

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: September 20, 2022**

REGULAR **CONSENT** **EFFECTIVE DATE** September 21, 2022

DATE: September 12, 2022

TO: Public Utility Commission

FROM: Joe Abraham

THROUGH: Bryan Conway, JP Batmale, and Sarah Hall **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 1930)
Criteria for carveout-eligible projects in the Community Solar Program interconnection queues.

STAFF RECOMMENDATION:

Update criteria for Portland General Electric (PGE) and PacifiCorp (PAC) to add Community Solar Program (CSP) carveout-eligible projects to the CSP interconnection queues.

DISCUSSION:

Issue

Whether the Commission should update the criteria for PGE and PAC to add CSP carveout-eligible projects to the CSP interconnection queues.

Applicable Rule or Law

ORS 757.386(2)(a) directs the Commission to establish a program that provides electricity customers the opportunity to share the costs and benefits of electricity generated by a community solar energy system.

On June 29, 2017, in Order No. 17-232, the Commission adopted formal rules for the CSP under OAR Division 88 of Chapter 860.

On November 8, 2019, in Order No. 19-392, the Commission required electric companies to establish an interconnection queue exclusively for CSP projects, and to accept new applications into that queue until the end of an 18-month period or until the aggregate capacity of generators with an executed CSP interconnection agreement and CSP pre-certification equals 2.5 percent of the electric company's 2016 system peak load, whichever comes first.¹

On December 19, 2019, in Order No. 19-438, the Commission adopted Staff's proposal for the CSP Program Implementation Manual (PIM), including defining carveout-eligible projects as those that are either sized at 360 kW-AC or less or that have a public or non-profit entity as a Project Manager (PM).

Analysis

Background

Projects seeking to participate in the CSP utilize dedicated interconnection queues established for the Program in Commission Order No. 19-392 on November 8, 2019. However, the criteria PGE and PAC currently use to add projects to their respective queues does not align with recent changes made to the PIM in Order No. 22-007 on January 11, 2022. Until the Commission directs PGE and PAC to update the current criteria in use, utilities could deny carveout-eligible projects that meet current Program criteria.

As background, the Commission in June of 2021 directed PGE and PAC to continue accepting new applications to the CSP interconnection queues from carveout-eligible projects.² Eligible carveout projects were defined as those up to 360 kW-AC or those managed by a nonprofit or public PM.³ The Commission also required PMs to begin providing documentation of carveout eligibility with their interconnection queue applications. In September of 2021, the Commission expanded Program capacity available to carveout-eligible projects, and referred to the CSP Program Implementation Manual (PIM) as the source for defining project eligibility for carveout capacity.⁴

To meet the goal of expanded capacity for carveout projects, as envisioned in Order No. 21-317, the criteria for determining carveout project eligibility would need to evolve

¹ Order No. 19-392, Appendix A, p. 49. Note that PGE and PAC established CSP queues, but Idaho Power did not. Instead, Idaho Power applies CSP rules to CSP project interconnection requests, but assigns CSP projects queue positions in the standard interconnection queue. See Idaho Power Advice No. 20-01, dated May 14, 2020.

² Order No. 21-199. <https://apps.puc.state.or.us/orders/2021ords/21-199.pdf>.

³ Ibid.

⁴ Order No. 21-317. <https://apps.puc.state.or.us/orders/2021ords/21-317.pdf>.

beyond the original language found in the PIM.⁵ Accordingly, the Commission modified the criteria in the PIM such that projects must meet one of the four following requirements to be eligible for carveout capacity, while also extending the 25 percent carveout across the Program's entire capacity.^{6, 7} The modified criteria are as follows:

- Fifty percent of project capacity must be reserved for low-income participants;
- The PM is either a public entity, non-profit entity, or renewable energy cooperative;
- An Agent partnering with the PM is a Federally recognized tribe, public entity, non-profit organization, and project size is less than or equal to 360 kW-AC; or
- An Agent partnering with the PM is a Federally recognized tribe, a public entity, or a non-profit organization meeting certain additional eligibility requirements and leads outreach efforts to subscribe underserved community members to at least 50 percent of the project capacity.

Staff's Proposal

Staff recommends the Commission direct PGE and PAC to add projects to the CSP interconnection queue if:

- When requesting admission to the CSP carveout queue, the project meets all interconnection queue application requirements; and
- The PM attests that the project meets carveout eligibility as defined in the PIM.⁸

Staff's recommendation reflects the importance of clear and simple criteria for PGE and PAC to add carveout-eligible projects to CSP interconnection queues. In Order No. 20-038, the Commission established attestation as the means for projects to demonstrate to utilities that they meet CSP certification and eligibility requirements.⁹ Staff finds projects attesting that they meet Program eligibility requirements for carveout capacity to be a clear and simple criteria for PGE and PAC to follow.

⁵ In Order No. 19-392, the Commission allocated twenty five percent of Program capacity for projects limited to 360 kW or where the PM is a non-profit or public entity. This carve-out capacity is intended to deliver projects that either: (1) serve substantial numbers of low-income participants or people from under-served communities; or (2) demonstrate significant community-level control or leadership in the development process.

⁶ Order No. 22-007. <https://apps.puc.state.or.us/orders/2022ords/22-007.pdf>.

⁷ The Commission applied the eligibility criteria in the PIM to all remaining carveout capacity in the Program in Order No. 22-019.

⁸ Section 1.4 of the PIM was updated in Order No. 22-007.

⁹ Order No. 20-038. <https://apps.puc.state.or.us/orders/2020ords/20-038.pdf>.

Stakeholder Feedback

In personal communications with PGE, PAC, and the Oregon Solar + Storage Industries Association (OSSIA), no objections were raised to Staff's recommendation for updating the CSP interconnection queue criteria for carveout-eligible projects. In response, both utilities sought to also establish a clear and simple process to remove a project from the queue should it not show sufficient progress towards pre-certification. Through an email dialogue all four parties reached a consensus that if, after 18 months from being added to the queue, a project attesting to be carveout-eligible has not been pre-certified in the Program, the utilities may request the Commission terminate an interconnection agreement with the project.

For context, the CSP Program Administrator (PA) has confirmed to Staff in an email that every carveout eligible project in the Program has achieved pre-certification within 18 months of being added to a CSP interconnection queue, with one exception. Staff finds 18 months is an ample length of time for a project in the queue to have achieved pre-certification. Staff also finds stakeholder consensus on requesting termination to be reasonable and will bring any utility requests for termination of a CSP interconnection agreement to the Commission for a decision.

Conclusion

PGE and PAC updating the criteria for adding carveout-eligible projects to their CSP interconnection queues complements previous decisions by the Commission to expand participation by non-commercial developers in the CSP. Staff's recommended approach to this update was developed in consultation with PGE, PAC, and OSSIA, and provides a clear and simple process for the utilities to add and, if necessary, fairly remove carveout eligible projects to CSP interconnection queues.

PROPOSED COMMISSION MOTION:

Update criteria for PGE and PAC to add CSP carveout-eligible projects to the CSP interconnection queues.