BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

Docket No. UM 2032

In the Matter of PUBLIC UTILITY COMMISSION OF OREGON, Investigation into the Treatment of Network Upgrade Costs for Qualifying Facilities

THE COMMUNITY RENEWABLE ENERGY ASSOCIATION, THE NORTHWEST & INTERMOUNTAIN POWER PRODUCERS COALITION, AND THE RENEWABLE ENERGY COALITION POST HEARING RESPONSE BRIEF

September 2, 2022

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I. INTRODUCTION

The Community Renewable Energy Association ("CREA"), the Northwest & Intermountain Power Producers Coalition ("NIPPC"), and the Renewable Energy Coalition (the "Coalition") (collectively the "Interconnection Customer Coalition") respectfully submit this Post Hearing Response Brief for consideration in Phase I of this docket by the Oregon Public Utility Commission (the "Commission" or "OPUC"). This proceeding is important to resolve one of the major obstacles to the development of Oregon state jurisdictional non-utility owned renewable energy facilities.

As explained in prior testimony and briefing, the Commission should adopt a presumption that all system users benefit from Network Upgrades, and that all Network Upgrades should be paid by all users and beneficiaries of the system.[1] Further, the utilities should bear the burden to rebut that presumption by demonstrating that certain Network Upgrades associated with a specific qualifying facility ("QF") would provide no, or only limited, benefits to other users of the system.[2] Under the Interconnection Customer Coalition's proposal, there could be instances where the interconnection customer splits the costs with other users and beneficiaries, the users and beneficiaries pay for the costs, or the interconnection customer pays for the costs.[3] The Interconnection Customer Coalition does not assert that benefits provided by

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1 Interconnection Customer Coalition/100, Lowe/6-7, 21; Interconnection Customer Coalition/300, Lowe/5.

2 Interconnection Customer Coalition/100, Lowe/6-7, 21; Interconnection Customer Coalition/300, Lowe/5-6.

3 Interconnection Customer Coalition/100, Lowe/10-11; Interconnection Customer Coalition/300, Lowe/5.

a Network Upgrade will always equal the costs.[4] If the Commission does not adopt the Interconnection Customer Coalition's primary recommendation, then the Commission should adopt Staff's percentage cost allocation methodology with percentages of the transmission provider paying 75 percent and the QF paying 25 percent.[5]

Additionally, the Commission should reverse its unreasonable policy of confining on-system QFs, and QFs alone, to the use of Network Resource Interconnection Service ("NRIS") and order that all interconnection customers also have the option to be interconnected using Energy Resource Interconnection Service ("ERIS") or an interconnection service similar to ERIS.[6] Allowing interconnection customers to interconnect using ERIS or a similar alternative could lead to more innovative and cost-effective solutions to addressing high interconnection costs. There are various alternatives to NRIS that would still allow for firm deliverability. In addition, a QF has the right to sell whatever amount of net output can be delivered, even if it cannot arrange for firm deliverability.[7]

The remainder of this Post Hearing Response Brief will respond to various assertions in Idaho Power Company ("Idaho Power"), PacifiCorp dba Pacific Power ("PacifiCorp"), and Portland General Electric Company's ("PGE") (collectively the "Joint Utilities") Post Hearing Brief.

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4 Interconnection Customer Coalition/300, Lowe/5-6.

5 *See* Interconnection Customer Coalition/300, Lowe/8-9.

6 Interconnection Customer Coalition/100, Lowe/24-26; Interconnection Customer Coalition/300, Lowe/12-13.

7 18 CFR § 292.303(a) ("Each electric utility shall purchase… any energy and capacity which is made available from a [QF]"); *see also infra* Section III(B).

II. NETWORK UPGRADE COSTS

A. The Joint Utilities' Reliance on PURPA's Avoided Cost Cap for Rates Paid to QFs Is Misplaced Because Allocation of Network Upgrade Costs Is Controlled by the Federal Energy Regulatory Commission's Regulations Stating that QF Interconnection Costs Must be Nondiscriminatory and Reasonable

The Joint Utilities clarified their position regarding cost allocation and stated "any QF-driven costs allocated to retail customers must be just and reasonable and *must comport with 'the limitation of the avoided cost rate.'*"[8] Staff has argued that the avoided cost cap issue has no relevance to the question before the Commission regarding allocation of Network Upgrade costs.[9] The Interconnection Customer Coalition agrees with Staff.

The controlling regulations related to Network Upgrade cost allocation are the Federal Energy Regulatory Commission's ("FERC's") regulations governing state-jurisdictional interconnection costs for QFs in its Public Utility Regulatory Policies Act ("PURPA") regulations — specifically, Section 292.306 of FERC's regulations.[10] Those interconnection cost provisions contain no avoided cost cap and specifically require interconnection costs to be "nondiscriminatory"[11] and limit the "interconnection costs" to "reasonable costs . . . directly related to installation the installation and maintenance of physical facilities necessary to permit interconnected operations with a qualifying facility[.]"[12] In promulgating those interconnection regulations, FERC emphasized the reasonableness and nondiscrimination requirements of the interconnection rule as follows

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8 Joint Utilities' Posthearing Brief at 4 (Aug. 5, 2022) (emphasis added).
9 Staff Response Brief at 2-3 (Aug. 5, 2022).
10 18 CFR § 292.306; *see also* 18 CFR § 292.101(b)(7) (defining interconnection costs).
11 18 CFR § 292.306.
12 18 CFR § 292.101(b)(7).

> Certain interconnection costs may be incurred as a result of sales from a utility to a qualifying facility. The Commission notes that the Joint Explanatory Statement of the Committee of Conference (Conference Report) *prohibits the use of* "unreasonable rate structure impediments, such as *unreasonable hook up charges or other discriminatory practices*. . ." This prohibition is reflected in § 292.306(a) of these rules, which provides that interconnection costs must be assessed on a nondiscriminatory basis with respect to other customers with similar load characteristics.[13]

Nowhere does it mention an avoided cost rate cap.

The Montana Supreme Court recently held that under these PURPA provisions, "the costs for a QF to interconnect must nonetheless remain '*reasonable*' and '*directly related*' to the installation and maintenance of the physical facilities '*necessary*' to permit interconnected operations."[14] In *CED Wheatland Wind*, the court rejected the state commission's decision to assign to the QF the full $267-million cost of a brand new 230-kV transmission line where the utility determined the QF triggered the need for a new 230-kV circuit on an existing 230-kV line.[15] Such a one-sided allocation of costs solely to the QF did not "fairly balance the interests of . . . ratepayers with that of the QF such that it complies with PURPA and encourages QF development[,]" and was "entirely disproportionate to its added capacity to NorthWestern's system."[16] Notably, numerous interconnection studies by PacifiCorp have assigned similar costs of new 230-kV lines to small Oregon QFs under PacifiCorp's application of this Commission's current policy, which further demonstrates the need for reform. In sum, Staff is correct that the

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13 *Order No. 69*, 45 Fed. Reg. at 12,217 (emphasis added) (footnote omitted).

14 *CED Wheatland Wind, LLC v. Mont. Dep't of Pub. Serv. Regul*., 408 Mont 268, 282, 509 P3d 19, 27 (2022) (quoting 18 CFR § 292.101(b)(7)) (emphasis in *CED Wheatland Wind*).

15 *CED Wheatland Wind*, 509 P3d at 29.

16 *CED Wheatland Wind*, 509 P3d at 27-29.

Joint Utilities' arguments regarding the avoided cost cap for rates paid to QFs is misplaced, and instead the question is whether allocation of network upgrade costs is nondiscriminatory and reasonable under the controlling regulations.

B. The Interconnection Customer Coalition and NewSun Have Provided a Factual Basis to Determine that Network Upgrades Not Already Required by Other Service Requests or a Utility's Long-Term Transmission Plan Can Provide System-Wide Benefits

The Joint Utilities claim that no party has provided any support that Network Upgrades can provide system-wide benefits. Specifically, the Joint Utilities state "[n]o party has provided any factual or state-law basis on which to presume or determine that specific QF driven Network Upgrades that are not already required by other service requests or a utility's long-term transmission plan benefit retail customers in any amount."[17] This is incorrect. The Interconnection Customer Coalition submitted evidence of regular upgrades the utilities make that are not included in their major transmission plans or other interconnection requests, but still provide system-wide benefits.[18] Further, NewSun has submitted evidence of the general system-wide benefits that can be associated with Network Upgrades.[19] Finally, FERC has found that Network Upgrades provide system-wide benefits.[20] Specifically, FERC has stated that because

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17 Joint Utilities' Posthearing Brief at 5.

18 *See* Interconnection Customer Coalition's Post Hearing Brief at 26-28 (Aug. 5, 2022); Interconnection Customer Coalition/300, Lowe/9-12.

19 *See, e.g.*, NewSun's Prehearing Brief at 5-6.

20 *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 104 FERC ¶ 61,103 at PP 21-22 (2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220 (2004), *order on reh'g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh'g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd sub nom. Nat'l Ass'n of Regulatory Util. Comm'rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert. denied*, 552 US 1230 (2008).

"***Network Upgrades provide a system-wide benefit***, expenses associated with owning, maintaining, repairing, and replacing them shall be recovered from all Transmission Customers rather than being directly assigned to the Interconnection Customer."[21] There is therefore ample support for a presumption that Network Upgrades generally provide system-wide benefits, and the Joint Utilities' assertions to the contrary are wrong.

C. The Joint Utilities' Claim that FERC Recently Refused to Entertain Arguments from QF Regarding FERC Cost Allocation Policies for QFs Is Misleading

The Joint Utilities cite *Beaver Creek Wind I, LLC*, 176 FERC ¶ 61,116 (Aug. 23, 2021), and claim that in that case "FERC refused to entertain arguments from QFs arguing that FERC cost-allocation policies should apply to QFs."[22] This characterization of *Beaver Creek Wind* is incomplete and thus misleading. The referenced order in *Beaver Creek Wind* was merely a "Notice of Intent Not to Act" issued by FERC in response to several wind QFs' petition requesting that FERC initiate a federal lawsuit to enforce its PURPA regulations against the Montana Public Service Commission.[23] The QFs were required to petition FERC to give FERC the opportunity to bring an enforcement action against a state commission in federal district court prior to the QF bringing such an enforcement action in court.[24] As it frequently does, FERC declined to bring an enforcement action on behalf of the Beaver Creek Wind QFs. In substance, FERC's one-page order stated as follows: "Notice is hereby given that the Commission declines

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21 Order No. 2003-A, 106 FERC ¶ 61,220 at P 424 (emphasis added).

22 Joint Utilities' Posthearing Brief at 15 (citing *In re Beaver Creek Wind, et al.*, Petition for Enforcement and Declaratory Ruling, Dkts. EL21-86-000, QF20-1303- 000, QF20-1304-000 (June 24, 2021)).

23 *Beaver Creek Wind I, LLC*, 176 FERC ¶ 61,116 (Aug. 23, 2021).

24 16 USC § 824a-3(h)(2)(A)-(B).

to initiate an enforcement action pursuant to section 210(h)(2)(A) of PURPA. Our decision not to initiate an enforcement action means that Petitioners may themselves bring an enforcement action against the Montana Commission in the appropriate court."[25] FERC's *Beaver Creek Wind* order did not address the merits of Montana's network upgrade cost allocation policy.

FERC has also explained at length, in a case regarding the New Mexico Commission's implementation of PURPA, that when FERC issues such a Notice of Intent Not to Act, it should not be interpreted as a decision on the merits in favor of any party:

> Notices of Intent Not to Act in the absence of an associated declaratory order cannot be read to mean that the Commission has accepted or agreed with (or alternatively, rejected or disagreed with) any argument made by any party, or with any substantive determination by a state regulatory authority or unregulated electric utility described in the petition for enforcement. The Commission's silence is not evidence of a Commission determination on the merits of the parties' arguments. That is, the Commission has not ruled on the issues, and such issues may not be considered as having been so decided as to constitute precedents. In sum, a Notice of Intent Not to Act, without an associated declaratory order, does not mean anything other than what it says -- that the Commission declines to initiate an enforcement action under PURPA in response to the petition for enforcement.
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> Thus, as relevant here, the New Mexico Commission should not rely on the January 2017 Notice of Intent Not to Act as a ruling that the New Mexico Commission has correctly interpreted or applied the Commission's regulations, or that the New Mexico Commission's actions complained of here are consistent with (or, alternatively, are inconsistent with) this Commission's regulations.[26]

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25 *Beaver Creek Wind I, LLC*, 176 FERC ¶ 61,116 at P 2.

26 *Great Divide Wind Farm 2 LLC*, 166 FERC ¶ 61,090 at PP 20-21 (Feb. 4, 2019) (footnotes omitted).

Thus, FERC's Notice of Intent Not to Act in *Beaver Creek Wind* hardly moves the needle in the Joint Utilities' favor here, and it certainly does not foreclose the relief the QFs request from this Commission to prevent unreasonable and discriminatory cost allocations to QFs in Oregon.

D. The Joint Utilities' Assertion Regarding PacifiCorp's Agreement with the Roseburg QF Is Misleading

The Joint Utilities cite an agreement between PacifiCorp and the Roseburg QF that switched from a FERC-jurisdictional interconnection to a state-jurisdictional QF interconnection to suggest that FERC has determined that a policy of allocating all network upgrade costs to the QF is lawful under PURPA.[27] Here too, the Joint Utilities' characterization is incomplete and misleading. The referenced letter order merely accepted an agreement between the Roseburg QF and PacifiCorp. It was not a precedential ruling on the merits with applicability beyond that single transaction. The letter order expressly states as such

> This acceptance for filing shall not be construed as constituting approval of the referenced filing or of any rate, charge, classification, or any rule, regulation, or practice affecting such rates or services provided for in the filed documents; nor shall such acceptance be deemed as recognition of any claimed contractual right or obligation associated therewith; and such acceptance is without prejudice to any findings or orders which have been or any which may hereafter be made by the Commission in any proceeding now pending or hereafter instituted by or against PacifiCorp.[28]

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27 Joint Utilities' Posthearing Brief at 15-16 (citing *PacifiCorp*, FERC Letter Order, Docket No. ER12-2223 (Sept. 6, 2012), and arguing FERC "noted that once the QF switched to state-jurisdictional interconnection, PacifiCorp no longer had an obligation to refund the QF for Network Upgrades through FERC transmission credits" and accepted that "the QF's Network Upgrades should have been directly assigned to the QF.").

28 *PacifiCorp*, FERC Letter Order, FERC Docket No. ER12-2223 (Sept. 6, 2012).

Thus, contrary to the Joint Utilities' suggestion, the Roseburg QF case provides no meaningful precedent for the lawfulness or reasonableness of allocating all Network Upgrade costs to QFs.

E. The Joint Utilities' Statements Regarding the Difficulties of Calculating Network Upgrade Benefits Demonstrates Why the Current Policy Does Not Work

The Joint Utilities make several statements regarding the difficulty of calculating system-wide benefits of Network Upgrades. For example, the Joint Utilities state that "quantifying the intended benefits may present a significant challenge, as the Joint Utilities are aware of no methodology that would allow a utility, or any other party, to 'quantify' the value of the types of generalized grid benefits raised by the parties, such as increased capacity or reliability."[29] The Joint Utilities also stated that "[s]addling any party with the burden of calculating and allocating the quantifiable systemwide benefits of any particular Network Upgrade sounds reasonable but is fraught with implementation problems."[30] A final example is that the Joint Utilities' claim "utility transmission providers, despite their expertise and knowledge of their systems, have no information about how to quantify the benefits of Network Upgrades."[31]

All of these statements in the Joint Utilities' Posthearing Brief demonstrates why the current policy is flawed and does not work. If the utilities, who know the most about their system and how it benefits their customers, cannot quantify the benefits, then it is unsurprising no QF developer has been able to do so considering the QF developer has far less information regarding the utility's system than the utility. The Joint Utilities' statements undermine the recommendation to maintain the status quo. The Interconnection Customer Coalition's

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29 Joint Utilities' Posthearing Brief at 25.
30 Joint Utilities' Posthearing Brief at 29.
31 Joint Utilities' Posthearing Brief at 26.

recommendation is consistent with FERC's determination that all Network Upgrades provide system-wide benefits — indeed, it is less generous to QFs than FERC's policies because we propose the utilities can rebut that presumption in those rare circumstances in which there are no system-wide benefits. Additionally, the Interconnection Customer Coalition is generally supportive of Staff's percentage cost allocation methodology as an alternative to the current policy if the Commission were not to adopt the Interconnection Customer Coalition's recommendation.

In any event, the Commission should not accept the Joint Utilities' assertion that they never have the ability to quantify system-wide benefits. If anyone can quantify the benefits or identify situations where there are no benefits, it is the utilities. And even the Joint Utilities agree that certain upgrades provide system wide benefits.[32] There can be rare but obvious circumstances where the Network Upgrades provide no system-wide benefits, and the costs should not be assigned to the QF. However, the utility uniquely possesses the information necessary to demonstrate the system-wide benefits test is met. For example, if the utility's interconnection studies require the QF to replace poles or protective equipment that is so old that it would have to be replaced soon anyway, the value of the benefit is very easy to quantify; but

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32 *See, e.g.*, Joint Utilities' Posthearing Brief at 2 (noting that QFs should be exempted from Network Upgrades from a utility's transmission plan because that demonstrates a Network Upgrade provides system-wide benefits); NewSun's Cross-Examination Exhibit List, NewSun/600 at 4, 11 (June 9, 2022) (PacifiCorp Request for General Rate Revision, Docket No. UE 399, Direct Testimony of Richard A. Vail) (PacifiCorp noting that "all transmission system capacity increases provide benefits to customers by increasing reliability and allowing more generation to interconnect to serve customer load, as well as allowing PacifiCorp flexibility in designating generation resources for reserve capacity to comply with mandatory reliability standards" and Network Upgrades are "assets that benefit all customers using the transmission system.").

only the utility possesses the information on the age of the poles, protective equipment, and the relevant replacement schedules that would reveal facts demonstrating there is no merit to assigning such costs to the QF. The burden should not be on renewable energy developers to somehow pry this information from the reluctant utility purchaser of their proposed facility's output in the interconnection process. Thus, the Joint Utilities' claim that no party can calculate system-wide benefits is misleading and only undermines the Joint Utilities' assertion to maintain the status quo.

III. NRIS AND ERIS

A. The Community Solar Program Demonstrates There Are Workable Alternatives to NRIS

The Joint Utilities argue Oregon's Community Solar Program ("CSP") interconnection process is not a practical solution to the NRIS requirement.[33] The Joint Utilities argue the CSP is not a workable alternative because there is a location-specific generator size cap and contractual protections.[34] However, the Joint Utilities are misunderstanding the Interconnection Customer Coalition's recommendation. The Interconnection Customer Coalition provided the CSP as an example to demonstrate there are alternatives to NRIS. The Interconnection Customer Coalition is taking no position at this time on how a program like this should be implemented but mentioned the CSP to demonstrate there are workable alternatives to NRIS. The Commission should not preclude alternatives to NRIS that will help Oregon meet its clean energy goal on a constrained transmission system with high interconnection costs.

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33 Joint Utilities' Posthearing Brief at 39-40.

34 Joint Utilities' Posthearing Brief at 39.

B. Utilizing Firm Point-to-Point Transmission Service Is a Workable Alternative to NRIS

The Interconnection Customer Coalition provided several examples of alternatives to NRIS that would still enable firm deliverability but potentially address some of the transmission constraints and high interconnection costs. One example the Interconnection Customer Coalition provided was a project interconnecting at a point of interconnection on the purchasing utility's system using ERIS, purchasing firm point-to-point transmission service from a non-purchasing utility, and delivering that firm energy to the purchasing utility at a point of delivery with available transfer capacity.[35] The Joint Utilities concede that this approach could be possible.[36] This is exactly what was done in PacifiCorp's previous Schedule 37 for load pockets. It is unclear whether any changes would need to be made to implement this alternative. However, any changes that were needed could be implemented easily. This demonstrates there are workable alternatives to NRIS, and the Commission should not preclude any options that will reduce costs of interconnection or ease constraint on the system.

C. Puget Sound Energy Offers an Example of a Voluntary Curtailment Option for QFs that Is a Workable Alternative to NRIS in Some Circumstances

The Joint Utilities argue the Puget Sound Energy ("PSE") voluntary curtailment tariff is not a valid alternative to NRIS. None of the utilities arguments on this point have any merit.

First, the Joint Utilities argue the PSE tariff is prohibited by the ruling in *Pioneer Wind* because it permits QF power delivery on non-firm transmission.[37] However, as the

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35 Interconnection Customer Coalition's Post Hearing Brief at 43.
36 Joint Utilities' Posthearing Brief at 42.
37 Joint Utilities' Posthearing Brief at 44-45.

Interconnection Customer Coalition explained in its Post Hearing Brief, the Joint Utilities are wrong. *Pioneer Wind* only prohibits the use of non-firm transmission in the circumstance where the QF objects to such use.[38] *Pioneer Wind* does not prohibit a QF from agreeing to voluntary curtailment and non-firm transmission as long as the QF is not forced into those options.[39]

Second, the Joint Utilities argue the PSE tariff should not be an example of a workable alternative to NRIS because the Washington Utilities and Transportation Commission ("WUTC") Staff "failed to conform or grapple with any questions about the tariff's legality in the one-and-a-half page memo discussing it."[40] According to the Joint Utilities, the reason the WUTC "misapplied" PURPA is that QF parties in that WUTC docket[41] (and apparently Puget Sound Energy, too) mislead the WUTC or its Staff regarding the holding in *Pioneer Wind*.

This argument fails on several levels. As noted previously, the Joint Utilities' interpretation of *Pioneer Wind* is wrong, and thus there was no basis—and certainly no requirement—for QF parties in that WUTC docket to inform the WUTC of the incorrect reading of *Pioneer Wind* that utilities in Oregon put forward here. The Joint Utilities' own brief states that the QF parties did in fact cite and discuss the *Pioneer Wind* holding to the WUTC and brought the case to the attention of the WUTC.[42] Indeed, as the Interconnection Customer Coalition has done here, the QF parties in Washington explained to the WUTC why *Pioneer*

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38 *See* Interconnection Customer Coalition Post Hearing Brief at 43-46.

39 *See* Interconnection Customer Coalition Post Hearing Brief at 43-46.

40 Joint Utilities' Posthearing Brief at 43. *See also* Joint Utilities' Posthearing Brief at 44 ("Because the ICC failed to alert the WUTC to *Pioneer Wind's* core holding, the record does not reflect any meaningful discussion of *Pioneer Wind* or its implications.").

41 Only NIPPC and the Coalition were parties in the WUTC docket. Despite the suggestion in the Joint Utilities' brief, CREA was not involved in the WUTC docket.

42 Joint Utilities' Posthearing Brief at 44.

Wind supported the PSE tariff's creative option – which is entirely legal because it does not foreclose the QF's option to deliver and sell its entire net output without the curtailments that might be associated with a non-firm delivery service. The WUTC and its Staff, as well as Puget Sound Energy, properly concluded that *Pioneer Wind* did not foreclose the voluntary option for an alternative interconnection arrangement as the sole option to which the Oregon utilities seek to confine Oregon QFs. In addition, as the Joint Utilities should be aware, there is often significant discussions among the parties prior to Staff drafting its recommendation to the Commission. There is no factual basis to the Joint Utilities' inaccurate statements that Staff failed to consider the tariff's legality.

Finally, the Joint Utilities argue the PSE tariff should not be an example of a workable alternative to NRIS because it would require the utility to "ignore certain NERC reliability and safety issues caused by the QF in the QF's interconnection studies. . . [and would] shift the need to fund reliability and safety upgrades triggered by the QF to the next service request (and thus potentially to retail customers) or to the transmission provider when the issue shows up in NERC reliability studies."[43] The Joint Utilities are misunderstanding one of the Interconnection Customer Coalition's main goals by recommending the PSE tariff as an alternative to NRIS.

The Interconnection Customer Coalition is proposing use of ERIS or another alternative to allow for creative solutions to use of the existing transmission system that may avoid the need to ever fund expensive and time-consuming network upgrades. In other words, the Interconnection Customer Coalition's proposed use of limited curtailment would allow for the

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[43] Joint Utilities' Posthearing Brief at 45-46.

developers to efficiently utilize the existing transmission capacity. That should be everyone's goal in the region. Instead, the Joint Utilities appear to believe that the only option should be to directly assign to small QF projects network upgrades on the order of tens or hundreds of millions of dollars any time the existing transmission system cannot deliver QF output to load in every second of the year. That makes no sense from a public policy perspective when the State of Oregon wants to rapidly achieve its lofty decarbonization goals with as much cost-effective renewable energy development as possible.

The PSE tariff is consistent with *Pioneer Wind*'s holding and provides a workable solution to the transmission constraint and high interconnection costs. The Commission should not foreclose any opportunity to meet Oregon clean energy goals. Thus, the Commission should allow a QF to interconnect using ERIS or another alternative such as an interconnection service similar to PSE's tariff.

D. The Interconnection Customer Coalition Supports NewSun's Alternative Recommendation to Allow QFs to Be Studied as ERIS

NewSun provided an alternative recommendation that even if the Commission decides not to allow a QF to interconnect using ERIS or another alternative, the QF should at the very least be allowed to be studied for both ERIS and NRIS.[44] The Interconnection Customer Coalition understands this is already allowed under the Commission's current policy, but the Interconnection Customer Coalition is supportive of NewSun's recommendation. QFs should be given the flexibility to be studied for both ERIS and NRIS. Thus, the Commission's order in this phase should clarify, at a minimum, that QFs have the right to be studied under ERIS or NRIS.

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44 NewSun's Post-Hearing Brief at 21 (Aug. 5, 2022).

If the Commission is considering changing the QF's current rights to eliminate the right to be studied as ERIS, then the Commission should address the issue in a separate or later phase of this proceeding.

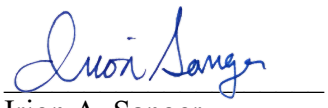
IV. CONCLUSION

For the reasons explained above, the Commission should adopt a presumption that Network Upgrades provide system-wide benefits that should be paid by all users and beneficiaries unless the utility can rebut that presumption. Further, the Commission should allow all interconnection customers the option to be interconnected using ERIS or another similar alternative.

Dated this 2nd day of September 2022.

Respectfully submitted,

Sanger Law, PC



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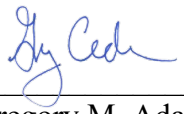

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