

December 12, 2023

VIA ELECTRONIC FILING

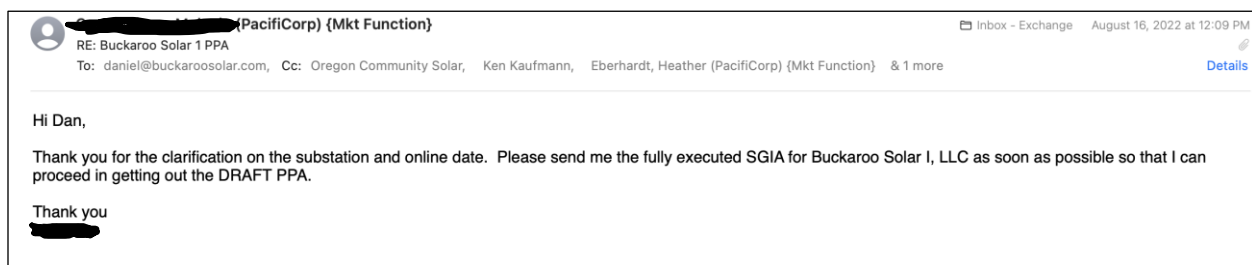
Public Utility Commission of Oregon
Attn: Filing Center
201 High Street SE, Suite 100
Salem OR 97301-3389
PUC.FilingCenter@state.or.us

Re: Docket No. UM 1930 Sunthurst Supplemental Comments

To the Public Utility Commission of Oregon:

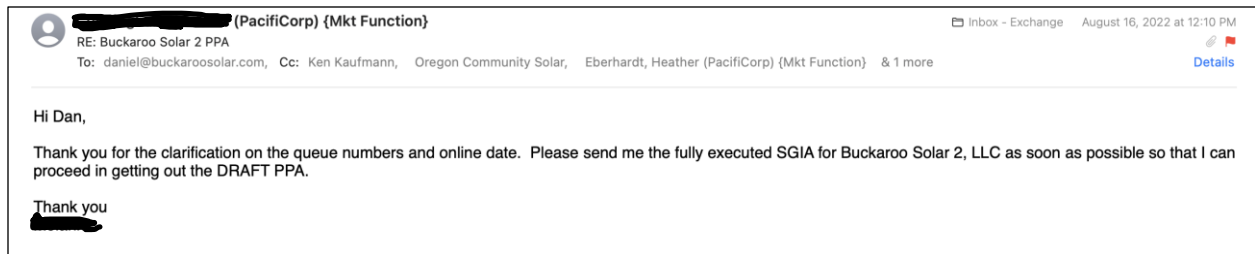
Comments of PacifiCorp, filed December 8, 2023 in the above Docket (“PacifiCorp’s Comments”), urge the Commission to give Sunthurst’s concerns “short shrift,”¹ which seems to be PacifiCorp’s solution to Community Solar. However, in order to fix Community Solar, the Commission needs to understand what is happening to actual developers trying to develop actual Community Solar Projects. PacifiCorp doesn’t want the Commission to become aware of what is obvious to developers--that its interconnection process takes too long and costs too much.

PacifiCorp’s factual misrepresentations regarding withholding PPAs are obvious. On page 2 of its Comments, PacifiCorp says “Sunthurst alleges again that PacifiCorp wrongly refused to process its Community Solar Project power purchase agreements (“CSP PPAs”) due to an alleged unlawful demand to first see executed interconnection agreements. This is false.” The e-mails, copied below, plainly refute PacifiCorp’s unconditional denial. On August 16, 2022, PacifiCorp sent Sunthurst an e-mail, titled “Re: Buckaroo Solar 1 PPA”, stating in part: “Thank you for the clarification on the substation and online date. *Please send me the fully executed SGIA for Buckaroo Solar I, LLC as soon as possible so that I can proceed in getting out the DRAFT PPA.*” (emphasis added).



Later that day, PacifiCorp sent Sunthurst an e-mail, titled “Re: Buckaroo Solar 2 PPA”, stating in part: “Thank you for the clarification on the queue numbers and online date. *Please send me the fully executed SGIA for Buckaroo Solar I, LLC as soon as possible so that I can proceed in getting out the DRAFT PPA.*” (Emphasis added).

¹ See page 5 of December 8, 2023 comments of PacifiCorp in Docket No. UM 1930.



These were the most recent of at least six e-mails PacifiCorp sent Sunthurst in 2022 conditioning PPA progress upon final Interconnection Agreements.² And, yet, PacifiCorp’s December 8 Comments says, on page 2, “PacifiCorp has not refused to execute any CSP PPA due to the lack of an executed interconnection agreement.” In fact, PacifiCorp did this repeatedly to Sunthurst, and such practice is a big reason CSP development is taking so long.

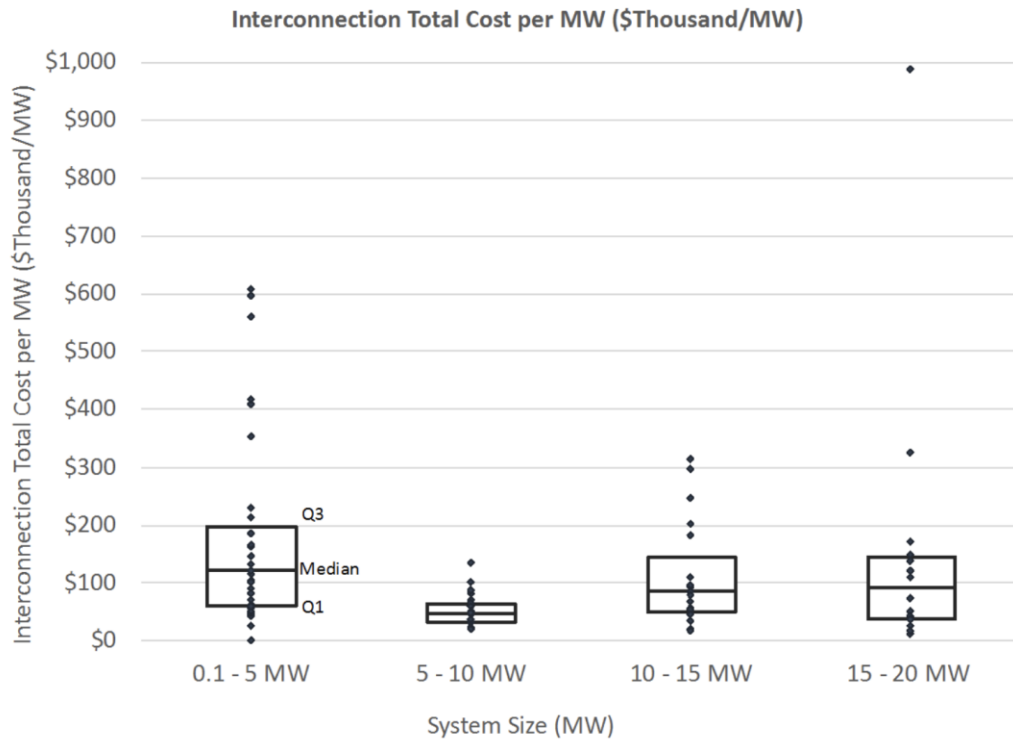
PacifiCorp purports to refute statements Sunthurst never made. PacifiCorp’s Comments, page 2, impute three statements to Sunthurst that Sunthurst *didn’t* make, and then calls them false: “If one were to look at Tables 1 and 2 of Sunthurst’s UM 1930 Comments, *they would come away with impressions that* (1) the [Sunthurst complaint challenging PacifiCorp’s interconnection costs] involved all three projects; (2) Sunthurst won its complaint; and (3) as a result, interconnection costs were substantially reduced, but the CODs were extended by 12 to 14 months. All of these are false” (Emphasis added). It is doubtful anyone but PacifiCorp thinks Sunthurst’s account is false, but such a serious allegation deserves a serious response: Sunthurst’s complaint *was* a success even though it did not prevail on the issues decided by the ALJ. The Commission is well aware PacifiCorp sometimes makes significant policy changes in its implementation of PURPA in the midst of litigation to avoid Commission review,³ which is what happened to Sunthurst. PacifiCorp’s estimated cost to interconnect two Sunthurst projects dropped nearly 50% after litigation, including over \$186,000 in reductions PacifiCorp agreed to after the complaint was filed.⁴ PacifiCorp’s concessions to issues disputed in Sunthurst’s first two projects benefitted Sunthurst’s other projects as well. Without litigation, PacifiCorp may not have made any concessions. Sunthurst’s complaint was, therefore, successful enough that it chose not to appeal the ALJ’s decision.

² Sunthurst received similar e-mails on June 15 (“*Note that we will not be able to sign this until the SGIA is amended to reflect Tutuilla Solar as the interconnection customer*”), June 22 (“*As soon as the assignment is complete, send it to us and we will be able to complete the power purchase agreement*”), June 24 (“*We will not be able to sign the PPA until the SGIA is amended to reflect Rock Solar 1 as the interconnection customer*”), and July 8 (“*We will need to get our internal approvals for the other projects, which we can’t start the process until the interconnection is sorted out*”).

³ See, Order No. 21-097, at 6. (“We find that resolution of the core legal issue in this case—whether or not PacifiCorp is permitted to withhold a draft PPA pending the completion of a system interconnection study or cluster study consistent with Commission order, Oregon law, or FERC precedent—has been mooted by the February 3, 2021 commitment of PacifiCorp to provide the draft PPA to Dalreed.”) The Order then (p. 7) instructed PacifiCorp not to do it again (“we direct PacifiCorp to successfully negotiate all terms of the PPA, except the scheduled commercial on-line date, before the cluster study report is issued and to be prepared to execute the final PPA immediately after the report is issued and Dalreed Solar has selected a scheduled commercial on-line date.”).

⁴ PacifiCorp made at least thirteen corrections or adjustments to its cost estimates for Pilot Rock Solar 1 (\$128,694 net reduction) and Pilot Rock Solar 2 (\$13,034 net reduction) in its opening testimony. PacifiCorp also agreed, in written testimony, to provide Sunthurst a \$6,097.27 credit against future interconnection costs for engineering and management costs associated with the PI-111 annunciator panel design, which Sunthurst has already paid. PacifiCorp further agreed, in a February 25, 2021 e-mail, to remove \$39,000 costs of the meter at the point of interconnection. See *Sunthurst’s Opening Brief*, Docket UM 2118, pp 4-5 (March 26, 2021) at: <https://edocs.puc.state.or.us/efdocs/HBC/um2118hbc145412.pdf>.

Community Solar Developers face a choice between padded interconnection costs or lengthy litigation. PacifiCorp interconnection costs are very high, and appear to be high relative to interconnections throughout the Western United States, as shown by the graphic below, copied from the 2018 REVIEW OF INTERCONNECTION PRACTICES AND COSTS IN THE WESTERN STATES, by NREL.⁵



Compared to a median interconnection cost of about \$125k/MW for 0.1MW-5MW projects throughout the Western United States, PacifiCorp’s initial estimated costs for interconnecting Pilot Rock Solar 1, Pilot Rock Solar 2, and Tutuilla Solar, respectively, were \$406k/MW, \$323k/MW, and \$240k/MW—much higher than other utilities, and unfinanceable. The fact that PacifiCorp agreed during the course of litigation that it could reduce interconnection costs nearly 50% without compromising performance shows the initial estimates were padded, gold plated, or otherwise excessive. Why must CSP developers have to fight PacifiCorp to have a reasonably priced interconnection?

PacifiCorp’s Comments do not address why interconnection timelines are long and getting longer. On Sunthurst’s projects, PacifiCorp’s desired time to construct interconnection facilities increased, from 3 months in 2022, to 8 months in 2023, without any corresponding enlargement in scope. Such changes in construction duration are a major driver of both time and expense to develop a CSP. Why are PacifiCorp interconnections taking longer to construct?


Summation. The Commission has heard, from the November 14 UM 1930 workshop and ensuing comments, that:

⁵ Bird, Lori, Flores, Francisco, Volpi, Christina, Ardani, Kristen, Manning, David, and Richard McAllister. 2018. REVIEW OF INTERCONNECTION PRACTICES AND COSTS IN THE WESTERN STATES. Golden, CO: National Renewable Energy Laboratory. NREL/TP-6A20-71232, page vi.

- PacifiCorp's CSP interconnection prices benchmark well above other western state utilities;
- PacifiCorp required completed interconnection agreements before providing draft CSP PPAs and prior to executing CSP PPAs;
- PacifiCorp's construction timelines have lengthened dramatically in the last 18 months;
- PacifiCorp prepayment requirements are excessive;
- Only 2.5 MW out of 65 MW Community Solar Program Initial PacifiCorp Capacity have been built to date, with the viability of the remaining capacity in question; and
- PacifiCorp recently took 30 days to respond to in interconnection customer's urgent communications

In sum, PacifiCorp interconnections costs too much and take too long, relative to the needs of the Community Solar Program, the Program is moribund in PacifiCorp territory, and PacifiCorp is unperturbed by the *status quo*. Community Solar Projects lack the resources to fight PacifiCorp, in rulemakings or litigation. In order for existing pre-Certified CSPs to achieve Commercial Operation, shortened PacifiCorp interconnection construction timelines, relief from unnecessary interconnection costs, less onerous milestone payments, and positive engagement from PacifiCorp are necessary. Unless the Commission endeavors to make changes immediately, the Initial Capacity of PacifiCorp Community Solar largely will not happen. Sunthurst thanks the Staff for the opportunity to speak to these issues, and asks urgently for its help.

Sincerely,



Ken Kaufmann
Attorney for Sunthurst Energy, LLC