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March 6, 2012

***VIA ELECTRONIC FILING  
AND OVERNIGHT DELIVERY***

Public Utility Commission of Oregon  
550 Capitol Street NE, Suite 215  
Salem, OR 97301-2551

Attention: Filing Center

**Re: UM 1538 – Comments of Pacific Power Regarding the Petition**

PacifiCorp d.b.a. Pacific Power (“Company”) encloses for filing its Comments regarding Solwatt LLC’s Petition to Waive OAR 860-084-0130(2)(b), 860-084-0100(3)(b), and 860-084-0365(1) in the above-referenced proceeding. As indicated on the attached service list, a copy of this filing is being served to all parties on the service list.

Informal inquiries regarding this filing may be directed to Bryce Dalley at (503) 813-6389.

Sincerely,

William R. Griffith  
Vice President, Regulation

Enclosures

cc: Service List in UM 1538

## CERTIFICATE OF SERVICE

I hereby certify that I served a true and correct copy of the foregoing document, in Dockets UM-1538, on the date indicated below by email and/or US Mail, addressed to said parties at his or her last-known address(es) indicated below.

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DATED: March 6, 2012



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Erika Platano  
Coordinator, Regulatory Operations

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
UM 1538**

In the Matter of Solwatt LLC’s Approval  
of a Waiver in OARs 860-084-0130(2)(b),  
860-084-0100(3)(b) and 860-084-0365(1)

Comments of Pacific Power

1           PacifiCorp, d.b.a. Pacific Power (“Pacific Power” or the “Company”) submits the  
2 following comments regarding Solwatt LLC’s (“Petitioner”) Petition to Waive 860-084-  
3 0130(2)(b), OAR 860-084-0100(3)(b) and OAR 860-084-0365(1)(“Petition”).<sup>1</sup> Pacific  
4 Power’s requirement that the Petitioner’s project interconnect to the meter at primary  
5 voltage is consistent with the Commission’s rules. However, given the unique  
6 circumstances herein, Pacific Power does not oppose the Commission granting the  
7 Petition to allow Petitioner to interconnect their facility at secondary voltage; provided  
8 however, Pacific Power requests that if the Commission grants the Petition, it do so  
9 expressly on a non-precedential, one-time basis given the unique circumstances of the  
10 Petitioner’s project.

11       **I.       DISCUSSION**

12           The Petitioner’s project is a 360 kW solar facility located in Hermiston, Oregon.  
13 During the April 2011 enrollment period, the Petitioner received a reservation in the  
14 Oregon Solar Incentive Program (“OSIP”) through the competitive bidding option. The  
15 interconnection point for Petitioner’s project will require a new service drop and will not  
16 offset any load on the site. All of the power delivered to Pacific Power will be used to  
17 serve the load of other utility customers.

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<sup>1</sup> Pacific Power notes that the Petition mistakenly references OAR 860-084-0134(2)(b) and OAR 860-084-0133(3)(b), which Pacific Power assumes was meant to be OAR 860-084-0130(2)(b) and OAR 860-084-0100(3)(b). Pacific Power’s comments are filed based on this assumption.

1           Following extensive work with Petitioner, a dispute arose as to the location of the  
2 new service drop. Petitioner takes the position that OAR 860-084-0130(2)(b) should be  
3 interpreted to allow a project to meter at secondary voltage (i.e. the low side of the  
4 transformer), which the Petitioner admits is how it bid and constructed the project.<sup>2</sup>

5           Pacific Power takes the position that OAR 860-084-0130(2), when read in its  
6 entirety, is clear that entities who receive a reservation through the competitive bidding  
7 option are required to interconnect their facilities to the meter at primary voltage.  
8 Specifically, OAR 860-084-0130(2) reads as follows:

9           Eligible systems must be installed on the same property where the retail  
10 electricity consumer buys electricity from the company.

11           (a) Eligible systems with capacity reserved under the net metering option  
12 must be connected to the customer side of the meter.

13           (b) Eligible systems with capacity reserved under the competitive bidding  
14 option must connect to the distribution feeder that services the  
15 customer's property. The point of common coupling may be located  
16 on the load side of the retail customer's existing service subject to  
17 utility approval and to the extent authorized by law.

18           (c) If cost effective, eligible systems may be connected at other  
19 distribution feeders on the utility grid subject to utility approval and to  
20 the extent authorized by law.

21           Subsection (a) directs net metering option customers to interconnect on the customer  
22 side of the meter, which is at secondary voltage. By contrast, subsection (b) directs  
23 competitive bidding option customers, like Petitioner, to interconnect to the distribution  
24 feeder, which is at primary voltage. Petitioner's mistaken "belief that the rules would  
25 allow connection on the load side" renders subsection (b) meaningless.<sup>3</sup> If subsection (b)  
26 was intended to allow for connections on the customer side of the meter, it would have

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<sup>2</sup> Interestingly, Petitioner's waiver request explicitly refers to OAR 860-084-130(2)(b) as "(primary voltage interconnection)".

<sup>3</sup> Petition at 1.

1 said so, similar to subsection (a). Alternatively, subsection (a) would have been written  
2 to apply to both the net metering option *and* the competitive bidding option.<sup>4</sup>

3 During a subsequent Commission rulemaking in Docket AR 558, subsection (b) was  
4 amended to add the last sentence, stating that “[t]he point of common coupling may be  
5 located on the load side of the retail customer’s existing service subject to utility approval  
6 and to the extent authorized by law.”<sup>5</sup> In comments submitted by Pacific Power and  
7 other utilities, this sentence was added in recognition of the fact that primary voltage  
8 interconnection may not always be appropriate in situations where existing infrastructure  
9 serving the customer load is sufficient to handle new generation.<sup>6</sup> In short, it avoids  
10 redundant infrastructure in situations where the generation will at least partially serve  
11 onsite load. However, as discussed herein, Petitioner’s project will be a new service drop  
12 and will not offset any load onsite. Accordingly, the last sentence of subsection (b) is  
13 inapplicable to this circumstance.

14 As the rules clearly state, eligible systems with capacity reserved under the  
15 competitive bidding option must interconnect at primary voltage. However, given the  
16 nature of the OSIP as a pilot program and the financial hardship the Petitioner may  
17 experience, Pacific Power does not oppose the Commission providing some level of  
18 flexibility in this circumstance, subject to certain conditions.

19 First, Pacific Power requests that if the Commission grants the Petition, it do so  
20 expressly on a one-time, non-precedential basis and unique only to the facts of

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<sup>4</sup> It should be noted that by virtue of the Petitioner filing a waiver request, arguably Petitioner is acknowledging that the rule is clear that the interconnection must be made to the meter at primary voltage. Thus, a waiver of the rule is required.

<sup>5</sup> See Order No. 11 381 (Sept. 29, 2011).

<sup>6</sup> *Closing Comments of Pacific Power and Portland General Electric*, Docket AR 558 at 1-2 (Sept. 12, 2011).

1 Petitioner's particular interconnection. Given the nature of the OSIP as a pilot program,  
2 the issues and perceived hardships presented by Petitioner are of first impression. That  
3 said, Pacific Power will continue to require projects accepted through the competitive  
4 bidding process to interconnect at primary voltage, as it has historically consistent with  
5 OAR 860-084-0130(2), and will not interpret the granting of the Petition to establish any  
6 precedent for future projects participating in the OSIP. The proper venue for  
7 consideration of these issues going forward is through a formal rulemaking. The rules as  
8 currently constituted are clear that eligible systems must interconnect to the primary  
9 voltage of the transformer.

10 Second, Pacific Power does not oppose the requested waiver of OAR 860-084-  
11 0100(3)(b) and OAR 860-084-0365(1), which direct the utility to pay for 100% of  
12 payable generation delivered to the electric company, to allow Pacific Power the ability  
13 to install a meter that will estimate the power lost through transformation. When a  
14 participant interconnects at primary voltage, the transformer stepping up the voltage to  
15 that of the distribution feeder is on the customer side of the meter. Accordingly, the  
16 energy losses associated with the transformation process are borne by the customer, as  
17 the power delivered to the meter is only that which remains after the transformation.  
18 When interconnecting at secondary voltage, the transformer is now on the utility side of  
19 the meter. This means that the meter will be registering all of the energy even that which  
20 will be lost immediately after the meter during the transformation process. To avoid  
21 Pacific Power customers inappropriately paying for power that is lost through the  
22 transformation process, the Company can install a meter that will estimate the power lost  
23 through the transformation by using specifications provided by the transformer

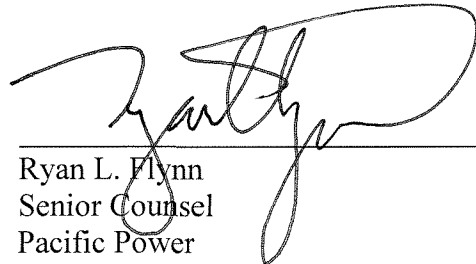
1 manufacturer. The meter will provide an estimate to the Company of the power that  
2 remains after transformation.

3 **II. CONCLUSION**

4 Pacific Power does not oppose granting the requested waivers on a one-time, non-  
5 precedential basis given the nature of the OSIP as a pilot program.

6 WHEREFORE, Pacific Power respectfully submits these comments regarding  
7 Solwatt, LLC's Approval of a Waiver in OARs 860-084-0130(2)(b), 860-084-0100(3)(b)  
8 and 860-084-0365(1).

DATED: March 6, 2012



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Ryan L. Flynn  
Senior Counsel  
Pacific Power