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Solar Parties Comments on Proposal for Interconnection Study Review Services 5-29-2020

The Oregon Solar Energy Industries Association and Coalition for Community Solar Access (“Solar Parties”) submit these comments in response to the Oregon Public Utility Commission (Commission) Staff’s Proposal for interconnection study review services in the community solar program (CSP).¹

The Solar Parties applaud and fully support Staff’s interest in creating this opportunity for CSP Project Managers (PMs). Further, the Solar Parties appreciate Staff’s recognition of the concerns raised by solar industry members and other stakeholders regarding utility interconnection practices and the associated need for greater transparency and objectivity. As Staff’s analysis suggests, the community solar program provides an ideal space to encourage and enable cost reductions for community solar projects, while also informing opportunities for interconnection policy improvements across renewable energy technology and market segments. Further, the Solar Parties appreciate the prior comment opportunity Staff provided during the development of the “Draft” Request for Proposal (RFP), and Staff’s effort to address and/or incorporate feedback during that process.

The following comments are geared toward one additional recommendation relative to our initial comments emailed to Staff in April (and included in the Appendix of the Staff Report).

Recommendation – Establish a Tier 3 for General Consulting Services

The Solar Parties recommend a slight expansion of the potential services offered by the third-party engineer to include a “Tier 3 - General Consulting” option. The option could be paid through an hourly rate negotiated through the Program Administrator’s (PA’s) RFP process, and be funded entirely by the Project Manager, similar to the Tier 2 review services. It is possible this hourly rate could or should differ relative to the rates used for a Tier 1 or Tier 2 service, depending on the resource needs of the consultant. Regardless, the purpose of this third option would be to give Project Managers expert support that would not otherwise fall neatly into the Tier 1 or Tier 2 “study” review services. The Solar Parties raise this issue now after reviewing the first batch of system impact studies (SIS) posted by PacifiCorp and the concerning outlook for most of those projects based on the interconnection upgrades identified in the studies.

The most notable example of where a General Consulting option might be leveraged is during the earliest stages of the interconnection process. Shortly following the submission of an interconnection application, the utility and project owner hold a “scoping” meeting to review the details of the project and ascertain a general path forward. The meeting is a critical step in the interconnection process because it represents the last known opportunity for an applicant to re-size their project (or potentially make other adjustments) without compromising their queue position.² Where a third-party engineer

¹ Staff Report filed for June 2 Public Meeting: <https://edocs.puc.state.or.us/efdocs/HAU/um1930hau172414.pdf>

² Once a project has completed an SIS, the flexibility to make even minor adjustments without losing queue position can be challenging if not impossible.

could be helpful is in preparing, and potentially joining, a Project Manager for the scoping meeting. Having expert support during this stage of the process would help a Project Manager to be more sophisticated during the technical discussion and to narrow in on key questions regarding the implications of project size and configuration relative to the potential interconnection upgrades that would be identified in the subsequent study phases. This type of expert quality control at the outset of the interconnection process would improve the odds of avoiding major (non-network) interconnection upgrades that could easily kill project economics.

The Solar Parties first recognized the importance of this early step in the interconnection process after reviewing the system impact studies (SIS) posted by PacifiCorp as of May 22³. The studies posted thus far demonstrate that simply sizing a project to be at 100% of minimum daytime load (MDL) will not ensure viable interconnection costs. In fact, of the seven SIS's posted, six have interconnection upgrade estimates that are between about \$0.40/W-ac and \$0.80/W-ac, which will likely prevent these projects from penciling.⁴ While the support of a third-party engineer would be warranted in evaluating the equipment needs and costs identified in the studies, there is also the potential that such an expert could have anticipated at least some of the potential requirements and been able to dissect potential problem areas and associated solutions with PacifiCorp during the scoping meeting.

Conclusion

The Solar Parties recommend maximizing the potential uses of the third-party consultant to extend beyond reviewing and/or potentially re-creating interconnection studies. The additional exposure by the consultant to all steps of the interconnection process has the potential to save time and money for solar developers and customers, while simultaneously generating more data and insights for the engineer and, therefore, Program Administrator, Staff, and the Commission.

Regardless of whether this expanded services option is adopted by the Commission, the Solar Parties are invested in reducing interconnection challenges and unnecessary costs. At the very least we hope that (formally or informally) the Program Administrator and Staff can help analyze and broadcast recommendations to Project Managers regarding project sizing and siting, and appropriate questions to navigate with a utility early in the interconnection process.

Respectfully submitted,

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³ The CSP interconnection queue for PacifiCorp can be found in the Generation Interconnection and TSR Queues folder on OASIS, here - <https://www.oasis.oati.com/ppw/>. Note - as it stands, all but two of the CSP projects have been flagged as having the potential to trigger major transmission upgrade requirements.

⁴ Acceptable interconnection costs for projects sized between 100 kW – 5 MW, are typically in the range of \$0.005/W-\$0.20/W, based on industry experience. See this report by the National Renewable Energy Laboratory (pg. 18) - <https://www.nrel.gov/docs/fy18osti/71232.pdf>