

BEFORE THE OREGON PUBLIC UTILITIES COMMISSION

Investigation into Interconnection Process and Policies

UM 2111

SECOND COMMENTS OF THE INTERSTATE RENEWABLE ENERGY COUNCIL, INC. ON THE PHASE 1 SCOPE

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Introduction

On July 6, 2020 the Oregon Public Utilities Commission (Commission or PUC) issued Order No. 20-211, opening an investigation into its interconnection processes and policies. On February 10, 2022, the Commission Staff issued a Scoping Announcement proposing to open Phase 1 of the proceeding to address distribution-level hosting capacity analysis (HCA) thresholds, the use of advanced inverters through IEEE 1547-2018, and the flexibility of energy storage systems through a work group process. On February 24, 2022, the Interstate Renewable Energy Council, Inc. (IREC) filed its first scoping comments. On March 11, 2022 the Commission issued an announcement requesting responses to a second set of questions concerning the scope of the proceeding. Pursuant to that announcement, IREC respectfully submits these answers to certain questions presented by the Commission.

Question 1: Given Staff’s concerns with interconnection issues being a roadblock to the projects driven by state policy (including incentives and grants), are Staff’s proposed Group 1 issues the three most effective issues for these specific generators to cost-effectively interconnect? If not, which three issues are and why?

IREC continues to support prioritizing the three topics identified in the original Scoping Announcement. Addressing the three topics identified has the potential to streamline Oregon’s interconnection rules to help many distributed energy resources (including those using advanced inverters, energy storage systems, or otherwise supported by state policy) to interconnect in a safe, reliable, and efficient manner.

Question 3: What is the best way to address the overlap between Hosting Capacity Analysis (HCA) discussions occurring in Distribution System Planning (DSP) and Staff's proposal for [this proceeding]?

There are certain key decisions about the design of an HCA that IREC recommends the Commission make. As explained in IREC's recent report, *Key Decisions for Hosting Capacity Analyses*, the first is to clearly define the intended use case(s).¹ The two most prominent use cases for HCA today are to inform the interconnection process and the distribution system planning process. Each use case represents a distinct analysis; accordingly, the analysis for each use case should be designed to meet its specific goal. For example, the Commission could select a different methodology, inputs, limiting criteria, and thresholds for each use case.

Ideally, the Commission should consider all potential HCA use cases at the outset so that the work group considering the key decisions for the design of the HCA can consider all the use cases selected by the Commission, and the Commission can issue a single order setting the design of all hosting capacity analyses at once. Working on all the potential use cases at once is a best practice because it avoids duplication in discussions among stakeholders and staff.

However, to date discussions about HCA in Oregon have surrounded its use as a screening tool to determine the need for further study (and potentially upgrades) in the interconnection process,² and the distribution system planning work group established in UM 2005 has not held extensive discussions concerning a distribution planning use case. Considering that the Commission appears ready to address the interconnection use case for HCA in UM 2111,

¹ Sky Stanfield, Yochanan Zakai, Matthew McKerley, *Key Decisions for Hosting Capacity Analyses*, IREC (Sept. 2021), <https://irecusa.org/resources/keydecisions-for-hosting-capacity-analyses>.

² See e.g., Oregon Public Utility Commission, UM 2111 Scoping Announcement, at 4 (Feb. 11, 2022).

it could move forward with making decisions about the design of an HCA for use in the interconnection screening process now, and make decisions about establishing an HCA for the distribution planning use case at later date in UM 2005. Taking this approach will likely result in some duplication of efforts in the future but would narrow the scope of the HCA discussions in UM 2111.

After establishing the HCA use case, the work group in UM 2111, or a sub-group devoted to HCA, could consider the remaining key decisions from IREC's report:

- Determine whether implementation should be phased, and if so, how
- Identify HCA data validation methods that should be used
- Select the HCA methodology to be used for the interconnection use case
- Determine how frequently the HCA should be updated
- Select the number of load hours that will be evaluated in the HCA
- Determine whether the HCA will evaluate hosting capacity for load, generation, or both DER types
- Define how granular the analysis will be and how the results of the analysis will be shared
- Select the limiting criteria and thresholds to be used for the interconnection use case
- Determine what HCA data will be publicly accessible and how it will be provided
- Evaluate any security risks associated with sharing HCA data and determine how to manage those risks.
- Evaluate whether sharing of HCA data creates customer privacy issues and how to manage those risks.

The Commission has expressed an interest in addressing the provision of public access to distribution system data in the UM 2005 work group.³ Accordingly, Staff may want to consider the key decisions concerning public access (*i.e.*, the last three in the list above) via the UM 2005

³ Dkts. UM 2196-2198, Order No. 22-083, Appendix A, at 30 (March 11, 2022) (DSP proceeding's scope includes "Focus on transparency of system data," "Consider the system data that is published," "How the system data is published," and "System investments required to collect and publish the system data").

work group. If Staff decides to bifurcate its HCA work between the two dockets, it should establish similar schedules to avoid delays associated with coordination between the dockets.

Question 5: How should the working group process [proceed] and what can the working group do to facilitate resolution of contested issues?

As explained in IREC's earlier comments, work groups operate efficiently when parties present specific proposals for modifications to rule language; in contrast, work groups that focus on hypothetical concepts tend to have extended discussions without reaching conclusions.⁴

Therefore, IREC recommends using a process similar to the following:

- At the first work group meeting discussing a particular topic:
 - introduce topic, discuss goals and general concepts, identify parties interested in drafting a proposal for rule language and encourage collaboration amongst aligned parties to avoid multiple competing drafts
- After work group meeting:
 - interested parties collaborate to develop a joint proposal for rule language
- In advance of (ideally one week before) a work group meeting:
 - interested parties circulate a joint proposal for rule changes in writing; if no consensus, the work group may consider competing proposals on the same topic
- At next work group meeting:
 - parties discuss proposal(s) and provide feedback
- After work group meeting:
 - additional collaboration between interested parties, if necessary
- In advance of (ideally one week before) before the next work group meeting:
 - parties provide a counterproposal or revised proposal
- At next work group meeting:
 - parties discuss proposal(s) and provide feedback
 - parties agree to continue to work together to reach consensus, or if consensus is not feasible, Staff instructs each group of aligned parties to provide a final proposal with written justification description of their position.
- The work group's final report could document consensus rule language, as well as competing proposals for rule language on disputed topics, along with supporting justification for both the consensus language and competing proposals. By including the parties' proposals and justifications in the work group's final report, the final work group report could represent a sufficient record on which the Commission can make its decision.

⁴ Comments of the Interstate Renewable Energy Council, Inc. on the Phase 1 Scoping Announcement, at 2-3 (Feb. 24, 2022).

Furter, IREC provided a detailed proposal for the process the Commission should use to adopt IEEE 1547-2018 in its first scoping comments;⁵ IREC recommends that the Commission follow that process to adopt IEEE 1547-2018.

Question 6: Do you support IREC’s suggestion to switch from organizing our interconnection rules based on size and policy (e.g., Net Metering, SGIP, LGIP) to point of interconnection (distribution or transmission).

As a point of clarification, it is not necessary to have separate state interconnection procedures based upon whether a project is interconnecting to the distribution or transmission system. As the state has jurisdiction over the interconnection, a single set of procedures can adequately manage the differences between a distribution and transmission level interconnection. The difference is that a transmission system interconnection would go directly to a Tier 4 study, and the system impact study would be designed to evaluate transmission system impacts instead of distribution system impacts. The procedures can also include provisions for distribution group or transmission cluster studies all within the same set of rules.

Conclusion

IREC thanks the Commission for the opportunity to submit these comments and looks forward to future discussions regarding the modernization of Oregon’s interconnection rules.

⁵ *Id.* at 4-5.

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