

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2111

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Investigation Into Interconnection
Process and Policies

COMMENTS OF THE
COMMUNITY RENEWABLE
ENERGY ASSOCIATION,
RENEWABLE ENERGY
COALITION, AND NORTHWEST &
INTERMOUNTAIN POWER
PRODUCERS COALITION ON
STAFF’S REPORT

I. INTRODUCTION

The Community Renewable Energy Association (“CREA”), the Renewable Energy Coalition (the “Coalition”), and the Northwest & Intermountain Power Producers Coalition (“NIPPC”) (collectively the “Interconnection Trade Associations”) respectfully submit these comments in response to Staff’s Report.¹ The Interconnection Trade Associations appreciate the Oregon Public Utility Commission’s (the “Commission’s”) commitment to investigating how to improve the interconnection process for generators in Oregon. However, the Interconnection Trade Associations propose some modest revisions regarding the prioritization of issues.

II. COMMENTS

The Interconnection Trade Associations appreciate the Commission moving forward with UM 2111, and the thoughtful work that Staff has invested into identifying

¹ Staff Report (Apr. 13, 2022).

and prioritizing the issues in this proceeding. Interconnection is an important step in developing energy projects. Without a fair, transparent, and functional process for interconnecting to a utility, interconnection customers are unable to progress in the development process. Thus, interconnection can also be a major impediment to developing energy projects.

In Oregon, there have been numerous issues with interconnection, including but not limited to major delays in the interconnection process, excessive interconnection costs, errors in interconnection studies, and lack of ability to vet utility decisions regarding interconnection. All of these issues have caused significant issues between interconnection customers and the utilities. Improvements to the interconnection process will increase the certainty and predictability of project development in Oregon, as well as ease concerns about utility obstruction and lessen the tensions between utilities and interconnection customers. Thus, the Interconnection Trade Associations appreciate Staff's and the Commission's commitment to addressing various interconnection issues and restarting the docket.

The Interconnection Trade Associations do not oppose Staff's specific recommendation for the Commission to adopt the proposed scope for Group 1 issues in the interconnection modernization investigation, subject to two conditions. First, that the Group 2 issues start no later than one year from now or by April 2023. Second, that the Group 2 issues be expanded to include:

- An interconnection customer's option to build (or hire third parties to build) interconnection facilities and network upgrades; and

- An interconnection customer’s opportunities to hire third parties to perform interconnection studies.

A. The Grouping Should Address the Highest Priority, Most Useful, and Easiest Issues for the Commission to Resolve

Staff proposes to address the following issues in Group 1 in work group settings with regular reports to the Commission at a minimum of six-month intervals and target completion of Group 1 issues in twelve months:

- Modernizing the screening and interconnection study practices;
- Incorporating advanced inverters, storage, islanding, and other modern configuration;
- Incorporating IEEE 1547-2018 standards; and
- Access to transparent data about utility standards, costs, and study assumptions (Stakeholder-led)[.]²

Access to transparent data used to be in Staff’s original Group 3.³

Staff also recommends a previous Group 4 issue – interconnection request process, construction process, remedies for utility and generator violations, requirement for non-discriminatory good faith actions – be moved to a new Group 2, and the rest of the groups pushed back.⁴ Staff reasons that “[interconnection] process improvements are more likely to provide the intended benefits to generators after the Group 1 issues are addressed[.]”⁵ The Interconnection Trade Associations understand the new Group 2

² Staff Report at 12.

³ Staff Report at 10.

⁴ Staff Report at 10 (the former Group 2 would become Group 3, the former Group 3 would become Group 4, and the former Group 4 would become Group 5).

⁵ Staff Report at 4.

(“Interconnection request process, construction process, remedies for utility and generator violations, requirements for non-discriminatory good faith actions”) to include the issue “A process through which an interconnection customer may challenge utility cost estimates and propose alternatives.” The Interconnection Trade Associations appreciate Staff moving this issue up in priority.

The Interconnection Trade Associations believe Staff’s Group 1 issues are important but are not the highest priority nor do they address the most useful and impactful issues out of all the issues Staff has identified. The Interconnection Trade Associations are not opposed to the inclusion of Staff’s proposed issues in Group 1 but recommend that additional issues be addressed early in the investigation. The Interconnection Trade Associations also believe some of Staff’s main priority issues, such as storage and advanced inverters or the IEEE standards, could be better addressed in stakeholder led working groups.

More than three years ago in 2019, the Interconnection Trade Associations identified their most important issues.⁶ Earlier in the docket, the Interconnection Trade Associations submitted comments and recommendations reiterating their list of the seven most important and impactful issues to address that are not currently being addressed in

⁶ See *In re Commission Investigation into Public Utility Regulatory Policies Act Implementation*, Docket No. UM 2000, NIPPC, the Coalition, & CREA Responses to Staff Questions (Mar. 29, 2019); see also Docket No. UM 2000, NIPPC, Coalition, and CREA’s Supplemental Answers to Staff’s Questions (Apr. 26, 2019).

other dockets.⁷ The Interconnection Trade Associations’ seven most important and impactful issues to address are:

- Whether utilities must be reasonable, non-discriminatory and act in good faith in the interconnection process;⁸
- The appropriate circumstances under which an interconnection customer should have an opportunity to hire third parties to perform interconnection studies;
- The appropriate circumstances under which an interconnection customer should be provided an option to build (or hire third parties to build);
- The appropriate process through which an interconnection customer may challenge utility cost estimates and propose alternatives;
- The appropriate rules to apply to PGE’s and Idaho Power’s interconnections sized between 10 and 20 MW;
- Providing appropriate process and remedies for utility violations of the rules (e.g., providing extension of commercial operation date for delays);⁹ and
- What changes to the facility constitute a material change that would require the QF to restart the interconnection process and/or request a new PPA and the right to upgrade after PPA execution.

⁷ The Interconnection Trade Associations’ Interconnection Letter at 3-4 (Jan. 4, 2022).

⁸ The Interconnection Trade Associations recognize this issue has been moved to Staff’s new Group 2 and support that move, but still believe an interconnection customer’s right to hire third parties to construct upgrades and conduct interconnection studies should be higher prioritized.

⁹ The Interconnection Trade Associations recognize this issue has been moved to Staff’s new Group 2 and support that move, but still believe an interconnection customer’s right to hire third parties to construct upgrades and conduct interconnection studies should be higher prioritized.

None of these seven issues are listed in Staff’s Group 1. To narrow and further prioritize, the Interconnection Trade Associations identified the three most critical issues to be addressed and resolved in 2022:¹⁰

- 1) An interconnection customer’s option to build (or hire third parties to build) interconnection facilities and network upgrades;¹¹
- 2) An interconnection customer’s opportunities to hire third parties to perform interconnection studies;¹² and
- 3) A process through which an interconnection customer may challenge utility cost estimates and propose alternatives.¹³

¹⁰ These issues were included in the Interconnection Trade Associations lists of issues to be addressed in UM 2000. *See in re Commission Investigation into Public Utility Regulatory Policies Act Implementation*, Docket No. UM 2000, NIPPC, the Coalition, & CREA Responses to Staff Questions (Mar. 29, 2019); see also Docket No. UM 2000, NIPPC, Coalition, and CREA’s Supplemental Answers to Staff’s Questions (Apr. 26, 2019). Interconnection Trade Associations first requested that these three issues be prioritized as the most important interconnection issues to be addressed in 2020. *See in re Commission Investigation into the Treatment of Network Upgrade Costs for Qualifying Facilities*, Docket No. UM 2032, NIPPC, Coalition, and CREA Comments on Staff’s Draft Issues List at 7-8 (Apr. 9, 2020).

¹¹ This issue has been raised in various complaints at the Commission. *See, e.g., Sandy River Solar, LLC v. PGE*, Docket No. UM 1967; *Waconda Solar, LLC v. PGE*, Docket No. UM 1971.

¹² This issue has been raised in various complaints at the Commission. *See, e.g., Pac. Nw. Solar, LLC (Amity Project) v. PGE*, Docket No. UM 1902; *Butler Solar, LLC v. PGE*, Docket No. UM 1903; *Pac. Nw. Solar, LLC (Duus Project) v. PGE*, Docket No. UM 1904; *Pac. Nw. Solar, LLC (Firwood Project) v. PGE*, Docket No. UM 1905; *Pac. Nw. Solar, LLC (Starlight Project) v. PGE*, Docket No. UM 1906; *Pac. Nw. Solar, LLC (Stringtown Project) v. PGE*, Docket No. UM 1907; *Dunn Rd. Solar v. PGE*, Docket No. UM 1963; *Sandy River Solar, LLC v. PGE*, Docket No. UM 1967; *Waconda Solar, LLC v. PGE*, Docket No. UM 1971; *Zena Solar, LLC v. PGE*, Docket No. UM 2074.

¹³ This issue has been raised in various complaints at the Commission. *See, e.g., Sunthurst Energy LLC v. PacifiCorp*, Docket No. UM 2118; *In re Sunthurst Notice of Intent to File Complaint for Enforcement-PacifiCorp*, Docket No. UM

The fact that these are heavily litigated issues demonstrates their importance to interconnection customers and that their resolution will improve the interconnection process and help eliminate disputes.

B. Addressing the Interconnection Trade Associations’ Top Three Issues Will Help to Reduce Litigation at the Commission

Currently, two of the Interconnection Trade Associations’ top three issues are not set to be addressed until Group 4 in Staff’s proposal, which could be several years in the future.¹⁴ One of the Interconnection Trade Associations’ top issues will now be addressed in a new Group 2, which could potentially start in a year.

The Interconnection Trade Associations originally recommended that these issues be addressed in Group 1 and that remains their strong preference. However, if the Commission will start Group 2 in a year regardless of the completion of the Group 1 issues and Group 2 will address all three of the most important issues, then Interconnection Trade Associations are not opposed to deferring resolution of the issues that will have the largest impact on lowering interconnection costs and expediting the interconnection process.

¹⁴ 2177; *In re Carnes Creek Solar, LLC*, Docket No. UM 1631, Petition for Waiver of OAR 860-082-0025(b) & (c), Small Generator Interconnection (Apr. 23, 2020); *In re Marquam Creek Solar, LLC*, Docket No. UM 1631, Petition for Waiver of OAR 860-082-0025(1)(c), Applications to Interconnect a Small Generator Facility (Jan. 25, 2021); *Dunn Rd. Solar v. PGE*, Docket No. UM 1963; *Madras PVI, LLC v. PGE*, Docket No. UM 2009; *Zena Solar, LLC v. PGE*, Docket No. UM 2074; *Zena Solar, LLC v. PGE*, Docket No. UM 2164. Staff Report at 10.

Staff was concerned that prioritizing these issues “will not actually prevent delays or lower costs in the interconnection process” and would not actually “minimize disputes, but change their nature or how they are resolved.”¹⁵ These three issues are all related to each other and are primarily concerned with the interconnection customer’s ability to check the utility’s work and possibly reduce the cost of the interconnection. The Interconnection Trade Associations believe addressing these important issues early will increase certainty and predictability of project development in Oregon, ensure interconnection customers can effectively challenge utility costs estimates, and reduce Commission workload and utility complaints. For example, potentially the biggest way to achieve cost savings, reduce excessive interconnection costs, and speed up the interconnection process is to ensure that the utilities understand that if they do not follow the rules, then there will be real consequences for their actions.

Currently, disputes are already happening related to the interconnection process, cost estimates, and timelines.¹⁶ If the Commission does not address the Interconnection Trade Associations’ top three issues now, then complaints will continue to be brought until the Commission addresses these issues. Currently, there is ambiguity in the rules regarding these issues, which benefits the utilities as the utilities can gold plate upgrades or cause interconnection delays or cost overruns that the interconnection customer will have a harder time to dispute.

¹⁵ Staff Report at 7.

¹⁶ See *supra* notes 11-13.

Addressing these top three issues early will reduce work of the Commission and all parties involved. It will create a process for the interconnection customer to hire third parties to construct the upgrades or conduct interconnection studies and create a process to challenge utility interconnection cost estimates. This will help lower interconnection costs and give interconnection customers more confidence in the accuracy of required upgrades to interconnect. For interconnections under the jurisdiction of the Federal Energy Regulatory Commission, parties are able to hire third parties, which lowers the cost of interconnection and results in benefits for all parties. If the Commission does not address these policy issues now, then the Commission will likely need to keep resolving these issues on a case-by-case basis through ad hoc litigation, which is a waste of the Commission's time and resources. Thus, it is more efficient and effective for the Commission to address these policy issues now and create clear processes for interconnection customers in order to reduce the potential for future litigation.

At the same time, if the Commission does not address these issues now, then there will likely continue to be inaccurate cost estimates, delays, excessive interconnection costs, and other problems that make it more difficult and expensive to construct new generation and maintain existing generation in Oregon. This may drive up the cost of investing in renewable energy in Oregon, and shift investment to other states because Oregon will continue to be known as a difficult place to interconnect with few remedies or third-party options.

The Commission should reorder the priority of issues from Staff's proposal to ensure that the top issues at least begin to be addressed in one year or by April 2023: 1)

an interconnection customer's option to build (or hire third parties to build) interconnection facilities and network upgrades; 2) an interconnection customer's opportunities to hire third parties to perform interconnection studies; and 3) a process through which an interconnection customer may challenge utility cost estimates and propose alternatives.

III. CONCLUSION

The Interconnection Trade Associations still recommend reorganizing the issues in Group 1 to address higher-priority issues for interconnection customers. However, the Interconnection Trade Associations do not oppose Staff's specific recommendation for the Commission to adopt the proposed scope for Group 1 issues in the interconnection modernization investigation, subject to two conditions. First, that the Group 2 issues start no later than one year from now or by April 2023. Second, that the Group 2 issues be expanded to include: 1) an interconnection customer's option to build (or hire third parties to build) interconnection facilities and network upgrades; and 2) an interconnection customer's opportunities to hire third parties to perform interconnection studies.

Dated this 18th day of April 2022.

Respectfully submitted,

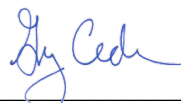
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