

PUBLIC UTILITY COMMISSION OF OREGON  
STAFF REPORT  
PUBLIC MEETING DATE: July 31, 2018

REGULAR      X      CONSENT                      EFFECTIVE DATE                      N/A

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DATE:            July 24, 2018

TO:              Public Utility Commission

FROM:           Caroline Moore <sup>CM</sup>

THROUGH:      Jason Eisdorfer <sup>J</sup> and JP Batmale <sup>JB</sup>

SUBJECT:       OREGON PUBLIC UTILITY COMMISSION STAFF:  
(Docket No. UM 1930) Community Solar Program Implementation Update.

**STAFF RECOMMENDATION:**

Informational filing - no recommendation.

**DISCUSSION:**

Issue

This report provides an update on the status of UM 1930 Community Solar Program Implementation. The report will include updates on the following implementation activities:

- Program Administrator Request for Proposals,
- Subgroup activities,
- Administrative cost recovery processes, and
- Preparation for the transition to full implementation.

Applicable Law

Section 22 of Senate Bill (SB) 1547, effective March 8, 2016, directs the Public Utility Commission of Oregon (Commission) to establish a community solar program (hereinafter referred to as "Community Solar Program", "Program" or "CSP"). The CSP, codified in Oregon Revised Statute (ORS) 757.386, provides electric company customers an opportunity share in the costs and benefits of solar photovoltaic (PV)

generation. Further, the statute requires that ten percent of CSP capacity is available for low-income residential customers.<sup>1</sup>

On June 29, 2017, the Commission issued Order No. 17-232, which adopted the rules for CSP implementation. Set forth in Division 88 of Chapter 860 of the Administrative Rules, these rules specify that the Commission will select a CSP Program Administrator (PA) through a competitive bidding process.<sup>2</sup> OAR 860-088-0020 outlines the PA's responsibility to support the Commission's implementation and ongoing management of the CSP, which includes:

- Developing the Program Implementation Manual (PIM) in collaboration with Commission Staff;
- Facilitating the multi-step process for the Commission to certify projects for participation in the program;
- Facilitating the calculation and exchange of large amounts of data and monies between utilities, Project Managers, and CSP participants;
- Coordinating with the Low-Income Facilitator (LIF) to meet the CSP's low-income requirements; and
- Supporting the Commission and utilities in implementing the consumer protection requirements set forth in the CSP rules.

Through Orders No. 17-372 and 17-458, the Commission approved Staff's preliminary implementation process. The process approved by the Commission focuses on competitive procurement of the PA services and efforts to scope and examine major implementation issues in coordination with stakeholders.

Commission Order 18-177, issued May 23, 2018, directs Staff to present a status update for CSP implementation at a public meeting in July.<sup>3</sup> This memo will provide a CSP status update that focuses on procurement of the PA services and efforts to examine major implementation issues in preparation for the PA.

## Analysis

### *Background*

Through Order No. 17-372, issued September 28, 2017, the Commission adopted Staff's recommended next steps for CSP implementation. In addition to the issuance of a Request for Proposals (RFP) for PA services, the Commission directed Staff to report back with implementation action recommendations following stakeholder workshops.<sup>4</sup>

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<sup>1</sup> ORS 757.386(9)(a).

<sup>2</sup> Oregon Administrative Rules 860-088-0020(1).

<sup>3</sup> Order No. 18-177, p.5.

<sup>4</sup> Order No. 17-372, Appendix A, p .6.

Staff conducted a CSP implementation workshop on October 19, 2017. Stakeholders and Staff agreed upon a series of implementation action items and priorities that could commence prior to selection of the PA.<sup>5</sup> This implementation plan focused on the formation of topical subgroups. These stakeholder-driven groups are responsible for identifying, prioritizing, and evaluating CSP implementation issues in preparation for the PA.<sup>6</sup>

On January 30, 2018, Staff presented an update on CSP implementation actions to the Commission. Staff reviewed subgroup activity and categorized subgroup issues as follows:

- Items of subgroup consensus to be memorialized for use in developing the PIM;
- Items of subgroup consensus to bring to the Commission for consideration under UM 1930; and
- Items that require further examination under UM 1930.<sup>7</sup>

The Commission adopted Staff's recommended categorization of items, and included amendments that accelerated consideration of an interim alternative bill credit rate for CSP participants.<sup>8,9</sup>

Staff held an informal stakeholder workshop on January 31, 2018 to review the outcome of Staff's January 30, 2018 report. Upon further review, stakeholders raised two issues concerning the categorization of consensus items:

1. **Consensus items to be memorialized for the PIM:** Stakeholders agreed that these items required additional refinement within the subgroups prior to memorialization.
2. **Consensus items to bring to the Commission:** Stakeholders agreed that these items required additional scoping and consideration. Stakeholders also expressed concern about the ability to refine these items to the point of Commission consideration absent the PA. Staff and stakeholders agreed that these items should be converted into items to be memorialized for use in developing the PIM.

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<sup>5</sup> See AR 603, Staff memo to Commissioners presented at the November 7, 2017 Public Meeting, subsequently approved as Order No. 17-458.

<sup>6</sup> For more details on the initial subgroups' scope, see Order No.18-042, Appendix A pp. 21-60.

<sup>7</sup> Order No.18-042, Appendix A, pp. 17 – 20.

<sup>8</sup> Order No.18-042.

<sup>9</sup> ORS 757.386(6)(a)-(b) direct utilities to credit CSP participants for their portion of the community solar project's generation. The bill credit rate must reflect the Resource Value of Solar (RVOS), unless the Commission determines there is good cause to establish an alternative bill credit rate. See Order No. 18-177 for details on the alternative interim bill credit rate. See dockets UM 1716, UM 1910, UM 1911, and UM 1912 for more details on the RVOS.

Following the January 31, 2018 workshop, subgroup efforts paused so that members could focus on pressing matters associated with the consideration of an interim alternative bill credit rate. On May 23, 2018, the Commission issued order 18-177, which established an interim alternative bill credit rate for the CSP. While additional implementation issues remain, the Commission order provided critical guidance for project and program development. Following the establishment of an interim alternative bill credit rate, the subgroups resumed focus on additional key implementation topics.

Efforts to resume focus on additional implementation issues began with an informal workshop on June 13, 2018. The workshop covered two topics:

1. Re-scoping subgroup efforts in preparation for PA onboarding.
2. Initial discussion of administrative cost recovery processes.

The remainder of this memo will review key CSP implementation efforts following the June 13, 2018 workshop, as well as, provide an update on the status of the RFP for PA services.

#### *RFP Update*

Staff continues to progress toward PA selection and anticipates issuing the Notice of Intent to Award before the end of this quarter. Key RFP milestones and next steps are summarized below.

Acting on behalf of the Commission, the Department of Administrative Services (DAS) released the RFP for PA services on April 16, 2018. A bidders conference was held on April 25, 2018 with approximately fifteen in person and phone attendees. The RFP closed on May 31, 2018.

DAS remains the single point of contact for the RFP during evaluation and selection. Staff is coordinating with DAS to ensure a robust evaluation and selection process. While Staff is taking steps to ensure an expedient process, it continues to focus its efforts on selecting the right vendor to provide these critical and complex services.

Staff intends to notify the Commission at a public meeting when the Notice of Intent to Award is issued.

#### *Update from the Subgroups*

Throughout June and July 2018, Staff and stakeholders worked collaboratively to continue moving implementation forward in preparation for the PA. At the June 13, 2018 subgroup re-scoping workshop, stakeholders agreed to the following subgroup actions:

- Focus on identifying issues and outlining major considerations to help expedite PA onboarding and the development of the PIM;

- If consensus on an issue is achieved, memorialize the recommendation to support development of the PIM;
- If consensus is not achieved, document major considerations raised during subgroup discussion as a resource for the PA;
- Continue to discuss issues under three existing subgroups:
  - Funding, Data and Financial Exchange, Billing Tariffs Subgroup (hereinafter referred to as “Utility Data Exchange”)
  - Project Details Subgroup
  - Low Income Subgroup;
- Hold further discussion of RVOS/Bill Credit Rate Subgroup issues until PIM development commences; and
- Form a new subgroup focused on consumer protection issues (Consumer Protection Subgroup).

Following the workshop, each subgroup convened an initial meeting. Each subgroup’s status is summarized in the table below. A full update from each subgroup is provided in Attachments A – D of this report.

At present, the subgroups are scheduling the next meeting and assembling information to support discussion of identified issues. For example, the Low Income Subgroup formed a subcommittee to gather background research that will inform subgroup consideration of low-income incentives. In another example, the Project Details Subgroup identified issues related to the utility treatment of community solar projects from an interconnection standpoint e.g., will utilities be required to provide Network Resource status to CSP projects, similar to a Qualifying Facility? A subset of members agreed to develop a series of interconnection scenarios to help inform forthcoming decisions.

Subgroup	Key Developments Since January Status Update	Current Status
Utility Data Exchange <sup>10</sup>	<ul style="list-style-type: none"> <li>• Updated the recommended tariff filing schedule (e.g., PPA between the utility and Project Manager, start-up cost recovery, participant tariffs, utility project tariffs.)</li> <li>• Determined that customer data privacy should be moved to the scope of the Consumer Protection Subgroup.</li> <li>• Identified new questions about:               <ul style="list-style-type: none"> <li>○ Collection of administrative costs from participants across multiple on-bill payment models, and for projects that utilize an alternative to on-bill collection.</li> <li>○ The treatment of banked kWh and differential credits when customers terminate participation.<sup>11</sup></li> <li>○ The potential for rate schedules with low volumetric charges to accrue large differential credit banks.<sup>12</sup></li> <li>○ The ability of utilities to recover ongoing administrative costs.<sup>13</sup></li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Met July 9, 2018.</li> <li>• Scheduling next meeting in mid-August.</li> <li>• The Subgroup agreed to continue to investigate scenarios related to the banking of kWh and monetary credits.</li> <li>• Staff requested feedback from subgroup members regarding the types of alternative subscription models being contemplated and why they could be preferable to the on-bill collection model.</li> </ul>
Project Details <sup>14</sup>	<ul style="list-style-type: none"> <li>• Confirmed consensus around the minimum requirements for interconnection status to receive pre-certification.</li> <li>• Identified new questions related to utility obligations and the classification of CSP projects during interconnection, including:               <ul style="list-style-type: none"> <li>○ Whether projects receive network resource status?</li> <li>○ Which entity is responsible for system upgrade costs?</li> <li>○ Which interconnection application is most appropriate for this project type?</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Met July 9, 2018.</li> <li>• Meeting July 26, 2018.</li> <li>• Staff requested that subgroup members develop a catalogue of potential project interconnection scenarios to support evaluation of utility obligations and the classification of CSP projects during interconnection.</li> </ul>

<sup>10</sup> This group focuses on requirements for utilities in facilitating participation in the program and the exchange of data between the utilities, PA, project managers, and participants. See Attachment A for additional details.

<sup>11</sup> OAR 860-088-0170 allows participants to carry over excess kWh and dollar values if their monthly credit exceeds what is allowed under the rules.

<sup>12</sup> Differential credit means the difference between the retail rate multiplied by the participant's eligible generation, and the bill credit rate multiplied by the payable generation (See OAR 860-0170(1)(c).) If the participant's rate schedule provides a lower per kWh charge than the bill credit rate, the participant may accrue a deferential credit. The rules do not provide a mechanism to donate or otherwise monetize the differential credit.

<sup>13</sup> The rules do not directly address ongoing administrative costs borne by the utilities in facilitating on-bill crediting and other CSP requirements.

<sup>14</sup> This group focuses on CSP project requirements and certification processes. See Attachment B for additional details.

<p>Low Income<sup>15</sup></p>	<ul style="list-style-type: none"> <li>• Continued discussion of the threshold to define low-income eligibility.</li> <li>• Identified new questions surrounding the ability of housing providers to hold CSP subscriptions on behalf of low-income customers.</li> <li>• Identified the need to resolve questions related to the role of housing providers before landing on recommendations for portability, transferability, and early termination of low-income subscriptions.</li> <li>• Identified questions related to the need for and use of financial incentives for low-income participation.<sup>16</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Met July 16, 2018.</li> <li>• Scheduling a meeting in mid-August.</li> <li>• Scheduling subcommittee meetings/work plans to address the following:             <ul style="list-style-type: none"> <li>○ Developing Low Income Principles and Equity Metrics for key elements of program implementation.</li> <li>○ Outlining potential scenarios under which housing providers could hold subscriptions on behalf of low-income customers.</li> <li>○ Identifying potential low-income incentive structures, including a review of other states' models.</li> </ul> </li> </ul>
<p>Consumer Protection<sup>17</sup></p>	<ul style="list-style-type: none"> <li>• Discussed the scope and priorities of the newly formed subgroup.</li> <li>• Identified new questions related to:             <ul style="list-style-type: none"> <li>○ Participation terms e.g., transferability and portability of subscriptions.</li> <li>○ Required consumer resources e.g., web portal, checklists, fact sheets.</li> <li>○ Contract and disclosure language.</li> <li>○ Protections unique to owners versus subscribers.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Met July 18, 2018.</li> <li>• Scheduling a meeting in August.</li> <li>• Subcommittee researching other states' CSP consumer protection practices.</li> <li>• Subcommittee outlining consumer protection considerations unique to ownership models.</li> </ul>

Staff greatly appreciates the continued efforts of the subgroup leaders and members. The subgroups continue to produce thoughtful discussion and raise important implementation issues. This work will accelerate PA onboarding and materially benefit the PIM development process.

*Cost Recovery Issues*

Certain cost recovery issues directly impact the Commission's ability to bring the PA on board. For example, the PA cannot begin executing the contract without a system in

<sup>15</sup> This groups focuses on issues unique to supporting low-income participation and meeting low-income requirements. See Attachment C for additional details.

<sup>16</sup> OAR 860-088-0080(4) allows the Commission to establish a funding mechanism to facilitate participation of low-income residential customers.

<sup>17</sup> This is a newly formed group that focuses on consumer protection requirements and best practices. See Attachment D for additional details.

place to remit payment for services. Consequently, Staff is leading this discussion on a separate track from the subgroups.

Utilities, stakeholders, and Staff began outlining the process to recover CSP administrative costs at the June 13, 2018 workshop. The initial discussion focused on the process to recover start-up administrative costs, which was identified as the most pressing issue.<sup>18</sup>

At the workshop, the utilities committed to developing brief proposals for start-up administrative cost recovery within approximately 60 days. The utilities will propose the following:

- The allocation of start-up administrative costs across utilities;
- The mechanism by which each utility will recover start-up costs associated with the PA and the Low Income Facilitator (LIF); and
- The mechanism by which each utility will recover its prudently-incurred start-up costs.

Once proposals are submitted, Staff will schedule a follow-up workshop where stakeholders and Staff will ask clarifying questions and provide feedback to the utilities. Following the workshop, Staff will bring a recommendation for next steps to the Commission at a public meeting. Upon approval, the utilities will file tariffs consistent with Commission direction.

Concurrently, utilities, stakeholders, and Staff will continue to scope and address additional recovery issues. For example, stakeholders have raised questions about each utilities' ability to recover its prudently-incurred ongoing administrative costs, such as the costs to facilitate monthly bill credits and exchange of data with the PA.

Staff will keep the Commission informed as to the status of administrative cost recovery issues. Staff plans to provide an update at a Public Meeting no later than August 31, 2018.

#### *Preparation for the Transition to Full Implementation*

Staff recognizes that efforts under UM 1930 are approaching a transition point. When the PA contract is executed, implementation efforts must accelerate from the preliminary actions taken to date, to an extensive catalogue of implementation activities that will begin as soon as the PA is on board.

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<sup>18</sup> ORS 757.386(7) and 860-088-0160 allow CSP start-up costs to be recovered in utility rates, and require ongoing costs to be borne by CSP participants.



At this stage of the RFP process, Staff has visibility into the timeframe to execute a contract with the PA. In addition, the subgroups continue to flesh out the major themes and issues surrounding CSP implementation. With support from these insights, Staff is shoring up its strategy and resources for the full implementation phase. Staff's efforts are described below.

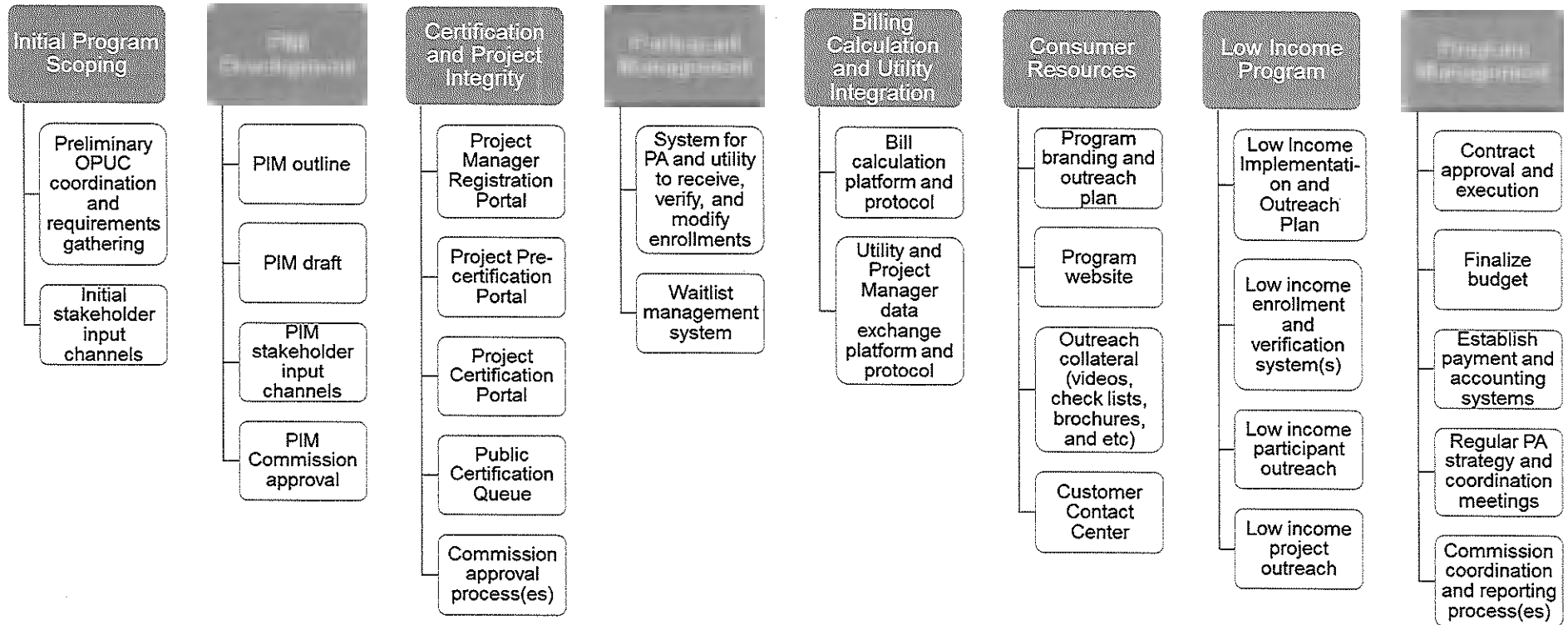
Currently, Staff is focused on the following:

- Finalizing its internal project plan,
- Allocating necessary resources,
- Developing channels to bring issues and recommendations to the Commission,
- Placing more precise timeframes on important program milestones, and
- Tackling major design questions such as project diversity and additionality.

Staff's plan relies on close collaboration with the Commission and stakeholders to navigate implementation milestones, and work through the breadth of implementation issues.

The diagram below demonstrates some of the major implementation work streams required for program launch. Staff assumes this plan will be executed within approximately 6 months. Staff's planning efforts are non-exhaustive at this stage, and will be heavily informed by the PA, stakeholders, and direction from the Commission in the very near future.

## Preliminary CSP Launch Work Streams, Anticipated Subtasks, and Deliverables



## Conclusion

The CSP is quickly approaching an important transition to full program implementation activities. Staff, in collaboration with DAS, continues to make progress toward selection of the Program Administrator, which may be completed as soon as this quarter. Stakeholders have been very helpful to Staff and have made significant headway toward identifying and evaluating issues in the interim. As the transition to full implementation approaches, Staff will continue its efforts to refine its internal project plan, allocate necessary resources, develop formal channels to bring issues and recommendations to the Commission, place more precise timeframes on important program milestones, and tackle key design questions.

## **PROPOSED COMMISSION MOTION:**

Informational filing - no recommendation.

UM 1930

## Oregon Community Solar – Utility Data Exchange Subgroup

Summary - July 9, 2018 Meeting

**Attendees:** Erik Anderson (PacifiCorp), Nate Larsen (PacifiCorp), Natasha Siores (PacifiCorp), Kevin Vielbaum (NRG), Todd McConachie (PGE), Kelly Noe (Idaho Power), Charlie Coggeshall, Lucas Kappel (BEF), Caroline Moore (OPUC), Ken Nichols (EQL Energy), Dave McClelland (ETO), plus others.

**Objective:** The Utility Data Exchange Subgroup, which last met in December 2017, was reconvened to inform the eventual Community Solar Program Administrator on topics relevant to the development of the Program Implementation Manual.

This meeting was organized around the topics provided by Commission Staff in its UM 1930 Community Solar Implementation Workshop on June 13, 2018:

Subgroup	Memorialize for PA (Priority items that can reach consensus recommendation prior to PA)	Continue discussion (Priority Items that do not require PA to initiate)	Hold for PA (Non-consensus, non-priority, or items that require PA)
Utility Data Exchange	<ul style="list-style-type: none"> <li>Updated tariff filing schedule</li> <li>Customer data privacy agreement</li> <li>On-bill collection models</li> <li>On bill display recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Administrative cost recovery</li> </ul>	<ul style="list-style-type: none"> <li>On-bill alternatives process and guidelines</li> <li>Customer data privacy agreement</li> <li>PA – Utility interface</li> </ul>

### Areas of Discussion

#### 1. Updated tariff filing schedule

The subgroup previously identified several tariffs and regulatory filings necessary to implement the Community Solar Program; in this meeting, the subgroup discussed revisions to the originally identified tariffs and filings. The revisions considered are described below:

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Issue	Who	Initiated?	Other considerations
Standardized QF/PPA Agreement between the utility and Project Managers for unsubscribed energy	Each utility	Q4 2018/ Q1 2019	The Project Details Subgroup is currently considering the issue of whether community solar projects are QFs. The development of a standard agreement requires resolution of this issue.
Utility administrative cost recovery methodology discussions/filing	Each utility	Start-up costs Q3 2018  Ongoing costs Q4 2018/Q1 2019	Start-up costs: utilities will set up balancing accounts and file a deferral for cost recovery.  Ongoing costs: unresolved whether the language in Order 17-232 permits utility recovery of ongoing administrative costs. Utilities would file tariffs identifying ongoing

			administrative costs to be recovered from community solar participants. PacifiCorp proposed recovery of bill credit costs and PPA (unsubscribed energy) costs as net power costs through its transition adjustment mechanism (TAM).
Community Solar Program tariff for customers	Each utility	Q4 2018/ Q1 2019	Subscription fees will be project specific, and the bill credit rate may change over time. There was general consensus among the subgroup that a community solar tariff for customers could include a hyperlink to a table of project specific subscription fees and bill credit rates.
Utility-managed project tariff	Each utility	Upon decision to initiate project	Utility-managed projects included in the table of project specific subscription fees and bill credit rates.
Data privacy docket	PA		Topic reserved for Consumer Protection Subgroup discussion.

## 2. Customer data privacy agreement

The Subgroup concluded that this was an issue better addressed by the Consumer Protection Subgroup.

## 3. On bill collection models

Several issues arose regarding on-bill collection models:

Topic	Issue	Subgroup Guidance
<p>The Subgroup identified several possible subscription models:</p> <ul style="list-style-type: none"> <li>• Per kWh (variable)</li> <li>• Per kW (fixed)</li> <li>• Alternative structures (including upfront payment of subscription fees, off-bill fee collection, &amp;c.)</li> </ul>	<p>Three questions arose in this context:</p> <ul style="list-style-type: none"> <li>• How should administrative costs be recovered in these models?</li> </ul>	<ul style="list-style-type: none"> <li>• A potential approach to recovering administrative costs would be to charge a participant based on the capacity of the project to which they subscribe, divided by the participant's share of that project (i.e. their individual capacity).</li> <li>• The Subgroup consensus was that it would be inequitable to permit Project Managers and participants who employ alternative subscription models to avoid paying the appropriate share of administrative costs.</li> </ul>
	<ul style="list-style-type: none"> <li>• Are administrative costs recoverable from participants who subscribe to projects that employ alternative subscription models?</li> </ul>	

	<ul style="list-style-type: none"> <li>• When can project managers use alternative subscription models?</li> </ul>	<ul style="list-style-type: none"> <li>• Commission Staff requested feedback from likely Project Managers regarding the types of alternative subscription models being contemplated and the reasons why they are preferable to the on-bill collection model.</li> </ul>
<p>Banked credits, two types:</p> <ul style="list-style-type: none"> <li>• Banked kWh (“carry-over generation”)</li> <li>• Banked monetary credits (“differential credit”)</li> </ul>	<p>Several questions:</p> <ul style="list-style-type: none"> <li>• What happens to a participant’s banked credits if they move out of the utility’s service territory?</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• At the current bill credit rate, are there circumstances that would create a monetary credit for participants?</li> </ul>	<ul style="list-style-type: none"> <li>• The Subgroup’s initial instinct was that kWh credits for participants who leave the service territory should roll into low income programs, as they do in the case of excess generation. Monetary credits, to the extent a customer receives any, should be paid out. <i>However, the Subgroup ultimately concluded that this question better suited for the Consumer Protection Subgroup.</i></li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Participants may accrue monetary credits to the extent that their bill credit rate minus any subscription fees exceeds the retail rate that they pay for electricity. This issue appears to be limited to the context of commercial and industrial customers whose retail rates are lower than the bill credit rate.</li> </ul> <p>The Subgroup agreed to continue to investigate scenarios related to the banking of kWh and monetary credits. Charlie Coggeshall offered to circulate a bill credit calculator that he developed that might assist the Subgroup in exploring the issue.</p>

#### 4. On bill display recommendations

Utilities have different billing systems and will have different abilities to display information on customers’ bills. There was general consensus among the Subgroup that its previous work in identifying types of information that the utilities should include on customers’ bills is appropriate:

Characteristic	Included? Where?	Discussion
Facility Name	Yes, description somewhere	Probably needs to be something descriptive rather than too short
Admin Costs	Yes, separate line	There seemed to be consensus that this should be displayed separately. May be some concern that this adds an extra line. Fixed fee, or a kWh rate x eligible generation
kWh Produced	Yes, credit line/per kWh subscription fee line	Included in credit line with credit rate to show total credit. Also shown in per kWh model for computation of subscription fee
RVOS/Credit Rate	Yes, credit line	Included in credit line to show total credit the differential credit (\$) + (eligible generation (kWh) x bill credit rate (\$))
Per kWh rate	For per kWh customers, subscription fee line	Included in subscription fee line to explain amount.
Lease rate and shares purchased	No	Not important to include breakdown of how subscription fee is calculated if it does not vary throughout the year, and conforms with contracts provided to customers.
Banked kWh	Yes, somewhere	Group thought this value is important to include on bills
Differential Credit Bank	Yes, somewhere	Group thought this value is important to include on bills

## 5. Next Steps

Members of the Subgroup committed to following up on the following action items:

- Scope of possible alternative subscription models
  - Charlie Coggeshall will discuss alternative subscription models with potential Project Managers and present proposed models and reasons for deviation from the on-bill credit model to the Subgroup and Commission Staff.
- Utility administrative cost recovery (action item from June 13 OPUC workgroup)
  - Utility representatives will develop and present proposed approaches to recover the following administrative costs:
    - Start-up costs
    - Ongoing administrative costs
    - Power (bill credit/PPA) costs
- Program Administrator policy considerations
  - Tee up any policy questions that might arise for Program Administrator
- On-bill credit models
  - Look at utility data exchange flow chart and clean up as necessary

## UM-1930 Project Detail Subgroup Meeting Minutes

July 9, 2018

**Members Present:** Jon Miller, Kelley Noe (+ 3 others from Idaho Power), Ken Nichols, Rikki Seguin, Lizzie Rubado, Daniel Hale, Caroline Moore, Michael Chestone, Charlie Coggeshall, Michael Cathcart, Lucas Kappel, Erik Anderson, Nate Larsen, Natasha Siores, Clair Carlson, Ryan Sheehy, Sean Micken, Justin Wilson.

**Next meeting:** TBD, tentatively targeting a day during the last week in July (23<sup>rd</sup>-27<sup>th</sup>)

Our discussion started with an intro to the project details group items as proposed in the matrix sent out by PUC staff. Staff made it clear the matrix was a proposal only and the groups should endeavor to identify important issues that should be discussed. At the end of the meeting a request was made for members to submit issues in writing for the group to consider. Several examples are included below.

The primary issue discussed by the group was interconnection issues related to project classification (QF or not a QF, Network Resource vs Energy Resource), interconnection applications and agreements. Members were asked to submit example projects to illustrate issues that could arise. See below for details.

A question was brought up about the work that the Project Details (PD) group is providing. It was reiterated that the PD Group's main purpose is to provide input and clarifications to the Commission and the Commission would make any final formal decisions on rule interpretations. The PD Group is not empowered beyond providing input to the eventual Program Administrator and the Commission.

### 1. Project pre-certification interconnection requirement discussion

**Consensus Item:** The group re-confirmed that either a completed system impact study or a completed interconnection agreement would suffice to meet the pre-certification interconnection requirement in the rules (July 29<sup>th</sup> 2017, order #17 232).

Note the pre-certification section 860-088-00402(d) states "All documentation relevant to the interconnection process as provided in OAR chapter 860, division 82", inferring that additional documentation may be required to fully comply with pre-certification interconnection requirements. However, the consensus that projects with completed system impact studies would be sufficient (with accompanying relevant interconnection documentation) as opposed to only allowing systems with executed interconnection agreements is an important distinction.

### 2. Project Interconnection classification

The group had a lot of discussion around the appropriate classification of projects and whether they were QF projects, not QF projects, or something in between. This issue will need to be resolved prior to the community solar program moving forward.

#### Issues discussed included:

- The general classification of the projects as QF or not QF was discussed and no general agreement was reached. It became obvious that this issue is very important to resolve, but also that it may not be easily resolved without Commission involvement.



Even though we may not reach consensus, the group decided to continue the discussion to provide feedback to the Commission to clarify how community solar projects should be classified as this could have major ramifications on interconnection process, cost recovery, project energy re-imbursement values, and it's the long lead development task that could stall the program if not defined early.

- Whether projects were Network Resource or Energy Resource was also discussed and no general agreement was reached. This issue is connected to the general classification of the projects and further discussion is required.

**Action Item:** Create several project scenarios (4-6?) that illustrate distinct and likely project scenarios that capture the most relevant situations and then analyze these scenarios to determine how different classifications might be affected. The goal is to use the scenarios to assist with determining how projects should be classified.

**Action Item:** Define Network Resource and Energy Resource and their possible application to community solar projects.

**Project Scenario Examples (input needed):**

A spreadsheet matrix could be developed to compare these scenarios. All systems assumed to be installed on distribution networks. Example below is illustrative only, please provide alternative matrix structure and questions.

	Size	Network	Local Network Capacity?	Transmission required to reach subscribers?	How does QF vs non-QF impact this project?	How does NR vs ER impact this project?	Why is QF or not QF appropriate for this project?	Why is NR or ER appropriate for this project?
Project One	< 360kw	Distribution	> than project	no				
Project Two	< 360kw	Distribution	< than project	yes				
Project Three	> 360kw, <or= 3MW	Distribution	> than project	no				
Project Four	> 360kw, <or= 3MW	Distribution	< than project	yes				
Project Five	> 3MW (wants to transition part to CS program)	Distribution	< than project	yes				

**3. Interconnection process, application, and agreement**

There appeared to be a general agreement that new applications and agreements may have to be created to capture the community solar program projects. We did not discuss this issue in detail as the previous issue (project classification and ER/NR issues) will likely need to be resolved first.

**Action Item:** Verify whether there's agreement that new applications and agreements are needed and explore how long this will take and what they will look like (IE are they very similar to the other applications and agreements?). Can this be done prior to defining the project classification?

**Action Item:** Define the interconnection process / rules for community solar projects. Should we assume only the use of OAR Chapter 860 Division 82 rules? Division 29 rules were brought up in the meeting, however, the July 29<sup>th</sup> 2017 rules only reference Division 82 rules.

**4. Additional items for potential group discussion**

Near the end of the meeting several potential additional items to consider were briefly mentioned. The group briefly discussed whether low hanging fruit items that would be easier to reach consensus on

should be brought up first. The group was asked to come up with those items by submitting them to Jon Miller to be added to a list for consideration.

A question about the future of the PD group was brought up. It seems highly likely that when a PA is on board the PD group will handover all material and future meetings will be run by the PA.

Example potential issues/questions provided so far include:

- Section 860-088-0040. Section (4) states the Project Manager may execute contracts with participants for ownership or subscription interests after pre-certification is granted. The assumption is that Project Managers can engage with potential subscribers prior to pre-certification and the only prohibition is executing an ownership or subscription agreement?
- Section 860-088-0070. Co-location requirements need further definition. They reference a 5-mile radius and a 3MW limit or installed in a single municipality or defined urban area. Is there a size limit? What can be co-located?
- Section 860-088-0040. Section (6) states the Project Manager must seek Commission approval of any modification to a pre-certified project. What happens if some event prohibits a project manager that has achieved precertification and enrolled subscribers cannot receive energy from the pre-certified project? For example, a project manager has a PPA with a developer, achieves precertification and begins to enroll subscribers, and an intervening event occurs that prevents the project from coming online (environmental sensitivity, land use issue, bankruptcy, etc). Does the PM keep the pre-certification and find another project or does the pre-certification belong to the project (which would imply that if the project fails, the pre-certification is rescinded)?

**Action Item:** Group members to submit additional questions or issues that the PD group can consider for future discussions.

## MOORE Caroline

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**From:** Jaimes Valdez <jaimes@sparknorthwest.org>  
**Sent:** Monday, July 23, 2018 7:53 AM  
**To:** MOORE Caroline; Oriana Magnera; Jon Miller  
**Cc:** Anderson, Erik  
**Subject:** RE: UM 1930 Subgroup - Commission status reports  
**Attachments:** Community Solar Low-Income Workgroup Notes\_ 7\_17.docx; Low Income Community Solar Implementation - Topic Worksheet July 23.xlsx

Hi Caroline,

Thanks Caroline, and apologies for delay.

Here (below) is the update from the Low Income Subgroup, and notes from the meeting and the table are attached:

- The group met once on July 16, 2018 to scope out the topics that the commission tasked us with, as well as a few that were added by group members.
- The attached table reflects the topics and the decision points that the group agreed to.
- We reviewed the previous group report from Dec 2016, and revisited some of the recommendations. While we had intended to affirm the past groups' conclusions, there was a need for greater discussion before formalizing recommendations.
- Generally, there is a desire from the group to know more about who is selected in the low-income facilitator role before committing to an approach on the income threshold. The reason is this may impact the income verification process and opportunities to partner with existing pathways to deliver services. There is also an active discussion about whether it is better to make the low-income threshold applicable to more people, or to target it more specifically to those who need it most.
- The group identified a need to resolve the outstanding decisions around the potential role of housing providers in the program before landing on recommendations around portability, transferability, and early termination of subscriptions. Also, there is a need to track some of the discussion of the consumer protection subgroup first, to understand whether there are general contract terms for all customers, or whether low income customers have some exceptions to certain of these provisions.
- Members of the group agreed to do work in the following weeks on three topic areas, and teams were created to further develop material on:
  - \* Low Income Principles and Equity Metrics for key elements of the program implementation. (Led by Jaimes)
  - \* Housing Providers, and their potential role in the program. This team will provide some models of how housing providers could play a role in managing subscriptions, to help inform DOJ and Commission staff in making a legal determination. (Led by Jaimes)
  - \* Incentive structures to support low income customers. This team will provide some models of possible incentive structures, to help inform DOJ and Commission staff in making a legal determination on this topic. (Led by Oriana)
  - \* These team meetings are being scheduled.
- The Low Income Subgroup intends to meet again in mid August, with reports back from the topic teams and additional discussion.

I hope this is an adequate amount of detail, and let me know if you have any questions.

Thanks!

-Jaimes



## Oregon Community Solar – Utility Data Exchange Subgroup

### Summary - July 9, 2018 Meeting

**Attendees:** Erik Anderson (PacifiCorp), Nate Larsen (PacifiCorp), Natasha Siores (PacifiCorp), Kevin Vielbaum (NRG), Todd McConachie (PGE), Kelly Noe (Idaho Power), Charlie Coggeshall, Lucas Kappel (BEF), Caroline Moore (OPUC), Ken Nichols (EQL Energy), Dave McClelland (ETO), plus others.

**Objective:** The Utility Data Exchange Subgroup, which last met in December 2017, was reconvened to inform the eventual Community Solar Program Administrator on topics relevant to the development of the Program Implementation Manual.

This meeting was organized around the topics provided by Commission Staff in its UM 1930 Community Solar Implementation Workshop on June 13, 2018:

Subgroup	Memorialize for PA (Priority items that can reach consensus recommendation prior to PA)	Continue discussion (Priority items that do not require PA to initiate)	Hold for PA (Non-consensus, non-priority, or items that require PA)
Utility Data Exchange	<ul style="list-style-type: none"> <li>Updated tariff filing schedule</li> <li>Customer data privacy agreement</li> <li>On-bill collection models</li> <li>On bill display recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Administrative cost recovery</li> </ul>	<ul style="list-style-type: none"> <li>On-bill alternatives process and guidelines</li> <li>Customer data privacy agreement</li> <li>PA – Utility interface</li> </ul>

### Areas of Discussion

#### 1. Updated tariff filing schedule

The subgroup previously identified several tariffs and regulatory filings necessary to implement the Community Solar Program; in this meeting, the subgroup discussed revisions to the originally identified tariffs and filings. The revisions considered are described below:

- 

Issue	Who	Initiated?	Other considerations
Standardized QF/PPA Agreement between the utility and Project Managers for unsubscribed energy	Each utility	Q4 2018/ Q1 2019	The Project Details Subgroup is currently considering the issue of whether community solar projects are QFs. The development of a standard agreement requires resolution of this issue.
Utility administrative cost recovery methodology discussions/filing	Each utility	Start-up costs Q3 2018  ----- Ongoing costs Q4 2018/Q1 2019	Start-up costs: utilities will set up balancing accounts and file a deferral for cost recovery.  ----- Ongoing costs: unresolved whether the language in Order 17-232 permits utility recovery of ongoing administrative costs. Utilities would file tariffs identifying ongoing

			administrative costs to be recovered from community solar participants. PacifiCorp proposed recovery of bill credit costs and PPA (unsubscribed energy) costs as net power costs through its transition adjustment mechanism (TAM).
Community Solar Program tariff for customers	Each utility	Q4 2018/ Q1 2019	Subscription fees will be project specific, and the bill credit rate may change over time. There was general consensus among the subgroup that a community solar tariff for customers could include a hyperlink to a table of project specific subscription fees and bill credit rates.
Utility-managed project tariff	Each utility	Upon decision to initiate project	Utility-managed projects included in the table of project specific subscription fees and bill credit rates.
Data privacy docket	PA		Topic reserved for Consumer Protection Subgroup discussion.

**2. Customer data privacy agreement**

The Subgroup concluded that this was an issue better addressed by the Consumer Protection Subgroup.

**3. On bill collection models**

Several issues arose regarding on-bill collection models:

Topic	Issue	Subgroup Guidance
<p>The Subgroup identified several possible subscription models:</p> <ul style="list-style-type: none"> <li>• Per kWh (variable)</li> <li>• Per kW (fixed)</li> <li>• Alternative structures (including upfront payment of subscription fees, off-bill fee collection, &amp;c.)</li> </ul>	<p>Three questions arose in this context:</p> <ul style="list-style-type: none"> <li>• How should administrative costs be recovered in these models?</li> </ul>	<ul style="list-style-type: none"> <li>• A potential approach to recovering administrative costs would be to charge a participant based on the capacity of the project to which they subscribe, divided by the participant’s share of that project (i.e. their individual capacity).</li> <li>• The Subgroup consensus was that it would be inequitable to permit Project Managers and participants who employ alternative subscription models to avoid paying the appropriate share of administrative costs.</li> </ul>
	<ul style="list-style-type: none"> <li>• Are administrative costs recoverable from participants who subscribe to projects that employ alternative subscription models?</li> </ul>	

	<ul style="list-style-type: none"> <li>When can project managers use alternative subscription models?</li> </ul>	<ul style="list-style-type: none"> <li>Commission Staff requested feedback from likely Project Managers regarding the types of alternative subscription models being contemplated and the reasons why they are preferable to the on-bill collection model.</li> </ul>
<p>Banked credits, two types:</p> <ul style="list-style-type: none"> <li>Banked kWh (“carry-over generation”)</li> <li>Banked monetary credits (“differential credit”)</li> </ul>	<p>Several questions:</p> <ul style="list-style-type: none"> <li>What happens to a participant’s banked credits if they move out of the utility’s service territory?</li> </ul> <hr/> <ul style="list-style-type: none"> <li>At the current bill credit rate, are there circumstances that would create a monetary credit for participants?</li> </ul>	<ul style="list-style-type: none"> <li>The Subgroup’s initial instinct was that kWh credits for participants who leave the service territory should roll into low income programs, as they do in the case of excess generation. Monetary credits, to the extent a customer receives any, should be paid out. <i>However, the Subgroup ultimately concluded that this question better suited for the Consumer Protection Subgroup.</i></li> </ul> <hr/> <ul style="list-style-type: none"> <li>Participants may accrue monetary credits to the extent that their bill credit rate minus any subscription fees exceeds the retail rate that they pay for electricity. This issue appears to be limited to the context of commercial and industrial customers whose retail rates are lower than the bill credit rate.</li> </ul> <p>The Subgroup agreed to continue to investigate scenarios related to the banking of kWh and monetary credits. Charlie Coggeshall offered to circulate a bill credit calculator that he developed that might assist the Subgroup in exploring the issue.</p>

#### 4. On bill display recommendations

Utilities have different billing systems and will have different abilities to display information on customers’ bills. There was general consensus among the Subgroup that its previous work in identifying types of information that the utilities should include on customers’ bills is appropriate:

Characteristic	Included? Where?	Discussion
Facility Name	Yes, description somewhere	Probably needs to be something descriptive rather than too short
Admin Costs	Yes, separate line	There seemed to be consensus that this should be displayed separately. May be some concern that this adds an extra line. Fixed fee, or a kWh rate x eligible generation
kWh Produced	Yes, credit line/per kWh subscription fee line	Included in credit line with credit rate to show total credit. Also shown in per kWh model for computation of subscription fee
RVOS/Credit Rate	Yes, credit line	Included in credit line to show total credit the differential credit (\$) + (eligible generation (kWh) x bill credit rate (\$))
Per kWh rate	For per kWh customers, subscription fee line	Included in subscription fee line to explain amount.
Lease rate and shares purchased	No	Not important to include breakdown of how subscription fee is calculated if it does not vary throughout the year, and conforms with contracts provided to customers.
Banked kWh	Yes, somewhere	Group thought this value is important to include on bills
Differential Credit Bank	Yes, somewhere	Group thought this value is important to include on bills

## 5. Next Steps

Members of the Subgroup committed to following up on the following action items:

- Scope of possible alternative subscription models
  - Charlie Coggeshall will discuss alternative subscription models with potential Project Managers and present proposed models and reasons for deviation from the on-bill credit model to the Subgroup and Commission Staff.
- Utility administrative cost recovery (action item from June 13 OPUC workgroup)
  - Utility representatives will develop and present proposed approaches to recover the following administrative costs:
    - Start-up costs
    - Ongoing administrative costs
    - Power (bill credit/PPA) costs
- Program Administrator policy considerations
  - Tee up any policy questions that might arise for Program Administrator
- On-bill credit models
  - Look at utility data exchange flow chart and clean up as necessary



## MOORE Caroline

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**From:** Oriana Magnera <oriana@nwenergy.org>  
**Sent:** Monday, July 23, 2018 9:21 AM  
**To:** MOORE Caroline; Jon Miller  
**Cc:** Anderson, Erik; Jaimes Valdez  
**Subject:** Re: UM 1930 Subgroup - Commission status reports  
**Attachments:** Community Solar Consumer Protections Notes.pdf; OPUC Community Solar Consumer Protection Workgroup Topics 7.23.pdf

Attached are the notes from the consumer protections workgroup and a spreadsheet that highlights topics for discussion and how stakeholders are aligning in terms of prioritizing those issues. Below is a summary of our work today.

The consumer protections work group **met one time in July** and in attendance were representatives from **Idaho Power, Pacific Power, Coalition for Community Solar Access (CCSA)/Oregon Solar Energy Industry Association (OSEIA), NW Energy Coalition (NVEC), Spark NW, and NRG Energy**. Additionally, members from the Citizen's Utility Board (CUB), Community Action Partnership of Oregon (CAPO), and Portland General Electric (PGE) have been recruited.

The Commission and CCSA/OSEIA developed lists of **topics for discussion** which were supplemented by group discussion and input from the low-income workgroup: **code of conduct for developers and marketers, standard contract/disclosure language, complaint and dispute resolution procedures, portability** (contract movement with in a service territory), **transferability** (shifting a subscription from one site address and customer account to another), **contract provisions and consumer protections specific to subscribers with lower incomes, consumer resources, marketing practices, project manager data** (which may intersect with the project details group), where **consumer protections requirements affect pre-certification** (which may intersect with the project details group), **data privacy** (which may intersect with the utility data exchange group), bill crediting limits and **further understanding of bill credits/excess credits** through a consumer protections lens (which may intersect with the utility data exchange group), specific **protections related to ownership** and ownership/subscription models, and **bill issues** like how on-bill display of information will work (which may intersect with the utility data exchange group).

The workgroup discussed priorities based on importance and timeliness for initial focus. **Industry representatives felt that portability and transferability and the intersection between consumer protections and pre-certification requirements were the issues that might most affect early project development** and require some more immediate clarity. They also noted that there exists **contract and disclosure language in other markets** that we could draw from from an expediency perspective. The **Commission** felt that defining **consumer resources, marketing practices, and data privacy would be most important from a greater program oversight perspective**. Respectively, **utility members and consumer advocates** hope to prioritize **transferability** (and how it would affect building out a billing system), **data privacy and marketing practices**, and **contract and disclosure language** (including the languages in which it is available and how complexly disclosures are written), **marketing practices** (the venues through which potential subscribers receive information), **unique protections for subscribers who are also owners**, and **specific protections for subscribers with lower incomes**.

In addition to contract and disclosure language, the workgroup, through the Commission and NWEC will **look at how programs in other states address these issues and will focus the next, August, meeting** on review of other markets as a baseline for determining what may resonate in Oregon and what may require some creative, and context-specific thinking.

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Community Solar Consumer Protections Issues for Exploration				
Topic	Additional/Sub-Topics	Actions/Next Steps	Available Resources	Other Workgroup Intersections
Code of Conduct				
Standard Contract/Disclosure Language	Contract languages (and use of plain language)	Charlie share standard contract language.	CCSA/Existing market language (look to MD and NY)	
Complaint and Dispute Resolution Guidelines and Procedures				
Portability (contract movement within a service territory)	What happens to a participant's banked (monetary or kWh) credits if they move out of the utility's service territory/terminate subscription?			Low-Income
Transferability (shifting subscription from one site address and customer account to another)				Low-Income
Specific Low-Income Protections/Contract Provisions				Low-Income
Consumer Resources	Clearing house for projects?			
Marketing Practices	How does Commission/PA oversight work? How will people receive information (door to door, tabling, mailers...)? Marketing languages			
Project Manager Data				Project Details
Intersection Between Consumer Protections and Pre-Certification Requirements				Project Details
Data Privacy		Kevin share Excel form	Excel subscriber agency form	Utility Data Exchange
Bill Crediting Limits/Further Understanding of Bill Credits				Utility Data Exchange
Ownership models/protections		Jaimes will look into	On-bill financing models for weatherization	
Bills	How on-bill display of information will work?	On-bill display of information		
<b>Color Code: Issues of Importance/Timeliness</b>				
PUC				
Industry				
Consumer Advocates				
Utilities				

## MOORE Caroline

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**From:** Jon Miller <jon@oseia.org>  
**Sent:** Friday, July 20, 2018 4:33 PM  
**To:** MOORE Caroline  
**Cc:** Anderson, Erik; Oriana Magnera; Jaimes Valdez  
**Subject:** Re: UM 1930 Subgroup - Commission status reports  
**Attachments:** AR 603 Project Details subgroup - 2017 meetings summary.eml; Project Details Subgroup July10-2018 Minutes DRAFT.docx; Jun 13\_UM 1930 Implementation Reset-Subgroup topics.pdf

Caroline, here's my summary from the PD group:

I have a few possible things to consider with this progress update, outlined below.

1. First, while we met once this year, we also made significant progress last year and it should be included as we move forward and given to the eventual PA. I've attached my final email update on this from last year and I think all the other subgroups delivered a similar update. I'm not sure the commissioners need this now as perhaps they were already briefed on these last December when they were delivered, just want to make sure the information is brought forward.
  1. In addition to the project details sub-group discussions from last year, the PD group held one more meeting on July 9th and has one more scheduled for July 26th.
2. One question was asked at the July 9th PD group meeting about what is the future of these groups? It's a good question and I believe the answer is the PA will take this effort over once they are established. Still including the broader constituency but the PA running the meetings rather than us.
3. I think the PUC's initial subgroup spreadsheet was a good idea. To note things to work on and pass on to the PA, to note discussions to continue, and have things to hold for the PA to work on once they are ready. We talked about potential low hanging fruit items along with thornier issues like interconnection. Both are examples of things we wanted to discuss to prepare the PA and provide them with a running start.
4. With respect to the PD groups progress, our first meeting was interesting. We reconfirmed one important item from last year, that a system impact study or a fully executed interconnection agreement would suffice to meet the interconnection requirement in the rules. However, we ran into a significant conversation around interconnection applications and this brought out a significant conversation on the classification of community solar projects in Oregon. Specifically, are these QF's or not QF's or something in between. There are parties on both sides of the fence - this is a critical issue to clarify as we go forward. In general, here is a synopsis of our first meeting:
  1. The interconnection issues came up because developers were actually going through a process rather than just a thought exercise. This is important and underscores that somethings may not be found out until developers actually go through the process of qualifying systems for the program. The PA should be prepared to deal with these as they come up.
  2. The classifications of these systems is very important and will have specific ramifications. Due to the fact that interconnection is a long lead issue and takes time, this issue should be resolved as soon as possible. Are these projects something other than QF? Or are they QF's? There will be a lively discussion about this in our upcoming meeting on July 26th. See the July 9th meeting notes for more information.

3. Should these systems be Network Resources or should they be Energy Resources? Or should we allow developers to individually choose? Again, this is important and will define the interconnection process they go through.
4. Do we need to develop a new interconnection application and a new interconnection agreement for these systems? We may have to. We will discuss whether we have interconnection processes that will work for community solar (division 82 rules), but I suspect the answer is yes, we have a process, but we until we classify what these systems are (QF or something else, ER or NR), we will not likely be able to finalize an application or agreement.
  1. This also affects systems that want to move from a development asset currently in an interconnection queue over to the community solar program.
5. The PD group agreed to identify around five different project scenarios to try and characterize the issues that could come up and make sure our community solar process is robust. These project scenarios will be discussed at the next meeting on July 26th.
6. The PD group also discussed listing out issues that may be low hanging fruit that we may be able to come to general consensus on.

Attachments:

- final email summary from last year
- PUC spreadsheet on subgroup topics
- draft notes from PD groups July 9th meeting

**\*\*\*Please use caution when opening links, attachments or responding to this email as it originated outside of PUC.\*\*\***

Best,  
Jon Miller  
Executive Director  
Oregon Solar Energy Industries Association - OSEIA  
503-701-0792  
[jon@oseia.org](mailto:jon@oseia.org)  
[www.oseia.org](http://www.oseia.org)

On Jul 16, 2018, at 9:13 AM, MOORE Caroline <[caroline.f.moore@state.or.us](mailto:caroline.f.moore@state.or.us)> wrote:

Hi Subgroup leads,



## UM-1930 Project Detail Subgroup Meeting Minutes

July 9, 2018

**Members Present:** Jon Miller, Kelley Noe (+ 3 others from Idaho Power), Ken Nichols, Rikki Seguin, Lizzie Rubado, Daniel Hale, Caroline Moore, Michael Chestone, Charlie Coggeshall, Michael Cathcart, Lucas Kappel, Erik Anderson, Nate Larsen, Natasha Siores, Clair Carlson, Ryan Sheehy, Sean Micken, Justin Wilson.

**Next meeting:** TBD, tentatively targeting a day during the last week in July (23<sup>rd</sup>-27<sup>th</sup>)

Our discussion started with an intro to the project details group items as proposed in the matrix sent out by PUC staff. Staff made it clear the matrix was a proposal only and the groups should endeavor to identify important issues that should be discussed. At the end of the meeting a request was made for members to submit issues in writing for the group to consider. Several examples are included below.

The primary issue discussed by the group was interconnection issues related to project classification (QF or not a QF, Network Resource vs Energy Resource), interconnection applications and agreements. Members were asked to submit example projects to illustrate issues that could arise. See below for details.

A question was brought up about the work that the Project Details (PD) group is providing. It was reiterated that the PD Group's main purpose is to provide input and clarifications to the Commission and the Commission would make any final formal decisions on rule interpretations. The PD Group is not empowered beyond providing input to the eventual Program Administrator and the Commission.

### 1. Project pre-certification interconnection requirement discussion

**Consensus Item:** The group re-confirmed that either a completed system impact study or a completed interconnection agreement would suffice to meet the pre-certification interconnection requirement in the rules (July 29<sup>th</sup> 2017, order #17 232).

Note the pre-certification section 860-088-00402(d) states "All documentation relevant to the interconnection process as provided in OAR chapter 860, division 82", inferring that additional documentation may be required to fully comply with pre-certification interconnection requirements. However, the consensus that projects with completed system impact studies would be sufficient (with accompanying relevant interconnection documentation) as opposed to only allowing systems with executed interconnection agreements is an important distinction.

### 2. Project Interconnection classification

The group had a lot of discussion around the appropriate classification of projects and whether they were QF projects, not QF projects, or something in between. This issue will need to be resolved prior to the community solar program moving forward.

#### Issues discussed included:

- The general classification of the projects as QF or not QF was discussed and no general agreement was reached. It became obvious that this issue is very important to resolve, but also that it may not be easily resolved without Commission involvement.

Even though we may not reach consensus, the group decided to continue the discussion to provide feedback to the Commission to clarify how community solar projects should be classified as this could have major ramifications on interconnection process, cost recovery, project energy re-imbursement values, and it's the long lead development task that could stall the program if not defined early.

- Whether projects were Network Resource or Energy Resource was also discussed and no general agreement was reached. This issue is connected to the general classification of the projects and further discussion is required.

**Action Item:** Create several project scenarios (4-6?) that illustrate distinct and likely project scenarios that capture the most relevant situations and then analyze these scenarios to determine how different classifications might be affected. The goal is to use the scenarios to assist with determining how projects should be classified.

**Action Item:** Define Network Resource and Energy Resource and their possible application to community solar projects.

**Project Scenario Examples (input needed):**

A spreadsheet matrix could be developed to compare these scenarios. All systems assumed to be installed on distribution networks. Example below is illustrative only, please provide alternative matrix structure and questions.

	Size	Network	Local Network Capacity?	Transmission required to reach subscribers?	How does QF vs non-QF impact this project?	How does NR vs ER impact this project?	Why is QF or not QF appropriate for this project?	Why is NR or ER appropriate for this project?
Project One	< 360kw	Distribution	> than project	no				
Project Two	< 360kw	Distribution	< than project	yes				
Project Three	> 360kw, <or= 3MW	Distribution	> than project	no				
Project Four	> 360kw, <or= 3MW	Distribution	< than project	yes				
Project Five	> 3MW (wants to transition part to CS program)	Distribution	< than project	yes				

**3. Interconnection process, application, and agreement**

There appeared to be a general agreement that new applications and agreements may have to be created to capture the community solar program projects. We did not discuss this issue in detail as the previous issue (project classification and ER/NR issues) will likely need to be resolved first.

**Action Item:** Verify whether there's agreement that new applications and agreements are needed and explore how long this will take and what they will look like (IE are they very similar to the other applications and agreements?). Can this be done prior to defining the project classification?

**Action Item:** Define the interconnection process / rules for community solar projects. Should we assume only the use of OAR Chapter 860 Division 82 rules? Division 29 rules were brought up in the meeting, however, the July 29<sup>th</sup> 2017 rules only reference Division 82 rules.

**4. Additional items for potential group discussion**

Near the end of the meeting several potential additional items to consider were briefly mentioned. The group briefly discussed whether low hanging fruit items that would be easier to reach consensus on

should be brought up first. The group was asked to come up with those items by submitting them to Jon Miller to be added to a list for consideration.

A question about the future of the PD group was brought up. It seems highly likely that when a PA is on board the PD group will handover all material and future meetings will be run by the PA.

Example potential issues/questions provided so far include:

- Section 860-088-0040. Section (4) states the Project Manager may execute contracts with participants for ownership or subscription interests after pre-certification is granted. The assumption is that Project Managers can engage with potential subscribers prior to pre-certification and the only prohibition is executing an ownership or subscription agreement?
- Section 860-088-0070. Co-location requirements need further definition. They reference a 5-mile radius and a 3MW limit or installed in a single municipality or defined urban area. Is there a size limit? What can be co-located?
- Section 860-088-0040. Section (6) states the Project Manager must seek Commission approval of any modification to a pre-certified project. What happens if some event prohibits a project manager that has achieved precertification and enrolled subscribers cannot receive energy from the pre-certified project? For example, a project manager has a PPA with a developer, achieves precertification and begins to enroll subscribers, and an intervening event occurs that prevents the project from coming online (environmental sensitivity, land use issue, bankruptcy, etc). Does the PM keep the pre-certification and find another project or does the pre-certification belong to the project (which would imply that if the project fails, the pre-certification is rescinded)?

**Action Item:** Group members to submit additional questions or issues that the PD group can consider for future discussions.