Oregon Public Utility Commission
201 High Street SE, Suite 100
Salem, OR 97301-3398

November 20, 2023

Re: UM 2032 Initial Comments to Utility Filings

Commissioners Decker and Tawney,

OSSIA has several concerns with the Joint Utilities initial filings for UM 2032.

Inability to select ERIS solely

At the interconnection request stage, each of the utilities appear to implement the ability to request to be studied for either Energy Resource Interconnection Service (ERIS) or Network Resource Interconnection Service (NRIS) service slightly differently.

Idaho Power and PGE - rather than allowing an Interconnection Customer (IC) to elect ERIS, NRIS or both (as provided in FERC's pro forma Large Generator Interconnection Procedures (LGIP)), it only allows NRIS or both (but not solely ERIS). (See Article 3.2, p. 24 of filing). While this is consistent with the Commission's order in UM 2032, the revised interconnection request forms do not clearly state that the Qualifying Facility (QF) can select ERIS, rather than simply being studied for it, after the IC has elected to study both ERIS and NRIS and has reviewed both completed studies.

Interconnection rules unnecessarily overlap with Power Purchase Agreement (PPA) rules

At the facilities study agreement stage (section 8.1 of LGIP), the Joint Utilities ask for a signed attestation for any IC electing ERIS, that the IC "intends to enter into a non-standard QF contract for the sale of electric energy or capacity." OSSIA believes the better way to implement this requirement is with a provision in each of the utilities' schedules stating either that an IC needs NRIS for a standard contract and/or that the IC needs to negotiate a contract if electing ERIS or something less than NRIS. Keeping interconnection rules and PPA rules separate reduces risks by eliminating overlapping burdens and potential inconsistencies.

Attestation and PPA execution create new, discriminatory requirements without process

The Joint Utilities proposal includes inserting a requirement into the LGIP that would require execution of a QF non-standard PPA before the IC can execute its Large Generator Interconnection Agreement

PO Box 14927, Portland, OR 97293-0927
Email: angela@oseia.org
www.orssia.org

(LGIA). They require an "attestation" signed by both the QF and the purchasing utility that such a PPA has been executed, and they require this to be submitted within 60 days of when the LGIA is tendered.

This is beyond the scope of the Commission's order. It replaces other potential development milestones available under Article 11.3 with only this one option. The QF should be able to meet the development milestones using the options currently available. This is unduly burdensome on the QFs because it limits the development milestones the QF can use. Therefore, OSSIA recommends that the PUC direct the Joint Utilities remove the attestation and execution milestone as a prerequisite to execution of an ERIS LGIA and include all the development milestones otherwise available.

OSSIA is concerned that this is an attempt to insert new commercial readiness requirements into the state interconnection process without appropriate process. FERC just published its new pro forma LGIP with the goal of improving interconnection queue processing. Utilities will be making appropriate compliance filings to follow suit there and if Oregon thinks it is a process worth importing to the state interconnection process, then should do so in a different docket scoped for that purpose.

In addition to being beyond the scope of this compliance filing, it is unreasonable that the Joint Utilities seek to constrain the signing of an ERIS LGIA to those who have already signed a PPA with the utility. In order for a business to agree to a contract with the utilities, they must have a reasonable understanding of the costs they should expect to incur and the conditions they will be held to by a counterparty (in this case the interconnection agreement). From there they can determine what is an acceptable price and contract terms to compensate them for that cost and risk. Given the uncertainty in costs and conditions related to signing a LGIA, especially in the case of ERIS where curtailment expectations are crucial to understanding the potential revenues of a facility, it is unreasonable for the utilities to constrain a potential customer to signing a PPA before those risks and conditions are more well understood through the negotiation of an LGIA. While cost and contractual risk are a part of any business transaction, the current proposal from the Joint Utilities to force a customer to take on such risk to even be considered for interconnection is unreasonable and does not match the goals of the state of Oregon to encourage the development of Qualified Facilities.

<u>Utilities should describe in reasonable detail in the ERIS reports the frequency and extent of curtailment necessary to avoid network upgrades</u>

This issue of unknown risk also reveals that the Joint Utilities have failed to implement the Commission's order by not including language in the interconnection procedures that would have the utility provide information on the frequency and extent of curtailment expected to avoid network upgrades identified in an NRIS report. In order to negotiate a non-standard PPA using ERIS in the first place, an interconnecting customer needs some understanding of the potential curtailment of their facility and from there work on curtailment and cost provisions in the contract. Without such information being provided in an ERIS report, the Commission is allowing the utilities another avenue to thwart ERIS contracts from being negotiated in the first place. The Commission should remedy this

OREGON SOLAR + STORAGE INDUSTRIES ASSOCIATION

by mandating compliance with their order through the inclusion of language in the interconnection procedures on providing curtailment information in the ERIS report.

The argument from the Joint Utilities that such a constraint is needed to protect the interconnection queue is unfounded. While the current interconnection queue rules are not perfect, and organizations like OSSIA would like to see changes in those rules in the appropriate venue, the ERIS option does not present a different challenge for the queue than what we have today with NRIS interconnections. ERIS interconnections should have the same requirements when showing "readiness" at LGIA signing as NRIS interconnections. We can only see this constraint on Qualified Facilities receiving IAs as an attempt to limit the ERIS option and QFs generally. Given the Commission order did not allow for ERIS to be used with standard contracts, the utilities already have a great deal of power when negotiating these non-standard contracts to potentially thwart the signing of a PPA and discourage the development of QFs. OSSIA requests the Commission avoid furthering this dynamic by forcing customers to accept even greater unknown risks and discriminatory treatment when seeking to interconnect.

Thank you for considering these concerns as the UM 2032 docket proceeds.

Sincerely,

Angela Crowley-Koch
Executive Director

PO Box 14927, Portland, OR 97293-0927
Email: angela@oseia.org
www.orssia.org