

May 29, 2020

Via Electronic Filing

Public Utility Commission of Oregon
Attn: Filing Center
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**Re: UM 1631 – In the Matter of Carnes Creek Solar, LLC, Petition for Waiver
of OAR 860-082-0025(b) & (c)**

Attention Filing Center:

Enclosed for filing today in the above-named docket is Portland General Electric Company's Comments Opposing Petition for Waiver.

Thank you for your assistance.

Very truly yours,



Jeffrey S. Lovinger

Attachment

1004739

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON
UM 1631**

In the Matter of
Carnes Creek Solar, LLC,
Petition for Waiver of
OAR 860-082-0025(b) & (c)

**PORTLAND GENERAL
ELECTRIC COMPANY'S
COMMENTS OPPOSING
PETITION FOR WAIVER**

Portland General Electric Company (“PGE”) respectfully submits these comments opposing the petition for waiver filed by Carnes Creek Solar, LCC (“Carnes Creek”), on April 23, 2020. PGE requests that the Public Utility Commission of Oregon (“Commission”) deny the petition for waiver.

I. INTRODUCTION

The Commission should deny Carnes Creek’s petition to waive small generator interconnection rules OAR 860-082-0025(1)(b)&(c). Under those rules, when an applicant modifies the nameplate capacity rating of its generator, it must file a new interconnection application and the new application is assigned a new queue position. Carnes Creek seeks to reduce the capacity of its 2.5-megawatt (“MW”) solar project to 2.3 MW. Carnes Creek argues that allowing it to lower its nameplate capacity rating to 2.3 MW will allow it to avoid three interconnection upgrades: (1) new relay panels in the substation; (2) new voltage transformers in the substation; and (3) transfer trip.

Carnes Creek’s petition for a waiver should be denied for four independent reasons.

First, it is unlikely that granting Carnes Creek’s waiver will allow it to avoid the upgrades. PGE’s best estimate at this stage is that reduction of the project’s nameplate capacity rating from 2.5 MW to 2.3 MW will not allow the project to avoid the backfeed concerns that result in the requirement for new substation relay panels, new substation voltage transformers, and transfer trip.

Second, waiver of OAR 860-082-0025(1)(b)&(c) will not allow Carnes Creek to achieve construction milestones by September 4, 2020, as apparently required by Carnes Creek’s land use permit. If Carnes Creek obtains its requested waiver and lowers its nameplate capacity rating, PGE will need to conduct a new system impact study and a new facilities study at the new nameplate capacity rating. PGE does not expect to complete such studies, enter into a new interconnection agreement, and complete the interconnection before the September 4, 2020, deadline in Carnes Creek’s land use permit.

Third, waiver of OAR 860-082-0025(1)(b)&(c) is not in the public interest. Waiver would harm PGE’s ability to manage its interconnection queue and would harm lower-queued projects. The Commission should not disrupt the orderly administration of the interconnection queue to permit Carnes Creek to avoid paying the necessary costs of interconnecting its proposed facility.

Fourth, the standard for changing nameplate capacity rating under the Commission’s Community Solar Program (“CSP”) is different than the standard for changing nameplate capacity rating under the Commission’s interconnection rules. Carnes Creek notes that the CSP allows capacity reductions of up to 199 kilowatts as “minor modifications.” The small generator interconnection rules do not. Nor do the CSP-specific interconnection rules. Under both sets of the interconnection rules, “any” change in nameplate capacity rating is considered significant and requires a new application. A change in nameplate capacity rating under the interconnection process impacts the entire interconnection queue. As a result, any change in nameplate capacity rating requires a generator to restart the interconnection application process.

II. FACTUAL BACKGROUND

Carnes Creek seeks to interconnect a proposed 2.5-megawatt solar qualifying facility to PGE’s Waconda-13 distribution feeder located in Marion County, Oregon. Between May 25, 2018

and December 19, 2018, PGE conducted a feasibility study, a system impact study, and a facilities study of the Carnes Creek interconnection request.

The system impact study identified and detailed the adverse system impacts expected from the interconnection of the Carnes Creek's project. The study assumed the Carnes Creek project would be the fourth small generator to interconnect to the feeder behind 2.2 MW SPQ0003, 2.2 MW SPQ0028, and 2.5 MW SPQ0048.

The study states:

All active higher queued generation Interconnection Requests will be considered in this study and are identified below. If any of these requests are withdrawn, the PGE reserves the right to restudy the request, as the results and conclusions contained within the study could significantly change.

The facilities study identified the interconnection facilities and system upgrades needed to safely interconnect the Carnes Creek project. The facilities study identified as necessary facilities and upgrades: (1) a new primary service including bi-direction meter and CTs; and (2) transfer trip via SEL Mirror Bits. The facilities study estimated the cost of these facilities and upgrades as \$101,103.00. The facilities study noted that interconnection of the higher-queued SPQ0048 project would include multiple modifications to PGE's system that are required before either the SPQ0048 project or the Carnes Creek project can be interconnected and placed in service.

PGE and Carnes Creek entered into an interconnection agreement effective April 26, 2019. The interconnection agreement provides for the facilities and upgrades identified in the facilities study and adopts the \$101,103.00 cost estimate from the facilities study. The interconnection agreement is based on the assumptions of the system impact study and the facilities study, including the assumption that higher queued projects SPQ0003, SPQ0028, and SPQ0048 all interconnect.

SPQ0048 withdrew from the interconnection queue in June 2019. On July 9, 2019, PGE notified Carnes Creek that it would be necessary to restudy the Carnes Creek interconnection because of SPQ0048's withdrawal. As part of that restudy process, the parties entered into a second system impact study agreement and a second facilities study agreement. On October 25, 2019, PGE issued a revised system impact study. On February 14, 2020, PGE issued a revised facilities study. The revised facilities study identifies as necessary interconnection facilities: (1) a new primary service and metering package; (2) dual SEL-487E substation transformer relay panels; (3) a set of voltage transformers ("VTs") on the 57 kV system, and (4) transfer trip via Mirror Bits over a fiber optic cable. The revised facilities study estimated the cost of these facilities and upgrades at \$768,900.00.

On March 16, 2020, PGE sent Carnes Creek an executable agreement to amend the interconnection agreement to capture the facilities and upgrades needed to safely interconnect the Carnes Creek project given the withdrawal of SPQ0048. Carnes Creek refused to execute the amendment to the interconnection agreement. By refusing to execute the modified interconnection agreement and move forward with its interconnection, Carnes Creek effectively stalled the interconnection queue and the interconnection study process for lower-queued application SPQ0172. On April 8, 2020, PGE notified Carnes Creek that it would give Carnes Creek an additional week, that is until April 15, 2020, to execute the amendment to the interconnection agreement, or Carnes Creek's application would be deemed withdrawn pursuant to OAR 860-082-0025(7)(e). Carnes Creek did not execute the amendment to the interconnection agreement. As a result, on April 23, 2020, PGE sent notice to Carnes Creek that the Carnes Creek interconnection application had been deemed withdrawn and was being removed from PGE's interconnection queue.

That same day, Carnes Creek filed a petition for waiver with the Commission. Carnes Creek asks the Commission to waive OAR 860-082-0025(1)(b)&(c) which require an applicant to file a new interconnection application if the applicant modifies the nameplate capacity rating of its project. PGE respectfully requests that the Commission deny the petition.

III. DISCUSSION

A. GRANTING CARNES CREEK'S REQUESTED WAIVER WILL NOT ELIMINATE THE NEED FOR THE UPGRADES IDENTIFIED IN ITS OCTOBER 25, 2019 SYSTEM IMPACT STUDY.

Even if the Commission grants Carnes Creek's proposed waiver, interconnecting the project will likely still require the system upgrades identified in the October 25, 2019, system impact study and the February 14, 2020, facilities study. A preliminary analysis by PGE's engineers suggests that adding a 2.3 MW Carnes Creek Project will increase the risk of catastrophic equipment damage during a fault on the high side of the transformer due to backfeed. In order to address this impact, PGE's engineers expect that they will need to require substation transformer relay panels, substation voltage transformers, and a transfer trip protective scheme.

In its petition, Carnes Creek notes that the October 25, 2019, system impact study concluded that daytime minimum load at the substation transformer occurred on May 5, 2019, and was 2.4 MW.¹ Carnes Creek reasons that if it reduces its nameplate capacity rating from 2.5 MW to 2.3 MW, then generation will not exceed daytime minimum load and it will not be necessary to install substation transformer relay panels, substation voltage transformers, and transfer trip.² The problem with this reasoning is that it relies on old data that is no longer representative of the daytime minimum load to be expected at the substation transformer.

¹ Petition for Waiver for Carnes Creek ("Petition") at 4 (April 23, 2020).

² See *id.* at 7-8.

On October 4, 2019, higher-queued project SPQ0028 interconnected to the Waconda-13 feeder. SPQ0028 is a 2.2 MW project. With the addition of a 2.2 MW generator to the feeder in October 2019, PGE expects the current daytime minimum load on the substation transformer to be significantly less than the 2.4 MW established in May 2019. As a result, Carnes Creek's proposal to decrease the project's nameplate capacity rating to 2.3 MW is very unlikely to eliminate the risk of equipment damage caused by the interconnection of the Carnes Creek project. No good cause exists to grant the Petition, because there is likely no difference between the system upgrades necessitated by the current 2.5 MW project and those necessitated by the proposed 2.3 MW project.

B. GRANTING CARNES CREEK'S REQUESTED WAIVER WILL NOT PREVENT CARNES CREEK FROM MISSING THE DEADLINES IN ITS LAND USE PERMIT.

The Commission should deny Carnes Creek's petition because waiver will not prevent Carnes Creek from missing the deadlines in its land use permit. In its petition for waiver, Carnes Creek states that its existing land use permit must be "initiated and exercised by September 4, 2020" and cannot be extended.³ Carnes Creek also states that "the interconnection study process will likely take longer than just a few months, and is not likely to be completed by September 4, 2020."⁴ But if Carnes Creek obtains its requested waiver and lowers its nameplate capacity rating, PGE will need to conduct a new system impact study and a new facility study of the interconnection at the new nameplate capacity of 2.3 MW.

These two studies typically require 60 business days each. As a result, if the waiver is granted in late June 2020, and the studies begin on approximately July 1, 2020, PGE does not expect that the studies will be completed or that the parties will enter into a modified interconnection agreement or complete any construction milestones before September 4, 2020.

³ Petition at 6.

⁴ *Id.*

Carnes Creek could have met its land use deadline if it had signed the revised interconnection agreement provided by PGE in March 2020 and interconnected in September 2020 as proposed under the revised interconnection agreement. But a waiver at this stage will not prevent Carnes Creek from missing the deadline in its land use permit.

C. THE PUBLIC INTEREST IS BETTER SERVED BY CONSISTENT APPLICATION OF THE INTERCONNECTION RULES.

OAR 860-082-0010 permits the Commission to waive application of the small generator interconnection rules “for good cause shown.” Here, Carnes Creek cannot establish good cause for waiver because the rules it seeks to waive serve a useful public interest that is not outweighed by Carnes Creek’s individualized allegation of harm.

The Commission’s small generator interconnection rules require that an applicant keep moving forward with its application or the application is deemed withdrawn.⁵ The rules also provide that if an applicant modifies its nameplate capacity rating, then the applicant needs to file a new application and will be assigned a new queue position.⁶

These rules serve important purposes. They allow the utility to manage its queue in an orderly and consistent manner. They also prevent harm to lower queued projects. And they put some limit on the amount of divergence that may occur between the interconnection application timeline and the scheduled commercial operation date under the applicant’s power purchase agreement.

Every lower queued project is studied assuming that each higher queued project will interconnect at its proposed nameplate capacity and that the interconnection upgrades associated

⁵ OAR 860-082-0025(7)(a)(A) (10 days to supplement incomplete application or application deemed withdrawn); OAR 860-082-0060(6)(c), (7)(c), and 8(c) (applicant must sign a study agreement within 15 days or application deemed withdrawn); OAR 860-082-0025(7)(e) (applicant must sign interconnection agreement within 15 days or application is deemed withdrawn).

⁶ OAR 860-082-0025(1)(c).

with the higher queued project will be constructed⁷ These assumptions significantly impact the timing and the requirements of every lower queued interconnection. If a higher queued project stops moving forward in the queue, it will delay all lower queued applications. To prevent this, the Commission's rules provide that an application is deemed withdrawn if an applicant takes too long to move forward with the process.

Similarly, if a higher queued applicant changes its nameplate capacity rating, that will have an impact that ripples through all lower queued projects. To minimize such impacts and to prevent gaming of the system, the rules require that when an applicant changes its nameplate capacity, it must file a new application and be assigned new queue position.⁸ This protects the lower queued projects from the delays associated with a higher queued project changing nameplate capacity. It also prevents a higher queued project from changing its capacity to avoid an interconnection requirement and effectively passing that requirement down to a lower queued project. Waiver should not be allowed because it would defeat these public interest purposes.

Allowing waiver here will encourage future interconnection customers to make similar, last-minute adjustments to their project specifications to narrowly avoid paying for upgrades that their projects would otherwise require. Such a result would increase the transaction costs of interconnecting as projects are changed at the last minute and projects lower in the queue require new studies and possibly new upgrades and facilities.

In this case, lower queued SPQ0172 was behind the Carnes Creek project in the queue. SPQ0172 will now need to be restudied, but new studies cannot be performed until PGE knows

⁷ OAR 860-082-0060(6)(e) & 7(f) (providing that a feasibility study and a system impact study must identify potential adverse system impacts on the utility's system considering generation already interconnected to the utility's system and considering the pending higher-queued interconnection applications).

⁸ OAR 860-082-0025(1)(c) ("An applicant with a pending completed application to interconnect a small generator facility must submit a new application if the applicant proposes to make any . . . changes affecting the nameplate capacity of the proposed small generator facility.").

whether Carnes Creek will be re-inserted into the queue and at what nameplate capacity rating. If the Commission grants the petition for waiver, it will encourage other generators to similarly disrupt the orderly administration of the queue and delay the interconnection study process for other projects.

D. CONTRARY TO CARNES CREEK’S APPLICATION, THE COMMUNITY SOLAR PROGRAM CONTEMPLATES THAT SMALL GENERATORS WILL CONTINUE TO COMPLY WITH EXISTING SMALL GENERATOR CONNECTION RULES.

Carnes Creek’s participation in the CSP is not good cause justifying waiver. Throughout its application, Carnes Creek conflates two distinct concepts: applying to participate in the CSP and applying to interconnect to PGE’s system under the Commission’s small generator interconnection rules. Carnes Creek has conditionally pre-certified its project with the CSP.⁹ Consistent with that program, Carnes Creek may decrease its nameplate capacity rating by less than 200 kw without having to reapply to participate in the CSP.

However, Carnes Creek must still interconnect its project to PGE’s system and in doing so must follow either the small generator interconnection rules or PGE’s CSP interconnection tariff to do so. The small generator interconnection rules provide that an interconnection applicant “must submit a new application if the applicant proposes to make any change to the small generator facility other than a minor equipment modification.”¹⁰ This includes “changes affecting the nameplate capacity of the proposed small generator facility.”¹¹ PGE’s CSP interconnection tariff also requires an applicant to reapply if it changes its nameplate capacity rating.¹²

⁹ Petition at 1 and 9.

¹⁰ OAR 860-082-0025(1)(c).

¹¹ *Id.*

¹² *In the Matter of Commission Community Solar Program Implementation*, Docket No. UM 1930, PGE Compliance Filing Advice No. 20-04, Ex. A at 7 (Redline Standard Interconnection Procedures for CSP Projects at Section 5(1)(b)) (Apr. 17, 2020) (available at <http://edocs.puc.state.or.us/efdocs/HAD/um1930had162523.pdf>; see also Docket No. UM 1930, Order No. 20-122 at 1 (Apr. 9, 2020) (approving tariff).

Because Carnes Creek proposes a “change[] affecting the nameplate capacity” of the project, it must resubmit its interconnection application. The fact that the CSP rules allow changes in nameplate for the purpose of *qualifying* for the CSP does not justify a waiver. The small generator interconnection rules and the CSP interconnection tariff both require a generator to resubmit its interconnection application if it changes its nameplate capacity rating. As described above, lower-queued interconnection applications rely on higher-queued applicants’ project specifications. Changes in one applicant’s nameplate capacity rating affects other applications, and therefore require an applicant to reapply for interconnection. Further, the CSP anticipated that some participants in the program would choose to interconnect through existing interconnection queues and therefore choose to comply with existing interconnection rules.¹³ The CSP interconnection tariff also requires a generator to resubmit its interconnection application, confirming that a CSP participant must resubmit its interconnection application if it chooses to

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¹³ See *Oregon Community Solar Program: Program Implementation Manual* at 34 (stating that a generator may interconnect “through a utility’s standard interconnection queue”) (available at <https://orcslaunch.files.wordpress.com/2019/12/pim-v20191226.pdf>).

change its nameplate capacity rating.¹⁴ Carnes Creek’s participation in the CSP is not “good cause” for a waiver of interconnection rules.

IV. CONCLUSION

The Commission should deny the petition for a waiver.

DATED this 29th day of May 2020.

Respectfully submitted,

s/ Donald Light

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¹⁴ Docket No. UM 1930, PGE Compliance Filing Advice No. 20-04, Ex. A at 7; *see also* Docket No. UM 1930, Order No. 20-122 at 1 (approving tariff).