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August 16, 2019

VIA ELECTRONIC FILING

Attention: Filing Center
Public Utility Commission of Oregon
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97308-1088

Re: Docket UM 1930 – In the Matter of PUBLIC UTILITY COMMISSION OF OREGON, Community Solar Program Implementation.

Attention Filing Center:

Attached for filing in the above-captioned docket is an electronic copy of the Joint Utilities' CSP Interconnection Proposals.

Please contact this office with any questions.

Sincerely,

Wendy McIndoo

Wendy McIndoo
Office Manager

Attachment

JOINT UTILITIES' CSP INTERCONNECTION PROPOSALS

Docket UM 1930
August 16, 2019

The primary concerns that Staff's community solar program (CSP) interconnection proposal sought to address are: (1) the deliverability-related network upgrades that can be required where a generation project sites in a constrained area and is evaluated for a service comparable to the Federal Energy Regulatory Commission's (FERC) network resource interconnection service (NRIS) product instead of the more limited energy resource interconnection service (ERIS) product; and (2) utility interconnection queue backlog.

The Joint Utilities have developed a proposal that addresses both concerns by: (1) focusing on how to efficiently site and size a CSP project to minimize the risk that deliverability-related network upgrade costs will be required, rather than simply shifting any such costs to utility customers; and (2)evaluating that project separately from the traditional serial queue. The Joint Utilities look forward to further discussions about testing this proposal in the limited-scope CSP interconnection pilot program, with the recognition that the pilot must be closely tracked so that necessary adjustments can be made before the proposed requirements become permanent or are applied more broadly.

In response to concerns expressed by non-profit and community groups developing small CSP projects, the Joint Utilities also offer a proposal to reduce the metering costs experienced by small CSP projects and to provide an enhanced pre-application process to help identify CSP project sites. Finally, the Joint Utilities also provide information regarding interconnection study timelines in response to concerns over study delays.

JOINT UTILITY PROPOSAL #1

As described in more detail below, in the CSP interconnection pilot program, eligible CSP interconnection requests would be processed and studied separately from the traditional serial queue, similar to net metering interconnection requests.[1] The interconnection study would: (1) consider a limited universe of electrically relevant projects (i.e., only other existing or requested interconnections within a defined local area, rather than all existing or higher-queued projects in a broader area); and (2) limit the scope of the interconnection study to an evaluation that is comparable to the FERC energy resource interconnection service (ERIS) product; ***provided that*** the CSP project is sized at a level that reduces the likelihood that transmitting the project's power will require the construction of

[1] The modified interconnection review requirements are based on net metering interconnection requirements, while credits provided to customers that reflect the energy generated from CSP projects will be fully recovered through a program cost recovery tariff, or other appropriate mechanism. The proper mechanism to recover all bill offsets may vary between utilities based on their existing regulatory regimes.

deliverability-related network upgrades when the utility later requests and studies transmission service.

Eligibility:

This proposal would apply to a proposed CSP project of any size that, together with all other interconnected and requested generation in the local area, is:

- For PGE and PacifiCorp, less than 25 percent of the peak load.
- For Idaho Power, less than 50 percent of the associated minimum load.[2]

The "local area" includes the distribution circuit, substation transformer, and subtransmission line associated with the proposed CSP feeder. The different metrics are specifically tailored for each utility's system and designed to reduce the likelihood that the generation from the CSP project will require deliverability network upgrades in the later transmission service study, as described below.

Rationale:

A CSP project that meets the eligibility criteria described above will be sized such that its power will likely be absorbed by the load in the local area and, therefore, is unlikely to flow onto the higher voltage transmission system and require deliverability network upgrades when a transmission service request is later submitted by the utility's merchant function and studied by the utility's transmission function. Thus, similar to a net metering request, the CSP project's generation will be effectively netted against the load in the local area, which will serve as a proxy for the CSP project subscribers' load. Because the CSP is based on a net metering concept and because an eligible CSP project's power is unlikely to reach the transmission system, the project's interconnection request can be processed and studied separately from the traditional serial queue[3] and without an interconnection deliverability analysis, i.e., using an evaluation that is akin to FERC's ERIS product, not its NRIS product.

Benefits:

Unlike Staff's proposal to simply remove the NRIS requirement for all CSP projects, without mitigating the risks of shifting costs to utility customers, this proposal allows CSP projects to reduce the likelihood that deliverability-related network upgrade costs will ultimately be required *and* addresses utility queue backlog issues. In other words, this

[2] Because of the nature of Idaho Power's system and load, the difference between peak and minimum load can be substantial. For Idaho Power, therefore, using a percentage of peak load as a metric in this context would not provide a reliable indicator of whether a CSP project is sized in a way that will likely prevent its generation from flowing onto the transmission system.

[3] As noted above, the fact that the CSP project would be processed separately from the traditional serial queue does not mean that projects in the interconnection queue will be entirely ignored. Generally speaking, consistent with how a net metering project is studied, the CSP interconnection study will consider other projects proposing to interconnect to the same local area to ensure there are no adverse system impacts.

proposal minimizes costs by encouraging efficient sizing and siting decisions—rather than allowing CSP projects to shift the costs of inefficient siting and sizing decisions to utility customers. Thus, this proposal seeks to ensure that utility customers are protected, while also providing a path to interconnect CSP projects.

Caveats:

The lack of an interconnection deliverability analysis does not mean that the CSP project will be exempt from all interconnection requirements and costs. Importantly, an ERIS study *can* trigger network upgrades depending on the specifics of the request—even though ERIS does not require a deliverability analysis. The same is true here. In particular, the utilities will evaluate the CSP's interconnection request in a manner that is comparable FERC's ERIS evaluation to determine what facilities or upgrades are necessary to grant the service. This could include thermal, voltage, protection, substation, communications, and metering requirements, and the CSP project will be responsible for the cost of those interconnection requirements.

Moreover, while this proposal is designed to minimize the chance of a CSP project sizing and siting in a manner that triggers deliverability-related network upgrades required to deliver the CSP project's output to load, it is based on estimates only; therefore, there is a chance that there could nevertheless be necessary deliverability-related upgrades that are not picked up in the interconnection study process but could be identified in the utility's transmission service request study. In this case, the utility would need to carefully track those costs during this pilot program in order to analyze the success of the pilot program and make appropriate adjustments in any future expansion of the pilot program.

Cost-Sharing

Staff proposed that distribution upgrade costs could be shared between CSP projects. The Joint Utilities propose that cost-sharing should be facilitated among the CSP projects themselves or by the Program Administrator. The utilities' role should be limited to providing any necessary data. CSP projects should be able to identify potential cost-sharing partners by reviewing the CSP queue and determining whether other CSP projects are sited near them.

Subject to further understanding the parameters of any cost-sharing mechanism, upon request, the Joint Utilities could also be willing to study two projects jointly to facilitate cost sharing, provided that the projects must be located near each other and enter the CSP interconnection queue at the same time.

Access to Relevant Data:

The Joint Utilities will produce feeder peak load data—which is a key component of the proposed eligibility formula for PacifiCorp and PGE—by September 1, 2019, as part of the UM 2000/UM 2001 data transparency efforts. Idaho Power's proposed eligibility formula focuses on minimum load values, and Idaho Power is able to separately provide

comparable information related to each feeder's daytime minimum load. To the extent CSP developers have questions regarding which feeder(s) would be analyzed in screening their project's eligibility for this interconnection proposal, the utilities will timely respond to a request to identify the applicable feeder(s).

Application Process

To ensure that the CSP interconnection pilot remains appropriately focused on CSP projects, the Joint Utilities request that CSP projects be required to submit a Commission-approved attestation document stating that the interconnection request is solely for the Oregon CSP, and then they will be provided a position in a CSP-specific queue. If the project subsequently fails to qualify for the program or decides to withdraw, the interconnection request will be withdrawn from the utility's CSP queue or the CSP interconnection agreement will be terminated if it had already been executed. If a developer wishes the utility to consider any other interconnection arrangement for the project, a new, separate request must be submitted in accordance with the applicable rules. A position in a utility's CSP queue would not prevent a project from also maintaining a position in the traditional serial queue, subject to the separate applicable processing and other requirements.

Other Approaches

The Joint Utilities initially suggested that storage and transfer trip might be other means of qualifying for this proposal. However, these alternatives would require further evaluation and technical consideration. Therefore, to adhere to the goal of identifying solutions that can be implemented in the near-term, the Joint Utilities are not proposing these alternative approaches at this phase in the pilot program.

JOINT UTILITY PROPOSAL #2: Reduced Metering Costs for Small CSPs

The Joint Utilities understand that very small CSP projects may be challenged by the costs of connecting to the system. Given the nature of the CSP and the proposed interconnection pilot program, the Joint Utilities are comfortable deviating from their standard metering protocol for these very small CSP projects.

Specifically, to help reduce interconnection costs, the Joint Utilities are willing to meter a CSP project that is 360 kW or less on the low side of the transformer and to account for conversion losses and the project's output. This will likely reduce the metering costs experienced by these projects.

However, these projects will nevertheless experience some interconnection costs. For example, the projects will likely require a less-expensive low-side meter, a meter base, and a transformer.

JOINT UTILITY PROPOSAL #3: Enhanced Pre-Application Process for CSPs

At the workshop, the Joint Utilities heard interest in a more robust pre-application process to assist potential CSP projects in selecting sites. To that end, the Joint Utilities propose an enhanced pre-application process available on a pilot basis for CSP projects. For background, a developer currently can request a pre-application report for a proposed project at one specific site and pay a fee to cover the cost of the report. If the developer is interested in a pre-application report for a different site, it must submit a separate request and pay a separate fee.

Under the enhanced process proposed here, a developer that signs an attestation that its proposal is for a not-for-profit CSP project can request pre-application reports for up to five separate sites in a single request and the Joint Utilities will waive the fee.[4] Each developer would be authorized to submit only one request for pre-application reports under this enhanced process. This proposal reduces the cost of the pre-application process and allows for the simultaneous examination of multiple potential sites.

In addition, the Joint Utilities agree to publicly post on OASIS any pre-application reports for which the request was identified as a potential CSP project so that subsequent developers can access pre-application reports provided for others.

JOINT UTILITY PROPOSAL #4: Study Timelines

Stakeholders expressed concerns over the timeliness of interconnection study reports. The Joint Utilities' proposal above to study CSP projects outside of the traditional serial queue order and similar to traditional net metering projects is expected to largely resolve this issue. In addition, the Joint Utilities currently follow the interconnection rules requiring inclusion of a reasonable schedule in each interconnection study agreement and that the utility make reasonable, good-faith efforts to follow the schedule.

[4] The fee collected by the Joint Utilities is intended to cover the cost to prepare the pre-application report. Thus, under the Joint Utilities' proposal, the cost would be subsequently recovered either from the developer, at some later date when its CSP project moves forward, or as a CSP cost recovered in general rates or CSP participation fees, consistent with other CSP costs. Under this proposal, the developer would still be obligated to pay all necessary interconnection study fees as those fees are required by the applicable rules.