



reapply when proposing changes the facility's nameplate capacity and that the public utility will assign a new queue position when the generator submits a new application.<sup>1</sup>

OAR 860-082-0025(7)(e) requires a generator to execute an interconnection agreement or request negotiation of a non-standard interconnection agreement within 15 business days or the application is deemed withdrawn.

Commission Order No. 19-438 adopted the Oregon Community Solar Program (CSP) Program Implementation Manual (PIM). The PIM outlines the requirements for a project to become and remain pre-certified in the CSP. The PIM allows Project Managers (PMs) to amend their project size by less than 200 kW without losing their position in the CSP pre-certification queue.<sup>2</sup>

## Analysis

### *Background*

On January 19, 2018, Carnes Creek, LLC (Carnes Creek) submitted a complete application to interconnect a 2.5 MW solar photovoltaic (PV) Qualifying Facility (QF) to Portland General Electric's (PGE) Waconda 13 substation in Marion County, Oregon.<sup>3</sup> PGE assigned Carnes Creek queue number SPQ0158.

Between May 25, 2018 and December 19, 2018, PGE conducted a Feasibility Study, a System Impact Study, and a Facilities Study for SPQ0158.<sup>4</sup> On December 19, 2018, PGE provided a Facilities Study assigning \$101,103 in system upgrades to Carnes Creek. The Facilities Study estimated that PGE would complete the upgrades by approximately December 30, 2020<sup>5</sup> and included the following language:

The proposed schedule outlined above is based on the construction timeline for a preceding interconnection, SPQ0048. The interconnection of SPQ0048 covers multiple modifications that are required for both projects to go in service.<sup>6</sup>

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<sup>1</sup> OAR 860-082-0025(1)(b)(A).

<sup>2</sup> See Docket No. UM 1930, Community Solar Program Implementation, Commission Order No. 19-483, Appendix A, Oregon Community Solar Program Implementation Manual, p. 66.

<sup>3</sup> See PGE's Open Access Same-Time Information System (OASIS), Small Generator Interconnection Queue, Generator Queue Number SPQ0158.

<sup>4</sup> PGE's Comments Opposing Petition for Waiver, May 29, 2020, pp. 2 - 3.

<sup>5</sup> See PGE OASIS, Generator Interconnection, Study Reports, SPQ0158FaS, p. 6.

<sup>6</sup> Id.

Carnes Creek and PGE executed an Interconnection Agreement for a Small Generator Facility on May 6, 2019.<sup>7</sup>

In 2019, the higher queued generator, SPQ0048, withdrew from the interconnection queue.<sup>8</sup> PGE restudied Carnes Creek's SPQ0158 project to determine if removing the higher queued generator and its associated system upgrades would change the system upgrades required for SPQ0158. On October 25, 2019, PGE provided a revised System Impact Study that found that Carnes Creek is now the generator that causes the nameplate capacity of existing and proposed generation to exceed the estimated historical minimum daytime load (MDL) at the feeder and substation level.<sup>9</sup> As a result, PGE required Carnes Creek to pay for additional system upgrades, which brought the cost to interconnect to an estimated \$768,900.<sup>10</sup>

Between November 2019 and April 2020, Carnes Creek engaged an independent engineer and attempted to dispute PGE's determination that \$768,900 of interconnection upgrades should be assigned to SPQ0158.<sup>11</sup> During the time that the parties discussed Carnes Creek's concerns, PGE issued a revised Facilities Study on February 14, 2020 and a revised Interconnection Agreement on March 16, 2020.<sup>12</sup>

On April 16, 2020, Carnes Creek requested to change the nameplate capacity of its project from 2.5 MW to approximately 2.3 MW (199 kW).<sup>13</sup> Carnes Creek stated that its intention in resizing was to avoid the additional upgrade costs assigned in October 2019.<sup>14</sup> On April 23, 2020, PGE notified Carnes Creek that it could not accept the request to change the nameplate capacity of the generator without Carnes Creek submitting a new application. Further, PGE stated that it withdrew the project from the queue because Carnes Creek did not execute an updated interconnection agreement within the required timeline.<sup>15</sup>

Following PGE's withdrawal of the generator from the queue, Carnes Creek filed a request for a waiver from the requirement that it submit a new interconnection application to change the nameplate capacity. While Carnes Creek has identified

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<sup>7</sup> Carnes Creek Solar LLC's Petition for Waiver of OAR 860-082-0025(b) & (c), April 23, 2020, p. 2.

<sup>8</sup> See PGE OASIS, Generator Interconnection, Interconnection Queues, Small Generator Queue, Generator Queue Number SPQ0158.

<sup>9</sup> See PGE OASIS, Generator Interconnection, Study Reports, SPQ0158SIS.

<sup>10</sup> Id.

<sup>11</sup> Carnes Creek Solar LLC's Petition for Waiver of OAR 860-082-0025(b) & (c), April 23, 2020, Attachment C.

<sup>12</sup> PGE's Comments Opposing Petition for Waiver, May 29, 2020, p. 4.

<sup>13</sup> Carnes Creek Solar LLC's Petition for Waiver of OAR 860-082-0025(b) & (c), April 23, 2020, Attachment C, p. 1.

<sup>14</sup> Id.

<sup>15</sup> Id.

concerns with a number of PGE's analyses and actions, as well as, components of the SGIP, this Staff report only addresses Carnes Creek's request for a waiver of the rule governing when a generator is required to resubmit its interconnection request.

#### *Carnes Creek Rationale for Requesting Waiver*

Carnes Creek states that it seeks to resize SPQ0158 by 199 kW to avoid triggering an excess of existing and proposed generation over the MDL.<sup>16</sup> Carnes Creek believes that this resizing allows SPQ0158 to avoid a large portion of the required system upgrade costs identified in the October 2019 System Impact Study.<sup>17</sup>

Carnes Creek provides the following reasons for granting this waiver request:

- **Public Interest:** The waiver request is in the public interest because it will allow Carnes Creek to move forward in the CSP, which provides potential CSP participants with meaningful choices without harming PGE or its customers.<sup>18</sup> Carnes Creek further states that the timeline to reapply for interconnection will compromise its land use permit status.<sup>19</sup>
- **Good Cause:** The Commission has good cause to grant the waiver because it did not envision the CSP or contemporary land use issues when it adopted the SGIP.<sup>20</sup>
- **CSP PIM:** The size reduction should be allowed in the interconnection context because that same size reduction is considered a minor revision for the purposes of operating the CSP pre-certification queue.<sup>21</sup>

#### *PGE's Response*

On May 29, 2020, PGE submitted comments in opposition to Carnes Creek's request for a waiver. PGE's responds to Carnes Creek's arguments in the following manner:

- **Public Interest:** Granting this waiver is not in the public interest because it compromises the administration of the interconnection queue and would harm lower-queued projects.<sup>22</sup> PGE is concerned about encouraging more projects to request waivers in the future.
- **Good Cause:** Good cause does not exist because changing the nameplate capacity by 199 kW will not help Carnes Creek avoid the upgrades assigned or meet the construction milestones required by its land use permits.<sup>23</sup>

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<sup>16</sup> Carnes Creek Solar LLC's Petition for Waiver of OAR 860-082-0025(b) & (c), April 23, 2020, p. 7-8.

<sup>17</sup> Id.

<sup>18</sup> Ibid., p. 9.

<sup>19</sup> Ibid., p.8.

<sup>20</sup> Ibid., pp. 8 – 9.

<sup>21</sup> Ibid., p. 8.

<sup>22</sup> Ibid., pp. 7 – 9.

<sup>23</sup> PGE's Comments Opposing Petition for Waiver, May 29, 2020, pp. 5 - 27

- **CSP PIM:** The standard for changing a project in the interconnection queue is not the same as the standard for changing a project in the CSP pre-certification queue. CSP interconnection rules also require generators to reapply upon any change to nameplate capacity.<sup>24</sup>

#### *Stakeholder Comments*

On June 6, 2020, the small generator seeking interconnection of a 2.25 MW solar PV project on the same feeders as Carnes Creek (SPQ0172) contacted Staff through email. The generator indicated support for Carnes Creek's waiver request and explained that SPQ0172 would need to be restudied regardless of Carnes Creek due to an outstanding complaint with the Commission under Docket No. UM 1971.

#### *Staff's Findings*

Staff does not agree with Carnes Creek's arguments for granting this waiver request. Staff's arrived at this finding for the following reasons.

1. **Public Interest:** Staff finds that OAR 860-082-0025(1)(b) and (c) are important for maintaining fairness and efficiency within the SGIP's serial interconnection queue framework. This policy avoids a cycle of continuous restudy and prevents queue manipulation to the potential detriment of existing, lower queued generators. As of June 3, 2020, there are five net metering applications after Carnes Creek's SPQ0158 in the queue for the Waconda-13 feeder in addition to the small generator interconnection application (SPQ0172).<sup>25</sup> The impact of the proposed resize of SPQ0158 on these projects is unknown without restudy of each generator.

While Staff appreciates the comments of support from SPQ0172, Staff does not find that it is in the public interest to begin providing one-off exceptions to the core principles of the serial queue.

2. **Good Cause:** Counter to Carnes Creek's argument that the SGIP did not contemplate SPQ0158's circumstances, Staff believes that the rules governing nameplate capacity changes exist to prevent generators from doing what Carnes Creek proposes. Carnes Creek faces the same challenges any generator faces when a higher queued project with costly upgrades withdraws, including the challenges that lower queued generators could face if Carnes Creek is withdrawn. PGE has never allowed a generator to change its nameplate capacity without submitting a new application.<sup>26</sup> The existence of the CSP is not good cause to begin departing from this policy.

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<sup>24</sup> Ibid., pp. 9 – 10.

<sup>25</sup> PGE Response to Staff Information Request No. 19b.

<sup>26</sup> PGE Response to Staff Information Request No. 20a.

Further, Staff notes that even if OAR 860-082-0025(1)(c) is waived, a re-sized project would still require restudy. Accordingly, the waiver does not necessarily allow Carnes Creek to meet the SGIP milestones, resolve its issues with PGE's engineering analysis, or change the construction timeline for the required system upgrades.

3. **CSP PIM:** Staff does not believe that it is reasonable to equate the requirements for operating the CSP pre-certification queue with the requirements for operating a utility interconnection queue. Changing the size of projects in the CSP pre-certification queue does not impact other queued projects or the safety and reliability of the utility system.

### Conclusion

Staff finds that Carnes Creek has not demonstrated good cause to receive a waiver of OAR 860-082-0025(1)(b) & (c). This policy preserves the integrity of the serial queue and should not be waived on a one-off basis.

Staff notes, however, that its recommendation is specific to Carnes Creek's request to change the nameplate capacity of SPQ0158 without losing its queue position. Staff's recommendation does not address whether Carnes Creek should retain its current queue position at its original size, so that it can continue to work with PGE, other generators, and/or the future CSP third party reviewer to find a way to mitigate the system upgrade costs assigned.

### **PROPOSED COMMISSION MOTION:**

Deny Carnes Creek Solar, LLC's Petition for Waiver of OAR 860-082-0025(1)(b) & (c).