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November 7, 2023

VIA E-MAIL TO

Public Utility Commission of Oregon
Filing Center
201 High Street SE, Suite 100
Salem, Oregon 97301-3398

**Re: Docket AR 659 - In the Matter of Rulemaking to Update Division 82 Small
Generator Interconnection Rules, and Division 39 Net Metering Rules.**

Attached, for filing in the above-referenced docket, please find the Joint Utilities' Response Comments.

Please contact this office with any questions.

Sincerely,

/s/ Cole Albee

Cole Albee
Paralegal
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**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 659

In the Matter of Rulemaking to Update
Division 82 Small Generator
Interconnection Rules and Division 39 Net
Metering Rules.

**JOINT UTILITIES’
RESPONSE COMMENTS**

I. INTRODUCTION

1 Portland General Electric Company (PGE), PacifiCorp dba Pacific Power (PacifiCorp),
2 and Idaho Power Company (Idaho Power) (together, the Joint Utilities) offer these comments
3 responding to other parties’ recommendations regarding the proposed revisions to the Division 39
4 and Division 82 rules (Proposed Rules)¹ and questions posed by the Public Utility Commission of
5 Oregon (Commission) during the October 17, 2023, rulemaking hearing. As explained in the Joint
6 Utilities’ Opening Comments, the Joint Utilities support adoption of the Proposed Rules with only
7 the minor modifications described in those comments.² The Proposed Rules resulted from
8 extensive discussions through a lengthy stakeholder process, and their adoption will further the
9 Commission’s goals of modernizing the interconnection process and helping customers
10 interconnect more easily, while still ensuring the safety and reliability of the utilities’ systems.
11 Moreover, further improvements to the interconnection process and rules are scoped to be
12 addressed in future phases of docket UM 2111 after this rulemaking.

¹ Docket AR 659, Order No. 23-319, App. A, Attachment 1 (Aug. 30, 2023) (hereinafter, “Proposed Rules”).

² Joint Utilities’ Opening Comments Regarding Division 39 and Division 82 Rules (Oct. 13, 2023).

1 However, the Interstate Renewable Energy Council (IREC), the Interconnection Trade
2 Groups,³ and ProtoGen, Inc. (ProtoGen) recommend additional substantive revisions to the rules
3 in this phase. Specifically:

4 (1) IREC and ProtoGen contend that the rules should not permit the Joint
5 Utilities to require relay devices that can trip a generator offline in less than
6 2.0 seconds on those circuits with high-speed reclosing.

7 (2) The Interconnection Trade Groups and IREC maintain that when a utility
8 proposes changes to its interconnection requirements handbook, the utility
9 should provide notice to each interconnection customer, retain
10 responsibility to file any disputes at the Commission, and bear the burden
11 of proof in any dispute.

12 (3) The Interconnection Trade Groups argue that an interconnection customer
13 should be permitted to significantly resize its project during the
14 interconnection study process, despite the potential for adverse effects on
15 lower-queued customers.

16 (4) The Interconnection Trade Groups argue that interconnection customers
17 should have 30 days to sign and return a standard interconnection
18 agreement, oppose the requirement to furnish a deposit along with the
19 signed agreement, and advocate for the addition of new rule language
20 regarding resolution of interconnection agreement disputes.

³ The Community Renewable Energy Association, the Renewable Energy Coalition, and the Oregon Solar + Storage Industries Association.

1 (5) The Interconnection Trade Groups request that the Division 82 eligibility
2 requirements be revised to match the Commission’s eligibility criteria for
3 entering a standard power purchase agreement under the Public Utility
4 Regulatory Policies Act of 1978 and the Commission’s Division 29 rules.

5 Finally, while all parties agree that the utilities should update their systems by a date-certain
6 to reflect the direct current (DC) capacity of already-interconnected generators, IREC supports
7 Staff’s proposed one-year timeline, despite PacifiCorp’s explanation that a one-year timeline is
8 infeasible for PacifiCorp. IREC also recommends that the Commission require the utilities to enter
9 into reciprocal information-sharing agreements with the Energy Trust of Oregon (ETO) to
10 facilitate the legacy data conversion efforts.

11 As explained in these Response Comments, the Commission should decline to make the
12 above-listed rule revisions because they would create unnecessary risk, make the interconnection
13 processes more burdensome, and likely lead to disputes. In addition, several of these issues are
14 not within the scope of this Phase 1 rulemaking⁴ and/or were raised very late in the process and
15 thus would benefit from additional, informal dialogue in a future phase to consider the issue
16 holistically and craft workable rule language, if appropriate.

⁴ See *In the Matter of Public Utility Commission of Oregon, Request to Adopt the Scope for Group 1 Issues in the Interconnection Modernization Investigation*, Docket UM 2111, Order No. 22-126, App. A at 10 (Apr. 22, 2022).

II. DISPUTED ISSUES IN DIVISION 82

1 A. The Proposed Rules appropriately balance safety and flexibility regarding high-speed 2 reclosing.

3 The Proposed Rules include a new section on export controls that sets forth how a facility’s
4 export capacity is determined.⁵ The new section includes a list of acceptable export control
5 methods applicable to non-exporting and limited-export facilities and the specifications necessary
6 for each method.⁶ The provisions specific to non-exporting facilities, OAR 860-082-
7 0033(3)(a)(A)–(C), each describe a relay function that can be used to limit inadvertent export and
8 state that the default setting is a maximum 2.0 second delay before the protective function
9 operates.⁷ However, these rules also specifically provide that, “[w]hen a project is located on a
10 circuit using high speed reclosing, the public utility may require a maximum delay of less than
11 2.0 seconds to safely facilitate the reclosing.”⁸

12 IREC proposes removing the above-quoted language based on its view that faster relay
13 function is unnecessary on circuits with high-speed reclosing because advanced inverter
14 technology will trip the generation offline faster than 2.0 seconds when necessary, thus addressing
15 the utilities’ concerns.⁹ At the hearing, IREC noted that in its work developing model export
16 control rules, no utility or other participant raised the concerns that the Joint Utilities have raised.¹⁰
17 ProtoGen shares IREC’s opposition to the less-than-2.0-second-delay language and comments that

⁵ See Proposed Rules OAR 860-082-0033.

⁶ Proposed Rules OAR 860-082-0033(3)(a)(A)–(C).

⁷ Proposed Rules OAR 860-082-0033(3)(a)(A)–(C).

⁸ Proposed Rules OAR 860-082-0033(3)(a)(A)–(C).

⁹ Docket AR 659, Rulemaking Hearing at 23:18-28:25 (Oct. 17, 2023) (hereinafter “Rulemaking Hearing”).

¹⁰ Rulemaking Hearing at 23:50-24:26.

1 the Joint Utilities have taken the most conservative approach, which it views as unnecessary.¹¹ The
2 Commission questioned whether the Proposed Rules can be revised such that they will not require
3 future changes as technology progresses.¹²

4 The Joint Utilities maintain that the language in the Proposed Rules is necessary for the
5 safe and reliable operation of their systems and should not be removed. As background, PGE and
6 PacifiCorp employ a standard of less than 2.0 second reclosing in some circumstances to help
7 maintain system reliability and safety and quality of service to customers. Based upon careful
8 evaluation and assessment of a wide range of factors, as well as operating experience, these utilities
9 employ high-speed reclosing on certain circuits to improve reliability and enhance customer
10 experience by utilizing a faster reclosing interval that may be less likely to negatively impact
11 customers.

12 In those instances where high-speed reclosing systems have been, or will be, implemented,
13 the disputed language in the Proposed Rules enables the utility to coordinate reclosing timing with
14 the tripping speed of affected distributed energy resources (DERs) in an effort to avoid equipment
15 damage and prevent unacceptable stresses or disturbances on the system.¹³ Specifically, the
16 language gives the utility discretion to ensure the DER system is appropriately coordinated in
17 responding to abnormal operating conditions or in preventing unintentional islanding when
18 operating in an area with a high-speed reclosing scheme. If a circuit recloses, or reconnects to the

¹¹ ProtoGen, Inc.’s Comments at 1 (Oct. 26, 2023).

¹² Rulemaking Hearing at 31:25-33:45.

¹³ At the hearing, the Commission questioned whether high-speed reclosing requirements are meant to assist with wildfire mitigation efforts. To clarify, high-speed tripping does assist with wildfire mitigation as de-energizing equipment more quickly allows less opportunity for ignition. Here, the Joint Utilities seek the ability to require high-speed tripping on circuits with high-speed reclosing. High-speed reclosing itself does not assist with wildfire mitigation.

1 system, while a DER on the circuit is still generating, then the reclosing occurs out of synchronism.
2 This is the hazardous scenario that will potentially exist if PGE and PacifiCorp are not allowed to
3 continue their existing practices. As the National Renewable Energy Laboratory (NREL) has
4 explained:

5 Out-of-synchronism reclosing might cause severe damage to the local network,
6 equipment, and personnel. IEEE Std 1547-2018 requires DERs to detect islanding
7 conditions within 2 seconds of the event; however, a faster reclosing attempt (faster
8 than 2 seconds) might reclose a still-online DER that is out of synchronism[.]¹⁴

9 The IEEE standard provides only the minimum functional technical requirements and
10 recognizes that DERs need to be locally integrated, which may necessitate supplementing the
11 standard to address specific situations.¹⁵ Recognizing that utilities are differently situated and
12 employ a wide range of practices and equipment, the IEEE standard includes requirements for
13 mutual agreement and/or reclosing coordination, which may serve to either extend or reduce the
14 default clearing times depending on the circumstances.¹⁶ Because the use of high-speed reclosures
15 is not widespread, it is unsurprising that IREC has not encountered this issue until now, but that
16 does not mean the utilities' concern is not well-founded or that those instances where utilities have
17 chosen to utilize less than 2.0 second reclosing are not prudent. The language at issue was intended
18 to supplement the IEEE standard to cover the specific situations that exist for certain utilities in
19 Oregon, and in that regard IREC's experience in other states is inapposite.

¹⁴ Mahmud, Rasel and Ingram, Michael, National Renewable Energy Laboratory, "Background Information on the Protection Requirements in IEEE Std 1547-2018" at 9 (Jan. 2022), available at: <https://www.nrel.gov/docs/fy22osti/78704.pdf>.

¹⁵ IEEE 1547-2018, Introduction at 10-11.

¹⁶ IEEE 1547-2018, Section 6.3.

1 Moreover, the Joint Utilities do not agree with IREC’s claim that inverters are capable of
2 detecting and responding to all abnormal conditions in less than 2.0 seconds. Indeed, smart
3 inverters complying with IEEE 1547-2018 are not designed, certified, or tested to detect an issue
4 and trip the generator offline in less than 2.0 seconds. For example, under IEEE 1547-2018, the
5 default clearing time for inverters detecting under voltage is 2.0 seconds, but the clearing time can
6 be much longer (up to 50 seconds) depending on the degree of under voltage.¹⁷ In addition, the
7 IEEE standard itself highlights inverter limitations: “It is important to bear in mind that islanding
8 detection methods in inverters are generally designed to detect islands with a generation-load
9 balance. They are *not* intended to detect faults and should not be relied on for that purpose.”¹⁸
10 ProtoGen’s comments dismiss the Joint Utilities’ concerns over islanding, but the 2.0 second
11 detection and response requirement applies not only to an unintentional islanding condition but
12 also to an open phase condition, which is not an island for a three-phase system since the DER
13 will still be connected to the grid through one or two phases. As a result, it should not be assumed
14 that an inverter capable of detecting an islanding condition will also be effective at detecting an
15 open phase condition. While there may in the future be specific inverter designs that could reliably
16 perform these functions, there is no industry-accepted basis currently for IREC’s and ProtoGen’s
17 suggestions that the utilities should simply trust that smart inverters will address their concerns.

18 The Joint Utilities, not IREC, are ultimately responsible for ensuring their systems remain
19 reliable and safe after the interconnection of DERs. Accordingly, the Commission should afford
20 deference to the Joint Utilities’ recommendations on how to reliably operate their systems. It is

¹⁷ IEEE 1547-2018, Section 6.4.1, Table 13.

¹⁸ IEEE 1547-2018, Section 8.1.3, n.113 (emphasis in original).

1 important to note that Commission Staff experts support the Joint Utilities’ engineers’ conclusion
2 that this language is appropriate to maintain safety and reliability. If the Commission nevertheless
3 overrules the Joint Utilities’ concerns, then the utilities cannot be held responsible for any resulting
4 degradation in system reliability, enhanced safety risks, or degradation of customer service
5 because the Commission will be dictating how the Joint Utilities operate their systems. Further,
6 the Commission should weigh the Joint Utilities’ significant concerns against the minimal burden
7 to the customer of installing a relay that will reclose in less than 2.0 seconds—a standard relay
8 with these capabilities is approximately \$1,000, and total installation and programming costs are
9 likely to be less than \$3,000.

10 Finally, the Proposed Rules address the Commission’s concerns about accommodating
11 future technological developments by incorporating flexibility to permit interconnections without
12 relay equipment that trips in less than 2.0 seconds where such equipment is not necessary—stating
13 the utility “may” require such equipment. The Proposed Rules would not need to be updated or
14 changed through a subsequent rulemaking if there were to be an advancement in equipment that
15 would make it unnecessary to have a relay that can function in less than 2.0 seconds—for example,
16 due to the configuration of the utility’s system in the applicant’s location or to the applicant’s
17 design or proposed technology, including advanced technology that is not available today.

18 In short, the Proposed Rules already provide necessary protection for the public, the
19 system, utility technicians, and customer equipment while also providing flexibility to
20 accommodate any future changes in the interconnection landscape. The Commission should not
21 require the utilities to deviate from their existing practices in a manner that could threaten system
22 reliability and safety, as well as degrade customers’ existing quality of service—both of which

1 would be poor public policy outcomes. Instead, the Commission should adopt Staff’s proposal
2 without modification.

3 **B. The Proposed Rules appropriately provide notice and an opportunity to comment on**
4 **all proposed changes to utility interconnection requirements handbooks.**

5 The Proposed Rules discuss each utility’s interconnection requirements handbook,
6 requiring the utilities to post the handbooks on their respective websites and outlining processes
7 for any utility updates to the handbooks.¹⁹ The Joint Utilities support Staff’s proposed process
8 regarding initial review of the handbook revisions implementing the Proposed Rules²⁰ and the
9 process for handbook updates outlined in the Proposed Rules.²¹ These processes allow for robust
10 review and incorporate feedback from stakeholders and interested parties. However, the
11 Interconnection Trade Groups propose several revisions, which are supported by IREC.²² The
12 Interconnection Trade Groups’ proposed changes are either unnecessary or inappropriate as they
13 place significant burden on the utilities, whereas Staff’s more balanced approach provides
14 sufficient rights and remedies to each interested party.

15 First, the Interconnection Trade Groups propose adding a requirement that the utility
16 provide individual notice to every interconnection customer with an interconnection agreement or
17 active application in addition to the general public.²³ The Interconnection Trade Groups’ proposed
18 notice requirement is impractical, overly burdensome, and will likely result in confusion. Many

¹⁹ See Proposed Rules OAR 860-082-0030(1)(b).

²⁰ Docket AR 659, Staff Report at 11-12 (Aug. 17, 2023).

²¹ Proposed Rules OAR 860-082-0030(1)(b).

²² Rulemaking Hearing at 1:16:30-1:19:05.

²³ See Comments of the Community Renewable Energy Association, Renewable Energy Coalition, and the Oregon Solar + Storage Industries Association at 2-3 (Oct. 12, 2023) (hereinafter “Interconnection Trade Group Comments”).

1 thousands of small generator and net metering customers have executed interconnection
2 agreements with the utilities. For example, PGE currently has 25,335 small interconnection
3 customers with active agreements, of which the vast majority are net metering customers. These
4 *existing* interconnection agreements will not be impacted by proposed *prospective* changes in
5 handbooks. Emailing existing interconnection customers is not only unnecessary, it will also
6 create confusion. The Interconnection Trade Groups' recommendation will likely result in
7 numerous questions when residential net metering customers learn the interconnection policies are
8 changing and seek to understand what that means for their own systems, and such questions will
9 be time consuming for: (1) the existing customers to consider and present, and (2) the utilities to
10 process and respond.

11 Instead, the Joint Utilities support providing notice by using the Joint Utilities' OASIS
12 websites, which are specifically designed for communicating with interconnection customers.
13 This approach is consistent with the Federal Energy Regulatory Commission's (FERC)
14 requirements that the Joint Utilities follow for adopting or updating business practices under their
15 Open Access Transmission Tariffs. Interconnection customers should have a reasonable
16 obligation to stay informed of utility updates, and such obligation should be balanced with the
17 utility's reasonable efforts to inform customers. The Proposed Rules appropriately strike this
18 balance.

19 Second, the Interconnection Trade Groups advocate for language requiring the utility to
20 initiate Commission review and approval of interconnection handbook revisions if any person has
21 unresolved concerns.²⁴ The Joint Utilities agree with the Interconnection Trade Groups that

²⁴ Interconnection Trade Group Comments at 2-3.

1 handbook changes could be brought to the Commission if irreconcilable disagreements arise.
2 However, a party who opposes the changes to the handbook should be required to initiate the
3 proceeding. This approach is most efficient, as it permits the objecting party to articulate their
4 concerns to the Commission with the utility providing a response. In contrast, the Interconnection
5 Trade Groups' proposed approach would task the utility with explaining the objecting party's
6 position and may require additional time and process to simply identify the core concern.

7 Finally, the Interconnection Trade Groups ask the Commission to codify a standard stating
8 the sole burden of proof for any dispute arising out of proposed handbook changes rests on the
9 utilities. The Joint Utilities maintain that it is inappropriate and unnecessary for the Commission
10 to codify a burden of proof for handbook changes. Instead, the burden of proof in any disputed
11 handbook matter should be decided on a case-by-case basis based on the specific facts and
12 circumstances of the dispute.

13 Accordingly, the Proposed Rules appropriately: (1) balance utility and customer
14 obligations to provide notice and stay informed; (2) require concerned parties to initiate a formal
15 proceeding with the Commission if their concerns cannot be resolved informally; and (3) provide
16 flexibility to evaluate and apply the burden of proof on a case-by-case basis. The Commission
17 should adopt Staff's proposal without modification.

18 **C. The Proposed Rules strike a reasonable balance between allowing size changes and**
19 **maintaining an efficient interconnection process, and the Commission should decline**
20 **to upset that balance.**

21 Under the Proposed Rules, a customer with a pending interconnection application that
22 proposes to make changes to the facility must submit a new application unless the change fits

1 within the definition of “minor equipment modification.”²⁵ Under this definition, a size reduction
2 of up to 10 percent qualifies so long as it does not adversely impact lower-queued projects.²⁶ In
3 this way, the Proposed Rules balance the potential need to resize a project with the rights of those
4 lower-queued applicants who could be significantly affected by the size change. Despite this
5 balance achieved in the Proposed Rules, the Interconnection Trade Groups propose to change the
6 rules to permit significant size changes regardless of any impact on other customers. Specifically,
7 they recommend allowing capacity reductions of up to 60 percent prior to execution of a system
8 impact study agreement and an additional 15 percent prior to execution of a facilities study
9 agreement.²⁷

10 The Interconnection Trade Groups’ approach will benefit certain applicants but, all else
11 equal, will make the interconnection process longer and more expensive for lower priority
12 customers, who will have longer study times, more restudies, or both. If applicants are permitted
13 to revise their nameplate capacity by up to 60 percent until the system impact study and then an
14 additional 15 percent thereafter, the interconnection application gives little indication to the utility
15 what the ultimate size of the project will be. When project size changes significantly after receiving
16 one or more studies, the changes may trigger re-studies for lower-queued projects that are in the
17 midst of a study or have already completed one or more studies. This will have the effect of
18 delaying these projects’ interconnections, increasing study costs, and potentially increasing
19 interconnection costs as well. Thus, the Interconnection Trade Groups’ proposed change conflicts

²⁵ Proposed Rules OAR 860-082-0015(27); Proposed Rules OAR 860-082-0025(1)(c).

²⁶ Proposed Rules OAR 860-082-0015(27).

²⁷ See Interconnection Trade Group Comments at 7-8.

1 with the Commission’s goals in this rulemaking of making the interconnection process more
2 efficient and less expensive, increasing certainty, and decreasing delays,²⁸ and the Commission
3 should decline to adopt the Interconnection Trade Groups’ proposal.

4 Moreover, implementing the Interconnection Trade Groups’ suggestion to permit
5 significant resizing could have unintended implications for other rule provisions that rely on the
6 definition of “minor equipment modification.” Because the definition of “minor equipment
7 modification” was assumed throughout the rigorous informal rulemaking process to apply
8 holistically across the Proposed Rules, any change to the definition at this stage would be ill-
9 advised. Instead, if the Commission elects to implement the Interconnection Trade Groups’
10 proposal, the Joint Utilities would support the Interconnection Trade Groups’ alternative approach
11 offered at the hearing to change only the language of OAR 860-082-0025(1)(b) to remove the
12 words “minor equipment modification” and add in the specific resizing allowances adopted. This
13 targeted change would accomplish the intended goals without affecting the other Proposed Rules
14 that rely on the definition of “minor equipment modification.”

15 **D. The Commission should decline to upset the reasonable balance stakeholders struck**
16 **in revising the Proposed Rules regarding the interconnection agreement and should**
17 **defer discussion of any additional changes to a future phase of docket UM 2111.**

18 The Interconnection Trade Groups propose three changes to OAR 860-082-0025(7)(f),
19 which governs the interconnection agreement: (1) remove the requirement to provide a deposit
20 with the signed agreement; (2) extend the timeline for a customer to return a signed agreement;

²⁸ Order No. 22-126, App. A at 2 (adopting Staff’s memo which describes the background of the docket as focused on the categories of (1) cost, (2) certainty and control and (3) “process[es] that cause delays, increase costs, and create additional uncertainty for generators and utility interconnection Staff”).

1 and (3) add language addressing the dispute resolution process and implications.²⁹ The Joint
2 Utilities oppose the proposed changes and support adoption of the Proposed Rules, which reflect
3 limited changes that were discussed extensively and carefully negotiated in the informal process.

4 1. Deposit Requirement

5 The Proposed Rules require the customer to provide any required deposit to the utility
6 along with the executed interconnection agreement,³⁰ and the Interconnection Trade Groups
7 recommend removing this requirement.³¹ In the alternative, the Interconnection Trade Groups
8 recommend that the OAR 860-082-0025(7)(f) be revised to state, “any required deposit not to
9 exceed the amount in proposed OAR 860-082-0035(5)(a),” in order to make clear that there are
10 limitations on the amount of deposit that can be required.³² The Joint Utilities oppose removing
11 the deposit requirement entirely, but do not object to the addition of the clarifying language
12 regarding the deposit amount (even though it seems redundant in light of OAR 860-082-0035(5)).
13 Alternatively, the Joint Utilities would support maintaining the current rule, which does not
14 address the deposit requirement but requires that the utility provide an *executable* interconnection
15 agreement within five business days and that the customer execute and return the agreement within
16 15 business days.³³

17 As background, IREC proposed requiring utilities to provide an executed, rather than
18 executable, interconnection agreement. The utilities initially opposed IREC’s proposal, because

²⁹ Interconnection Trade Group Comments at 25.

³⁰ Proposed Rules OAR 860-082-0025(7)(f).

³¹ Interconnection Trade Group Comments at 21.

³² Interconnection Trade Group Comments at 20.

³³ OAR 860-082-0025(7)(e).

1 process changes are scoped for a later phase and should be addressed holistically, and because the
2 utilities' current policy and strong preference is to sign an agreement *after* the counterparty has
3 signed. However, after discussion in the informal phase, the Joint Utilities eventually and
4 reluctantly agreed to not oppose the executed-agreement requirement on the condition that the rule
5 also require the deposit to be returned with the fully executed interconnection agreement. The
6 Joint Utilities' compromise approach was acceptable to Staff and IREC.

7 The Joint Utilities' proposed deposit requirement is consistent with 860-082-0035(5),
8 which specifically allows a utility to require an applicant to pay a deposit before beginning work
9 on the interconnection facilities or system upgrades. A delay in receipt of the deposit will likely
10 result in delaying the interconnection, undermining an objective of this rulemaking. For these
11 reasons, the Joint Utilities urge the Commission to either retain the Proposed Rule as drafted or to
12 revert to the current rule on this issue and allow for further discussion regarding the process for
13 executing the interconnection agreement and providing the deposit in a future informal phase of
14 docket UM 2111.

15 2. Execution Timeline

16 The Proposed Rules require the utility to provide the customer with an executed
17 interconnection agreement within 15 business days of approving an application and allow the
18 customer 15 business days to sign and return that agreement.³⁴ Notably, the 15-business-day
19 window in the Proposed Rules for an applicant to return the agreement is unchanged from the
20 current rules,³⁵ and 15 business days provides sufficient time for interconnection customers to

³⁴ Proposed Rules OAR 860-082-0025(7)(f).

³⁵ See OAR 860-082-0025(7).

1 review the signed agreement and return it or otherwise notify the utility of proposed changes.
2 However, the Interconnection Trade Groups propose that customers should have 30 days to sign
3 the agreement, relying on FERC’s Small Generator Interconnection Procedures (SGIP).³⁶ Their
4 argument ignores the other differences between the Proposed Rules and FERC’s approach—for
5 example, FERC does not require the utility to provide an executed interconnection agreement.³⁷
6 Thus, any effort to align the Commission’s process and timelines with FERC’s SGIP would require
7 additional changes. Such an effort, if pursued, should be addressed in a future informal phase
8 where the benefits of aligning with FERC can be explored and the impacts of all the necessary
9 changes discussed. The Commission should decline the Interconnection Trade Groups’ invitation
10 to make selective changes in this rulemaking to align with FERC’s process only when doing so
11 benefits project developers and should defer consideration of significant changes in the timelines
12 to a later phase in which the process and timelines can be considered holistically.

13 3. Dispute Resolution

14 The Interconnection Trade Groups further propose that the Commission should add
15 language to proposed OAR 860-082-0025(7)(f) describing various options for a customer to seek
16 resolution of a dispute regarding the interconnection agreement and stating that the customer’s
17 queue position will be maintained.³⁸ As drafted by Staff, the Proposed Rules do not expand or
18 revise the dispute-resolution aspects of the current rules because dispute resolution issues are

³⁶ Interconnection Trade Group Comments at 21-22.

³⁷ See Federal Energy Regulatory Commission Small Generator Interconnection Procedures at Section 2.2.2 (available at <https://www.ferc.gov/sites/default/files/2020-04/sm-gen-procedures.pdf>).

³⁸ Interconnection Trade Group Comments at 25.

1 specifically scoped for a later phase of this rulemaking.³⁹ The Interconnection Trade Groups’
2 proposal was first presented in July 2023, at the conclusion of the informal phase, and thus was
3 not discussed at all during the informal phase. Allowing an issue scoped for a later phase to be
4 inserted at the end of the informal process without significant discussion would be prejudicial to
5 the Joint Utilities, and such an approach would create a disincentive for interested parties to
6 meaningfully (and timely) participate in the informal stakeholder process. The Commission should
7 maintain the scope that it adopted for this phase and decline to insert the proposed language.

8 Moreover, the Joint Utilities disagree with the Interconnection Trade Groups’ proposed
9 dispute resolution language. Allowing an interconnection customer who aims to get more time to
10 review their interconnection agreement to gain that extra time by electing to initiate dispute
11 resolution proceedings is likely to lead to delays for lower-queued customers and to increase the
12 number of disputes. Further, the Interconnection Trade Groups propose that dispute resolution
13 could be addressed by the Commission under an “expedited complaint,” but it is not clear from
14 the Interconnection Trade Groups’ proposed rule language what this process would entail. The
15 Joint Utilities assume the Interconnection Trade Groups refer to the existing complaint process in
16 Division 82, which may be expedited if the Administrative Law Judge determines doing so is
17 warranted.⁴⁰ However, the Interconnection Trade Groups’ proposed language could be read to
18 revise or expand the existing dispute resolution process in Division 82, a change to which the Joint
19 Utilities object. The Commission should carefully review the details of any new or revised dispute

³⁹ See Order No. 22-126, App. A at 17.

⁴⁰ OAR 860-082-0085(12).

1 process to balance the interests of all customers in the queue and should reject the Interconnection
2 Trade Groups' proposed revisions.

3 **E. The Commission should not revise the applicability of the Division 82 rules at this**
4 **time in the manner recommended by the Interconnection Trade Groups.**

5 The Interconnection Trade Groups advocate that the Commission change the criteria for
6 determining eligibility to proceed under the Division 82 rules from 10 MW nameplate rating to
7 10 MW export capacity.⁴¹ Similar to other changes proposed by the Interconnection Trade Groups,
8 this issue was not discussed in-depth in the informal phase and is outside the scope of this phase.
9 The Joint Utilities do not oppose further discussion in a future phase but oppose making this change
10 at this time before the implications can be fully considered and discussed.

11 The Interconnection Trade Groups' rationale for their proposed change is that the Proposed
12 Rules do not unambiguously assess applicability based on the power production capacity of the
13 facility, which is inconsistent with the Commission's newly revised Division 29 rules and would
14 discourage facilities from adding storage.⁴² However, the definition of "nameplate rating" in the
15 Proposed Rules currently does allow a facility to add storage. It states in part, "For a generating
16 unit that uses an inverter to change direct current energy supplied to an AC quantity, the nameplate
17 rating will be the manufacturer's AC output rating for the inverter(s)."⁴³ Thus, if a facility consists
18 of 8 MW of solar generation and 3 MW of storage behind a 10-MW inverter, then the facility's
19 nameplate rating would be 10 MW, and it could proceed under the Division 82 rules. There are
20 also many other possible configurations of generation, storage, and inverter(s) that could comply

⁴¹ Interconnection Trade Group Comments at 4-5.

⁴² Interconnection Trade Group Comments at 5-6.

⁴³ Proposed Rules OAR 860-082-0015(28).

1 with the 10-MW nameplate-rating eligibility criteria. Thus, the Interconnection Trade Groups’
2 concerns are unfounded and do not justify revising the Division 82 applicability criteria at this
3 time.

4 Further, the Joint Utilities are concerned that the concept of “export capacity” is new in the
5 Proposed Rules, and a project’s export capacity is determined by a technical assessment of whether
6 export is limited by an acceptable means and appropriate equipment. This type of technical
7 analysis would likely be difficult to perform at the initial applicability stage given the information,
8 time, and expertise needed and is more likely to lead to disputes than the established use of
9 nameplate rating. The Commission should retain the current approach.

III. LEGACY DATA UPDATES

10 Staff proposes that the Commission order in this docket require the Joint Utilities to update
11 their records to include the capacity in alternating current (AC) of already interconnected
12 generators in addition to the capacity in direct current (DC). All parties support updating all
13 available data within a defined timeframe, but three additional issues remain for the Commission
14 to resolve.

15 First, the Commission must determine what timeframe is appropriate for PacifiCorp, which
16 has explained that it cannot meet the one-year deadline proposed by Staff. In particular, at the
17 hearing PacifiCorp explained it will take approximately 2,142 hours for it to complete the
18 conversion, which is largely driven by the bulk of its applications not being available in
19 PowerClerk.⁴⁴ Accordingly, PacifiCorp requested 18 months to complete the conversion. For

⁴⁴ Rulemaking Hearing at 50:28-51:44.

1 those reasons, as well as the reasons discussed in the Joint Utilities’ Opening Comments,⁴⁵ the
2 Commission should adopt an 18-month timeline for PacifiCorp.

3 Second, Staff recommended that the Commission require the utilities to update information
4 on certain circuits more quickly, in addition to updating all data by a date certain.⁴⁶ As explained
5 in their Opening Comments, the Joint Utilities recommend that the Commission simply require
6 them to update all data by a date certain, rather than requiring that circuits meeting certain criteria
7 be updated more quickly if the utility receives a request to interconnect to that circuit.⁴⁷ At the
8 hearing, IREC indicated openness to the simplified, date-certain approach so long as the utilities
9 are updating their systems on a rolling basis, rather than waiting until the end of the allotted period
10 to make all updates. The Joint Utilities confirm their intent is to update information in the
11 appropriate systems as it becomes available and not to hold updated information outside the
12 relevant systems until all information is updated. The Commission should adopt the date-certain
13 approach.

14 Finally, IREC proposes the Commission order the utilities to enter an information sharing
15 agreement with the Energy Trust of Oregon (ETO).⁴⁸ However, the Joint Utilities disagree that
16 such an order is necessary. The Joint Utilities have already begun and will continue to work with
17 ETO to share relevant information to make the data conversion process as efficient as possible.

⁴⁵ See Joint Utilities’ Opening Comments Regarding Division 39 and Division 82 Rules at 6; Rulemaking Hearing at 47:47-52:24.

⁴⁶ Docket AR 659, Staff Report at 13.

⁴⁷ Joint Utilities’ Opening Comments Regarding Division 39 and Division 82 Rules at 6.

⁴⁸ The Joint Utilities assume that this proposal would apply only to PGE and PacifiCorp, not Idaho Power, for which ETO does not possess relevant information. But any Commission order adopting IREC’s approach should make clear that it does not apply to Idaho Power.

1 The Joint Utilities have a long history of exchanging information with ETO and are confident that
2 they can identify and share any relevant information without a Commission-ordered formal
3 agreement, which could simply complicate and delay the data conversion process. As such, the
4 Joint Utilities ask that the Commission refrain from ordering such an agreement but rather allow
5 the parties to continue to address information sharing informally.

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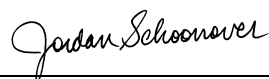
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IV. CONCLUSION

1 The Joint Utilities respectfully request that the Commission adopt the Proposed Rules with
2 the minor revisions discussed in the Joint Utilities' Opening Comments and decline to adopt the
3 additional substantive revisions proposed by IREC, ProtoGen, and the Interconnection Trade
4 Groups.

DATED: November 7, 2023

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