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January 5, 2024

VIA ELECTRONIC FILING

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

**Re: Docket UM 2032 – In the Matter of Public Utility Commission of Oregon,
Investigation into the Treatment of Network Upgrade Costs for Qualifying
Facilities**

Attention Filing Center:

Attached for filing in the above-captioned docket please find the Joint Utilities' Reply Comments.

Please contact this office with any questions.

Sincerely,

A handwritten signature in blue ink that reads "Cole Albee".

Cole Albee
Paralegal
McDowell Rackner Gibson PC

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2032

In the Matter of
PUBLIC UTILITY COMMISSION OF
OREGON,
Staff Investigation into Treatment of Network
Upgrade Costs for QFs.

**JOINT UTILITIES' REPLY
COMMENTS**

I. INTRODUCTION

In accordance with Staff's October 30, 2023, schedule, PacifiCorp d/b/a Pacific Power (PacifiCorp), Portland General Electric Company (PGE), and Idaho Power Company (Idaho Power) (together, the Joint Utilities) submit these comments to the Public Utility Commission of Oregon (Commission) replying to the initial comments filed on November 22, 2023, by Staff, the Interconnection Customer Coalition (ICC),¹ NewSun Energy LLC (NewSun), and the Oregon Solar + Storage Industries Association (OSSIA).

II. DISCUSSION

A. Selecting the interconnection service type before the facilities study is reasonable.

Consistent with the process under the Joint Utilities' Open Access Transmission Tariffs (OATT), the compliance filing requires qualifying facilities (QFs) to choose network resource interconnection service (NRIS) or energy resource interconnection service (ERIS) before proceeding to the facilities study stage of the interconnection process. Staff "identified concerns with the requirement to elect either NRIS or ERIS prior to the [facilities study]" and requests "additional information on the importance of and need for requiring a QF to choose, prior to the

¹ The Interconnection Customer Coalition consists of the Community Renewable Energy Association (CREA), Northwest & Intermountain Power Producers Coalition (NIPPC), and the Renewable Energy Coalition (REC).

[facilities study], whether it will proceed with a [power purchase agreement (PPA)] and interconnection that allows curtailment or whether it will proceed with a standard PPA and interconnection with NRIS.”²

First, as Staff noted,³ requiring the QF to select NRIS or ERIS before performing the facilities study aligns the state interconnection process with the federal interconnection process. This alignment creates efficiencies for all interconnection customers through procedural uniformity across jurisdictions. This alignment is particularly critical for PacifiCorp’s cluster study process, which requires all interconnection customers to select ERIS or NRIS prior to the facilities study. The cluster study process is designed so all interconnection customers in the same cluster simultaneously receive the results of the cluster study, then select ERIS or NRIS, and then, based on the NRIS/ERIS selection, PacifiCorp prepares individual facilities studies for each customer. If QFs are allowed to defer selection of ERIS or NRIS until after receiving the individual facilities study report, that selection may impact the individual facilities studies provided to the other interconnection customers in the same cluster, thereby potentially triggering restudies and delay of other interconnection customers. The same potential for restudies and delay occurs under the serial queue process currently used by PGE and Idaho Power because selection of the interconnection service type will occur later in the process when more lower priority studies have been performed, which increases the odds that a restudy may be required by the QFs’ selection of ERIS.⁴ Allowing more time to select ERIS increases the likelihood of restudies and delay in the interconnection process.

² Staff’s Opening Comments at 2.

³ Staff’s Opening Comments at 2.

⁴ Idaho Power and PGE do not currently use cluster studies for state-jurisdictional interconnections. However, consistent with FERC’s recent Order No. 2023, Idaho Power and PGE are required to transition to a cluster study process for FERC-jurisdictional interconnections, which will likely lead to Idaho Power and PGE implementing cluster studies for state-jurisdictional interconnections as well.

In addition, allowing QFs additional time to select their service type provides an unfair advantage because the point when the interconnection customers must select their service type is also when developers must put more “skin in the game” to maintain their position in the cluster study. To ensure an even playing field, no developer has the benefit of knowing who else will or will not remain in the cluster when they make their decision on service type (or on whether to remain in the cluster at all). Therefore, allowing one group of state-jurisdictional QFs to have an advantage would be unfair. And although the inequity is more pronounced in PacifiCorp’s cluster study process, the same unfair advantage would accrue to QFs under the serial queue process because allowing a QF more time to select its service type would mean the QF would have an information advantage over non-QFs, who would be required to select their service type earlier in the serial study process.

Second, the facilities study will provide little additional information to inform the QF’s selection of ERIS or NRIS because the facilities study simply provides a more detailed cost and time estimate to implement the interconnection requirements set forth in the system impact/cluster study. As explained in the QF Large Generator Interconnection Procedures (QF-LGIP), the system impact study “evaluate[s] the impact of the proposed interconnection on the reliability of the Transmission System” based on “a short circuit analysis, a stability analysis, and a power flow analysis.”⁵ The system impact study report includes the results of these analyses and “provide[s]

⁵ QF-LGIP Article 7.3 (“The Interconnection System Impact Study shall evaluate the impact of the proposed interconnection on the reliability of the Transmission System. The Interconnection System Impact Study will consider the Base Case as well as all generating facilities (and with respect to (iii) below, any identified Network Upgrades associated with such higher queued interconnection) that, on the date the Interconnection System Impact Study is commenced: (i) are directly interconnected to the Transmission System; (ii) are interconnected to Affected Systems and may have an impact on the Interconnection Request; (iii) have a pending higher queued Interconnection Request to interconnect to the Transmission System; and (iv) have no Queue Position but have executed a QF-LGIA, or pursuant to the transmission provider’s OATT, have executed a LGIA or have requested that an unexecuted LGIA be filed with FERC. The Interconnection System Impact Study will consist of a short circuit analysis, a stability analysis, and a power flow analysis. The Interconnection System Impact Study will state the assumptions upon which it is

the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection.”⁶ The system impact study also “provide[s] a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.”⁷

The facilities study, in turn, “shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed *to implement the conclusions of the Interconnection System Impact Study* in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility to the Transmission System.”⁸ The facilities study does not recreate, modify, or expand the short-circuit, stability, and power flow analyses performed in the system impact study; rather, the facilities study provides a more detailed estimate of costs and timing to interconnect. Therefore, the technical and preliminary cost information needed by a QF to decide whether to pursue ERIS and negotiate a non-standard PPA will be largely known upon receipt of the system impact/cluster study.

based; state the results or the analyses; and provide the requirements or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. The Interconnection System Impact Study will provide a list of facilities that are required as a result of the Interconnection Request and a non-binding good faith estimate of cost responsibility and a non-binding good faith estimated time to construct.”

⁶ *Id.*

⁷ *Id.*

⁸ QF-LGIP Article 8.2 (“The Interconnection Facilities Study shall specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the Interconnection System Impact Study in accordance with Good Utility Practice to physically and electrically connect the Interconnection Facility to the Transmission System. The Interconnection Facilities Study shall also identify the electrical switching configuration of the connection equipment, including, without limitation: the transformer, switchgear, meters, and other station equipment; the nature and estimated cost of any Transmission Provider’s Interconnection Facilities, Network Upgrades, and Distribution Upgrades necessary to accomplish the interconnection; and an estimate of the time required to complete the construction and installation of such facilities.”).

Considering that there is little upside to allowing a QF to delay choosing ERIS given the limited additional information in the facilities study and potentially significant downside in the form of additional restudies, delays, and impacts on other interconnection customers, the Joint Utilities continue to recommend that the QF decide the interconnection service type before proceeding to the facilities study.

B. Requiring execution of a non-standard PPA before executing an ERIS interconnection agreement will prevent interconnection queue congestion.

The Joint Utilities recommend that the Commission require QFs seeking an ERIS interconnection to execute a non-standard PPA before executing the interconnection agreement. The rationale for this requirement is twofold.

First, requiring an executed PPA directly implements the Commission’s order. As Staff explained in its initial comments, the “requirement for an executed PPA prior to eligibility for an [interconnection agreement] for ERIS is . . . supported by the Commission’s order that a QF is eligible for ERIS as ‘long as the QF voluntarily commits to allow curtailment that obviates the need for the Network Upgrades otherwise identified in a NRIS report.’”⁹ The Commission made clear that selection of ERIS is contingent on the QF’s negotiation of a non-standard PPA, making the Joint Utilities’ proposal directly responsive to the Commission’s directive.

Second, requiring an executed PPA better ensures an efficient and functional interconnection study process by preventing the Joint Utilities from executing ERIS interconnection agreements for QFs that will never be developed because the QF is unable to execute a non-standard PPA. Once interconnection agreements are signed, the Joint Utilities cannot unilaterally terminate the agreement even if the QF never executes a PPA. Indeed, when PacifiCorp explored the possibility of abrogating its existing interconnection agreements as part

⁹ Staff’s Opening Comments at 2.

of its federal queue reform proposal, PacifiCorp received extensive push back from both the Federal Energy Regulatory Commission (FERC) and developers.¹⁰ Moreover, even if QF interconnection agreements included a termination right in favor of the interconnection provider if a QF PPA were not timely executed, once executed, an interconnection agreement acts as a fixed constraint that can limit subsequent interconnections and tie up interconnection capacity that could otherwise be made available to QFs or non-QFs that are commercially viable.¹¹ Indeed, interconnection customers can suspend their executed interconnection agreement for up to three years, meaning that executed ERIS interconnection agreements could tie up interconnection capacity for years before the agreement is eventually terminated for lack of development.

The Commission intended the non-standard PPA to mitigate customer risk associated with a QF selecting ERIS, i.e., to ensure that customers are no worse off because the QF selected ERIS as opposed to NRIS. If QFs are permitted to enter an ERIS interconnection agreement without having negotiated a PPA, then customers are likely to experience harm resulting from an increased number of executed, non-viable interconnection agreements, which will lead to more disputes and negatively impact the utilities' ability to timely bring needed new generation online, both QF and non-QF. Indeed, bogging down an already constrained interconnection process with non-viable QFs *discourages* development of viable QFs. Therefore, it is essential that the negotiation of the

¹⁰ For example, in a letter sent to Avangrid during PacifiCorp's 2020 All Source Request for Proposals process, the Company explained that renewable developers and interest groups, including NIPPC, Renewable Northwest, BayWa, Intermountain Wind, Enyo, Western Power Trading Forum, and BluEarth all opposed PacifiCorp's proposal to require interconnection customers with executed interconnection agreements to demonstrate commercial readiness or face termination of their interconnection agreement. *See* https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/suppliers/rfps/2020-all-source-request-for-proposals/documents/PacifiCorp_Response_to_Avangrid_Oct_9_2020_Regarding_LGIA_Impact_on_RFP.pdf

¹¹ *See, e.g., In the Matter of PacifiCorp, dba Pacific Power Application for Approval of 2022 All Source Request for Proposals*, Docket No. UM 2193, Order No. 22-130, App. A at 28-29 (Apr. 28, 2022) (noting that "projects with signed LGIAs can, in some instances, 'crowd out' more competitive projects.").

non-standard PPA conclude before the Joint Utilities execute an ERIS interconnection agreement, and parties' arguments to the contrary are unpersuasive.

1. Staff's proposal to waive PPA termination penalties is unnecessary.

Staff understands the rationale behind the requirement that a QF execute a non-standard PPA before signing an ERIS interconnection agreement.¹² However, Staff is concerned because “[g]enerally, a QF is not able to unilaterally terminate a PPA once it is executed” and therefore “to be eligible for an [interconnection agreement] for ERIS, the QF must commit itself to a 20-year PPA the QF cannot terminate” without incurring damages.¹³ The Joint Utilities appreciate Staff's concern but believe it is misplaced. Under the Joint Utilities' proposal, the QF can execute its non-standard PPA immediately before executing its interconnection agreement. This will ensure that before executing the PPA, the QF will know its expected interconnection costs and whether the project is commercially viable based on a wholistic assessment of the costs of an ERIS interconnection and the terms of its agreed-upon non-standard PPA. The underlying goal should be aligning execution of the interconnection agreement and PPA so that they both occur at essentially the same time (although the PPA execution must precede the interconnection agreement execution given the issues noted above).

As a potential solution, Staff proposes “to allow a QF an opportunity to voluntarily terminate the PPA within a specific amount of time after execution in the event the QF believes the costs of interconnection make the project uneconomic.”¹⁴ Provided this grace period is sufficiently short, for example 30 days, the Joint Utilities would not oppose Staff's proposal.¹⁵

¹² Staff's Opening Comments at 2.

¹³ Staff's Opening Comments at 2.

¹⁴ Staff's Opening Comments at 2.

¹⁵ In addition, the ERIS non-standard PPA must include a provision that if the PPA is terminated during the grace period and the QF later pursues a standard PPA (or a non-standard PPA) at any time during the term covered by the terminated PPA, then the terms and conditions and avoided cost prices in the terminated PPA, at the utility's election,

However, the Joint Utilities do not agree this grace period is necessary given that the QF can wait to sign the PPA until the QF has been tendered a final interconnection agreement for execution.

2. The PPA execution requirement is not an impermissible form of commercial readiness.

The ICC, NewSun, and OSSIA argue that the requirement to execute a non-standard PPA prior to executing an interconnection agreement is a “project readiness” and “queue reform” proposal that was not at issue in docket UM 2032 and not required by the Commission in Order No. 23-005.¹⁶ To the contrary, the Commission specifically required QFs to negotiate non-standard PPAs as a condition for receiving ERIS.¹⁷ Because the ERIS interconnection process and the PPA negotiation process are now inseparably intertwined, the processes must align, as discussed above.

Moreover, even if the PPA execution requirement were viewed as a form of commercial readiness, testing a QF’s commercial readiness is not unreasonable. Indeed, when approving PacifiCorp’s queue reform proposal, FERC specifically required QFs interconnecting under PacifiCorp’s OATT to meet the same commercial readiness requirements as all other FERC-jurisdictional interconnection customers.¹⁸ Because “commercial readiness criteria” are “just as

will apply for any period of overlap. This provision is consistent with the current standard PPA where a PPA is terminated as a result of QF default. This provision prevents a QF from leveraging PURPA to enter into a new contract with more favorable avoided cost pricing terms following a termination event (i.e., one that is not caused by utility).

¹⁶ Community Renewable Energy Association, the Northwest & Intermountain Power Producers Coalition, and the Renewable Energy Coalition’s Initial Comments on Joint Utilities’ Compliance Filing at 4; NewSun Energy LLC’s Initial Comments on Joint Utilities’ Application for Approval of Compliance Filing at 6; OSSIA Initial Comments to Utility Filings at 2.

¹⁷ *In the Matter of the Public Utility Commission of Oregon Staff Investigation into Treatment of Network Upgrade Costs*, Docket No. UM 2032, Order No. 23-005 at 34 (Jan. 20, 2023).

¹⁸ *PacifiCorp*, 171 FERC ¶ 61, 112 at P 170 (May 12, 2020) (“Regarding the Commission-jurisdictional interconnection of QFs, we disagree that PacifiCorp should be required to automatically assess Commission-jurisdictional QFs as commercially viable simply due to the statutory obligations associated with QFs. Although electric utilities’ PURPA obligation to purchase QF output at avoided cost rates may improve a QF’s viability compared to non-QFs that might otherwise be similarly situated, it does not necessarily guarantee viability. For example, avoided cost rates may still be lower than a particular QF’s costs. For the purposes of interconnection, the commercial readiness criteria discussed above appear just as relevant for QFs as for other generators.”).

relevant for QFs as other generators”¹⁹ and the Commission conditioned ERIS on execution of a non-standard PPA, requiring execution of that PPA before execution of the interconnection agreement is reasonable.

3. QFs selecting ERIS have a higher likelihood of clogging the interconnection queue if the interconnection agreement is executed before the QF understands the terms of its PPA.

The ICC further argues that the “perceived risk of the QF developer signing [an interconnection agreement] but not being commercially ready and thus clogging up the queue applies equally to NRIS interconnections[.]”²⁰ The Joint Utilities agree that any QF signing an interconnection agreement before signing a PPA creates the risk of clogging up the queue. However, the risk is amplified for a QF that selects ERIS and must negotiate an “experimental” non-standard PPA as compared with a QF that selects NRIS and is eligible for a standard PPA.²¹ An ERIS-based non-standard PPA will likely include “voluntary curtailment or other solutions,” modified avoided cost prices resulting from “any reduction in the QF’s capacity value” (among other factors resulting from ERIS), and assignment of additional costs and risks to the QF based on potential “litigation and any increased transmission service costs.”²² Because the ERIS selection creates more uncertainty around whether the QF will ultimately reach agreement and sign a non-standard PPA, there is greater risk that a QF signing an ERIS interconnection agreement will never execute a PPA.

¹⁹ *Id.*

²⁰ Community Renewable Energy Association, the Northwest & Intermountain Power Producers Coalition, and the Renewable Energy Coalition’s Initial Comments on Joint Utilities’ Compliance Filing at 5.

²¹ Order No. 23-005 at 34.

²² Order No. 23-005 at 34-35.

4. Requiring execution of a PPA is not discriminatory.

The ICC and NewSun argue it is discriminatory to require only QFs selecting ERIS to execute a non-standard PPA before signing an interconnection agreement.²³ However, QFs selecting ERIS are differently situated from QFs selecting NRIS, both in terms of the interconnection service and because QFs selecting ERIS must negotiate novel non-standard PPAs. Given the unique contracting requirements applicable to QFs selecting ERIS, it is not unreasonable to also impose unique interconnection procedures to ensure alignment of the intertwined PPA and interconnection processes. Moreover, the Joint Utilities' proposal is not discriminatory relative to non-QFs, who must demonstrate commercial readiness under PacifiCorp's existing interconnection process and the new cluster study process adopted by FERC.

5. Requiring an executed non-standard PPA does not alter the Commission's standard for establishing a legally enforceable obligation.

The ICC also argue that requiring an executed non-standard PPA "violates the QF's right to create a legally enforceable obligation ('LEO') without a fully executed PPA."²⁴ To the contrary, a QF can still establish a LEO in the same way as before; there is absolutely no change to the Commission's long-standing LEO requirements. To the extent QFs are concerned that the utilities will unreasonably delay the PPA negotiation process or refuse to sign a PPA, the Commission directed the Joint Utilities to work in good faith with QFs choosing ERIS and

²³ Community Renewable Energy Association, the Northwest & Intermountain Power Producers Coalition, and the Renewable Energy Coalition's Initial Comments on Joint Utilities' Compliance Filing at 6; NewSun Energy LLC's Initial Comments on Joint Utilities' Application for Approval of Compliance Filing at 6.

²⁴ Community Renewable Energy Association, the Northwest & Intermountain Power Producers Coalition, and the Renewable Energy Coalition's Initial Comments on Joint Utilities' Compliance Filing at 6; *see In the Matter of the Public Utility Commission of Oregon Investigation into Qualifying Facility Contracting and Pricing*, Docket No. UM 1129, Order No. 16-174 at 3 (May 13, 2016) ("A LEO will be considered established once a QF signs the final draft of an executable contract provided by a utility to commit itself to sell power to the utility. A LEO may be established earlier if a QF demonstrates delay or obstruction of progress towards a final draft of an executable contract, such as a failure by a utility to provide a QF with required information or documents on a timely basis. Through the complaint process, the Commission will resolve a dispute and determine the avoided cost price to apply on a case-by-case basis.").

negotiating a non-standard PPA, the Commission has been clear that it will resolve LEO disputes on a case-by-case basis through complaints, if necessary,²⁵ and when adopting the process for ERIS non-standard PPAs, the Commission acknowledged that its decision to allow ERIS could lead to disputes that will need to be resolved by the Commission.²⁶ Therefore, QFs have sufficient remedies under the existing framework to resolve LEO disputes.

6. The compliance filing provides sufficient time for a QF to execute a non-standard PPA.

The ICC argue that QFs will have insufficient time to negotiate and execute a non-standard PPA before the QF's interconnection request is deemed withdrawn.²⁷ To support this argument, the ICC presents an example where a QF chooses to begin negotiating a non-standard PPA only after receiving the facilities study because, according to the ICC, the facilities study “could be the first time that the utility provides the interconnection customer with sufficient information to know how frequently ERIS service would result in curtailment, and the first time that it could request the appropriate non-standard pricing and contract terms to seriously engage in contract negotiations[.]”²⁸ The ICC argue the QF would have only 90 days from receipt of the facilities study to execute an interconnection agreement.²⁹ The ICC is incorrect.

First, QFs will have sufficient information to select ERIS and begin PPA negotiations upon receipt of a system impact/cluster study, for the reasons discussed above. The facilities study provides little, if any, additional information that would aid a QF in determining potential

²⁵ Order No. 16-174 at 3.

²⁶ *In the Matter of the Public Utility Commission of Oregon Staff Investigation into Treatment of Network Upgrade Costs*, Docket No. UM 2032, Order No. 23-164 at 11 (May 9, 2023).

²⁷ Community Renewable Energy Association, the Northwest & Intermountain Power Producers Coalition, and the Renewable Energy Coalition's Initial Comments on Joint Utilities' Compliance Filing at 7.

²⁸ Community Renewable Energy Association, the Northwest & Intermountain Power Producers Coalition, and the Renewable Energy Coalition's Initial Comments on Joint Utilities' Compliance Filing at 7-8.

²⁹ Community Renewable Energy Association, the Northwest & Intermountain Power Producers Coalition, and the Renewable Energy Coalition's Initial Comments on Joint Utilities' Compliance Filing at 7.

curtailment scenarios. Under the existing timeline for large QF interconnections, even if the QF waits to begin the non-standard PPA process until signing the facilities study agreement, the QF will still have potentially up to a year to negotiate its PPA.³⁰

For small QFs, even though the Commission's small generator interconnection rules have fewer prescribed timelines, from execution of a small generator facilities study agreement to provision of a final small generator interconnection agreement is typically 120 days; with the additional 60 days to provide the attestation, a small QF would have roughly 180 days to negotiate its PPA.³¹

Second, the ICC's 90-day timeline for large QFs from receipt of a facilities study to execution of an interconnection agreement is off. Upon receipt of a draft facilities study, the interconnection customer has 30 days to provide written comments and the transmission provider must provide a draft interconnection agreement within 30 days of receiving the customer's written comments.³² So from receipt of the draft facilities study to receipt of a draft interconnection agreement can be 60 days. Then, the interconnection customer and the utility have another 60

³⁰ Under the existing QF-LGIPs applicable to all three Joint Utilities, a QF would have roughly 210 to 300 days (or seven to 10 months) from signing the Facilities Study agreement to the deadline to execute the QF-LGIA. To complete the Facilities Study, the Transmission Provider has 90 Calendar Days, with no more than a +/- 20 percent cost estimate contained in the report; or 180 Calendar Days, if Interconnection Customer requests a +/- 10 percent cost estimate. QF-LGIP, Article 8.3. Thereafter, the Interconnection Customer has thirty Calendar Days to submit comments once the draft Facilities Study report is issued. QF-LGIP, Article 8.3. Within 30 Calendar Days of the Interconnection Customer submitting comments, the Transmission Provider must provide a draft QF-LGIA. QF-LGIP, Article 11.1. Unless otherwise agreed to, the Interconnection Customer and Transmission Provider then have 60 Calendar Days to negotiate and execute a QF-LGIA. QF-LGIP, Article 11.2. Under the proposed revisions here, the QF would have an additional 60 days from tendering the final QF-LGIA to execution.

³¹ OAR 860-082-0060(8) governs small generator facilities studies. Subsection (8)(a) states: "the facilities study agreement must include a detailed scope for the facilities study, a reasonable schedule for completion of the study, and a good-faith, non-binding estimate of the costs to perform the study." Assuming the Transmission Provider can complete the facilities study in roughly 60 days, subsection (8)(h) requires approval of the interconnection application with 15 business days of the interconnection customer's agreement to pay for the interconnection facilities and system upgrades identified in the facilities study. With an additional 60 days provided here, the small QF would have roughly 140 days (60 + 21 + 60 = 141 days). PacifiCorp's small generator interconnection procedures approved in Order No. 20-268 include the same relevant language as the Division 82 rules.

³² QF-LGIP Articles 8.3 and 11.1.

days to execute the interconnection agreement under the existing QF-LGIP.³³ With the additional 60 days provided in the Joint Utilities' compliance filing, a QF would have a total of 180 days from receipt of a draft facilities study to execute a non-standard PPA.

C. The Joint Utilities do not object to clarifying that the interconnection request does not dictate selection of the interconnection service type.

NewSun and OSSIA are concerned that the compliance filing included language in the interconnection request form suggesting that the interconnection customer can request to be studied for NRIS and ERIS but must select NRIS.³⁴ As NewSun notes, the language added to the interconnection request form was taken directly from the OATT, where it is well understood that asking to be studied for both NRIS and ERIS in the interconnection request form does not obligate the interconnection customer to select either NRIS for ERIS at the end of the study process. However, if NewSun is confused by the OATT language, then the Joint Utilities do not object to NewSun's proposed clarification that the interconnection request form would state that a customer can select either "Network Resource Interconnection Service only" or "Applicant wishes to be studied for both Network Resource Interconnection Service and Energy Resource Interconnection Service and understands that it will need to select one service type prior to the Facilities Study."³⁵

D. The proposed QF attestation is necessary to ensure QFs understand the consequences of selecting ERIS and to avoid disputes.

NewSun argues that requiring an attestation from the QF confirming that by selecting ERIS the QF understands it is required to execute a non-standard PPA is "redundant and unnecessary" because the Commission's Order No. 23-005 is clear on this point.³⁶ NewSun instead recommends that the Joint Utilities' schedules include a statement that a QF needs to utilize NRIS in order to

³³ QF-LGIP Article 11.2

³⁴ NewSun Energy LLC's Initial Comments on Joint Utilities' Application for Approval of Compliance Filing at 3; OSSIA Initial Comments to Utility Filings at 1.

³⁵ NewSun Energy LLC's Initial Comments on Joint Utilities' Application for Approval of Compliance Filing at 3.

³⁶ NewSun Energy LLC's Initial Comments on Joint Utilities' Application for Approval of Compliance Filing at 4.

be eligible for a standard contract, and that a QF not selecting NRIS is not eligible for a standard contract. OSSIA supports NewSun’s recommendation.³⁷ As an initial matter, each Joint Utilities’ proposed schedules already include the language NewSun recommends.

Moreover, the purpose of the attestation is simply to ensure that the QF moving through the interconnection process understands the consequences of its decision to select ERIS. Once that decision is made, a later switch to NRIS would likely constitute a material modification that would require the QF to begin the interconnection process all over again. Given the consequences of the decision, the Joint Utilities continue to recommend that the QF provide an attestation to clearly document the ERIS election and to avoid future disputes if a QF later regrets or disputes its choice of ERIS.

E. The Commission did not order the Joint Utilities to provide guidance to QFs regarding curtailment.

The ICC argues the compliance filing “fails to properly implement Order No. 23-005 by failing to provide any guidance to QFs as to when the interconnecting utility will identify the level of curtailment that will be necessary to enable the use of ERIS instead of NRIS.”³⁸ The ICC therefore ask the Commission to requiring the Joint Utilities to “describe in reasonable detail in the ERIS reports the frequency and extent of curtailment necessary to avoid network upgrades in the NRIS report.”³⁹ OSSIA makes a similar request.⁴⁰ This request, however, goes far beyond what is required by the Commission order and, in fact, was specifically addressed by the Commission on reconsideration.

³⁷ OSSIA Initial Comments to Utility Filings at 1.

³⁸ Community Renewable Energy Association, the Northwest & Intermountain Power Producers Coalition, and the Renewable Energy Coalition’s Initial Comments on Joint Utilities’ Compliance Filing at 9.

³⁹ Community Renewable Energy Association, the Northwest & Intermountain Power Producers Coalition, and the Renewable Energy Coalition’s Initial Comments on Joint Utilities’ Compliance Filing at 9.

⁴⁰ OSSIA Initial Comments to Utility Filings at 2.

In response to Order No. 23-005, the Joint Utilities requested clarification and/or rehearing on certain implementation issues. In particular, the Joint Utilities pointed out that Order No. 23-005 “appears to contemplate that ERIS and/or NRIS studies contain information about the risk of curtailment under ERIS.”⁴¹ However, the Joint Utilities’ explained that curtailment necessarily means that the QF will be delivered on non-firm transmission and “ERIS and NRIS studies do not address how often non-firm transmission may be available on the transmission system.”⁴² In other words, the Joint Utilities explained that the precise information the ICC wants to include in ERIS studies is not, and cannot be, included in ERIS studies. Rather, “interconnection studies identify facilities that must be constructed for an interconnection request and cannot analyze how often non-firm transmission capacity will be available on a transmission system at any time.”⁴³ Accordingly, the Joint Utilities requested rehearing “if the Commission does intend to require utilities to offer assurances about availability of non-firm transmission in negotiating with QFs” because “non-firm transmission service is only available if there is excess capacity after all firm transmission customers have been served, and thus there is no way of knowing when such capacity will be available.”⁴⁴

In response to the Joint Utilities’ request, the Commission clarified that Order No. 23-005 “does not include any requirement for the utility to provide specific assurances beyond identifying what would be consistent with the transmission services available to deliver the QF power.”⁴⁵ Thus, the ICC and OSSIA request here seeks to require the Joint Utilities provide the assurances

⁴¹ Order No. 23-164 at 6.

⁴² Order No. 23-164 at 6; Joint Utilities’ Motion for Rehearing and/or Clarification at 5.

⁴³ Order No. 23-164 at 6.

⁴⁴ *Id.*

⁴⁵ *Id.* at 12.

of curtailment levels that the Joint Utilities explained cannot be provided and that the Commission specifically is not requiring.

III. CONCLUSION

For the foregoing reasons, the Joint Utilities recommend that the Commission approve the compliance filing.

Dated January 5, 2024.

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