

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1930**

In the Matter of

PUBLIC UTILITY COMMISSION OF  
OREGON,

Community Solar Implementation.

COMMENTS OF  
RENEWABLE NORTHWEST

Renewable Northwest is grateful to the Oregon Public Utility Commission (“OPUC”) and OPUC Staff for this opportunity to comment on the Draft Proposal for Community Solar Interconnection (the “Draft Proposal”) that Staff filed on June 19, 2019. We appreciate Staff’s efforts to address interconnection barriers that could inhibit the launch of Oregon’s Community Solar Program (“CSP” or the “Program”). This program could expand solar access in Oregon and is a potential path for communities to receive the associated energy and potential resiliency benefits.

Renewable Northwest appreciates Staff’s focus on “identify[ing] near-term opportunities to reduce interconnection barriers for CSP projects within the legal and procedural framework of a QF interconnection”<sup>1</sup> and Staff’s finding that “a fair and functional [interconnection] process should be in place before the end of 2019.”<sup>2</sup> We share Staff’s concerns that the small generator interconnection process (“SGIP”) available to generators that are Qualifying Facilities (“QFs”) under the Public Utility Regulatory Policies Act (“PURPA”), and therefore currently available to Community Solar Projects, is likely inconsistent with launching this program in a timely manner.<sup>3</sup> As Staff notes, concerns with this process are not new. In fact, the QF community has voiced concerns with Oregon’s SGIP in dockets UM 2000 and UM 2001, in the public meeting preceding those, and in years past.

We also thank Staff for its efforts to identify a number of interconnection barriers and developing a set of criteria to identify fair and functional solutions focused on CSP projects. We look forward to stakeholder input and discussion in comments and at the July 31, 2019 workshop to learn whether we can identify other barriers and whether additional practical and functional solutions emerge. For example, interconnection barriers may affect different types of projects

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<sup>1</sup> Docket No. UM 1930, Staff’s Draft Proposal for Community Solar Interconnection at 2 (Jun. 19, 2019).

<sup>2</sup> *Id.* at 4.

<sup>3</sup> *See Id.* at 8; *see Id.* at 11 (“utility delays in conducting studies are not functional for the CSP timeline”).

(i.e. utility-owned versus community-owned) in different ways, therefore an exploration of additional solutions may be necessary to address this potential inequity.

### **I. Proposed solution on the cost of transmission upgrades**

Renewable Northwest generally supports Staff’s proposal to address the assignment of transmission cost to a small generator—a likely interconnection cost barrier to CSP projects—by removing the requirement that generators interconnect with Network Resource Interconnection Service (“NRIS”) and allowing them instead to interconnect with Energy Resource Interconnection Service (“ERIS”).<sup>4</sup> Generators are responsible for the cost of all system upgrades under Oregon’s current SGIP even if the utility’s system or other generators benefit from any of those upgrades.<sup>5</sup> The Draft Proposal acknowledges that the utility’s practice of requiring QFs to interconnect with NRIS could be burdensome given the assumptions that the utility makes when studying NRIS requests.<sup>6</sup>

In the context of QF interconnection discussions, utilities have argued that if QFs could interconnect with ERIS then “the utility’s merchant function may have to pay for the necessary system upgrades.”<sup>7</sup> According to the utilities, “requiring utilities to bear the cost of transmission system upgrades to transmit QF output violates the customer indifference standard of PURPA.”<sup>8</sup> However, as the Draft Proposal recognizes, “network upgrades are likely to benefit the utility and other transmission customers.”<sup>9</sup> Renewable Northwest takes no position at this time on the utilities’ claim about the PURPA customer indifference standard implications of allowing QFs to interconnect with ERIS. However, even if those claims were true, the CSP is subject to a standard of minimizing cost shifting between subscribers and non-subscribers,<sup>10</sup> not the PURPA customer indifference standard.

### **I. Proposed solution on the cost of distribution upgrades**

Renewable Northwest also generally supports Staff’s proposal of implementing a cost-sharing mechanism for distribution system upgrade costs.<sup>11</sup> As the Draft Proposal recognizes, without a mechanism to allocate costs among generators relying on the same upgrades, the first generator to trigger an upgrade is responsible for the full cost of an upgrade even if subsequent projects

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<sup>4</sup> *Id.* at 12.

<sup>5</sup> *Id.* at 8.

<sup>6</sup> *Id.* at 9.

<sup>7</sup> *Id.* 10.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> SB 1547 (2016), Section 22 (2)(b)(B).

<sup>11</sup> Docket No. UM 1930, Staff’s Draft Proposal for Community Solar Interconnection at 13 (Jun. 19, 2019).

also rely on that upgrade.<sup>12</sup> Staff’s proposed solution appears to address that barrier while also reducing the likelihood of queue bottlenecks and interconnection backlogs stemming from the current requirement that one project carry the full burden of a potentially expensive upgrade. While Staff’s proposal appears to reasonably address the issue at hand, Renewable Northwest would like to better understand how such an allocation mechanism would account for multiple projects interconnecting across a broad time frame.

## **II. Scope and timeline of the solutions to interconnection cost barriers**

Renewable Northwest wants to better understand how the lessons learned from this pilot—focused on the CSP and limited in time and capacity—would translate to improvements in the SGIP for CSP and non-CSP projects outside of the pilot. Staff proposes that implementing a CSP-specific set of interconnection solutions is an opportunity for a “discrete, capacity limited environment to test the various solutions for broad, long-term consideration under UM 2000 . . . and to test the actual ratepayer impacts of modifying the assignment of upgrade costs.”<sup>13</sup> To the extent that this pilot-based approach reveals that SGIP improvements are effective, we encourage the Commission and Staff to seek their broader implementation in a timely manner.

Finally, Renewable Northwest is grateful for Staff’s comprehensive proposal and for Staff’s willingness to seek solutions to address existing interconnection barriers. As time is of the essence for this program, we want to better understand how improvements to the SGIP for CSP projects would be implemented before the end of 2019. We look forward to further discussions at the July 31, 2019, workshop.

Respectfully submitted this 24th day of July, 2019.

/s/ Silvia Tanner

Silvia Tanner  
Senior Counsel & Analyst  
Renewable Northwest  
421 SW Sixth Ave. #975  
Portland OR 97204  
503-223-4544  
silvia@renwahlenw.org

/s/ Michael H. O’Brien

Michael H. O’Brien  
Regulatory Director  
Renewable Northwest  
421 SW Sixth Ave. #975  
Portland OR 97204  
503-223-4544  
michael@renwahlenw.org

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<sup>12</sup> *Id.* at 10.

<sup>13</sup> *Id.* at 13.