric nameplate capacities of up to 10 MW will be subject to any rule that may be promulgated as a result of the rulemaking process in AR 521.

As stated previously in comment, the proposed rule generally represents the consensus of the various parties participating in its drafting. Where parties have not been able to agree, Staff has recommended a resolution that meets the abiding interest that the Commission has in small generator interconnection rules, namely that the rule should provide consistent, transparent interconnection requirements and procedures that facilitate small generator interconnection without compromising the safety and reliability of the public utility, distribution system. Some areas that remain in contention include:

- Liability Insurance: Staff's recommendation is to follow the requirements in UM 1129, the QF Docket. Parties have not demonstrated that this standard is inadequate.
- Lockout Devices: The Commission Safety and Reliability Group reviewed the proposed Rule and deemed the isolation device language to be sufficient to protect the safety of the utility, the interconnection customer and the public at large.

- Alternative Dispute Resolution: Staff’s proposal acknowledges the statutory right of a party to take a dispute to the Commission and offers an optional alternative if parties can mutually agree to use it.
- Inclusion of additional technical standards: Staff has allowed for the public utility to request a waiver should it feel that additional technical standards are necessary to govern a small generator interconnection. Safety and reliability standards as well as any other technical standard that applies generally to the utility but not to small generators covered by this rule have not been required.
- Timeliness of the process: Concern was expressed, by some participants, about the length of time it takes to complete an interconnection. The rule, as drafted, requires all parties to respond to requests and process applications according to a prescriptive schedule with the option for parties to modify the schedule by mutual agreement. The rule also segregates the applications into multiple Tiers based on project size and complexity further streamlining the process.
- Reporting and recordkeeping: Parties have participated extensively in the recordkeeping and reporting requirements part of the proposed rule. Staff feels that there needs to be sufficient latitude in this area to allow for the Commission and other interested parties to learn about interconnection activities without making the process overly burdensome for the public utilities. The rule, as drafted meets this balance.
- The uncertain future of the Forms: Staff and parties to the process generated standard model application forms, agreements and specification forms. These forms were intended to make the difference in the process of interconnection of a small generator facility to any one of the three public utilities as seamless as possible since the forms used for the interconnection would all be the same or virtually so. Furthermore, the forms were compliant with the rule and would not require any further drafting on the part of the public utilities. Staff encourages the Commission to notice the forms included with the proposed rule and to acknowledge their validity to be used as drafted by the public utilities with only such modification as may be specifically justified before the Commission at the time that the utility files them for acknowledgement.

This concludes Staff's comments. Staff respectfully requests that the Commission adopt 860-082-0005 through 860-082-0080 for rules that govern the interconnection of small generators subject to Commission jurisdiction with nameplate capacities up to 10 MW.

Respectfully submitted,

/s/ Ed Durrenberger

Resource and Market Analysis

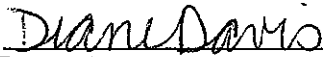
Oregon Public Utility Commission

CERTIFICATE OF SERVICE

AR 521

I certify that I have, this day, served Staff's Fourth Set of Comments upon all participants of record in this proceeding who have not waived paper service by mailing a copy properly addressed with first class postage prepaid and electronically to those who waived paper service to the email address provided on the attached service list.

Dated at Salem, Oregon, this 27th day of November, 2007.



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