

HARDY MYERS  
Attorney General



PETER D. SHEPHERD  
Deputy Attorney General

**DEPARTMENT OF JUSTICE**  
GENERAL COUNSEL DIVISION

August 20, 2008

VIA EMAIL AND U.S. MAIL

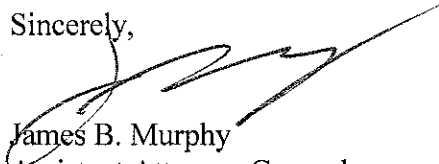
Public Utility Commission of Oregon  
Attention: Filing Center  
550 Capitol Street, NE  
PO Box 2148  
Salem, OR 97308-2148  
[PUC.FilingCenter@state.or.us](mailto:PUC.FilingCenter@state.or.us)

Re: *In the Matter of a Rulemaking to Adopt Rules Related to Small Generator Connection*  
PUC Docket No.: AR 521  
DOJ File No.: 330-030-GN0901-07

Filing Center:

Enclosed is Oregon Department of Energy's Comments of Proposed Rules in the above captioned matter for filing with the Public Utility Commission today.

Sincerely,

  
James B. Murphy  
Assistant Attorney General  
Natural Resources Section

Enclosures  
JLP:mme/JUSTICE-#650995  
c: AR 521 Service List

1 BEFORE THE PUBLIC UTILITY COMMISSION  
2 OF OREGON  
3 AR 521  
4

5 In the Matter of a Rulemaking to Adopt Rules ) **OREGON DEPARTMENT OF ENERGY'S**  
6 Related to Small Generator Connection ) **COMMENTS ON PROPOSED RULES**  
7 )  
8 )

8 The Oregon Department of Energy submits these comments on the Rules Related to  
9 Small Generator Connection. These comments formalize those submitted via email to Ed  
10 Durrenberger on June 9, 2008 and docketed on June 11, 2008, and also respond to selected  
11 statements of other stakeholders.  
12

13 **I. Introduction**

14 The number of distributed generation projects in our state continues to increase rapidly,  
15 primarily because of the increase in the business energy tax credit, increased payments by the  
16 Energy Trust of Oregon, and a growing awareness among the state's citizens and business  
17 owners that high energy costs are here to stay. The proposed Rules contained in the  
18 Memorandum and Notice of Workshop issued by Administrative Law Judge Sarah Wallace  
19 dated June 4, 2008 are a significant improvement over the previous draft, but the Oregon  
20 Department of Energy (ODOE) remains concerned about the length of time it might take to  
21 complete the interconnection process. Although all stakeholders have paid considerable  
22 attention to the time lines, it is difficult to accurately predict how well the rules will work once  
23 adopted.

24 ///

25 ///

26 ///

1 **II. Comments**

2 ODOE suggests the following improvements.

3  
4 **A. Tier 4 Interconnection Review, OAR 860-082-0060**

5 The proposed rules have specific time lines, but they do not specify the time allowed for  
6 the studies in OAR 860-082-0060. Because of the increase in distributed generation projects, the  
7 workload for the utilities' staff will increase significantly. In order to make sure the time it takes  
8 to complete the studies is reasonable, ODOE believes language should be added that makes clear  
9 utilities will provide adequate staff resources or will be expected to contract with third-party  
10 consultants. Such language could be included in section OAR 860-082-0060(8)(f):

11 A public utility and an applicant may agree in writing to allow the applicant to  
12 hire a third-party consultant to complete the *studies (feasibility, impact, and*  
13 *facilities), as well as* interconnection facilities and system upgrades, subject to  
14 public utility oversight.

15  
16 (New language in italics).

17 **B. Tier 2 Interconnection Review, OAR 860-082-0050(3)(a); Tier 3 Interconnection Review,**  
18 **OAR 860-082-0055(3)(a); and Tier 4 Interconnection Review, OAR 860-082-0060(5)**

19 Replace the words "must schedule" a scoping meeting with the words "must hold," as  
20 was stated in the version 10-1 Revision filed October 2, 2007.

21 **C. Recordkeeping and Reporting Requirements, OAR 860-082-0065(3)**

22 Annual reporting of the completed interconnections with sufficient detail will be the only  
23 way to determine whether the rules are working as intended. ODOE hereby incorporates its prior  
24 comments regarding record keeping and reporting. Therefore, ODOE suggests the following  
25 additions to OAR 860-082-0065(3):  
26

1 (e) For each Tier 3 and Tier 4 small generator interconnection approval, the basic  
2 telemetry configuration *and the estimated and actual cost of the telemetry*, if  
3 applicable; and

4 (f) For each Tier 4 small generator interconnection approval:

5 (A) The interconnection facilities required to accommodate the interconnection of  
6 the small generator facility and the estimated *and actual* costs of those facilities;  
7 and

8 (B) The system upgrades required to accommodate the interconnection of the  
9 small generator facility and the estimated *and actual* costs of those upgrades; *and*

10 (g) For each Tier 3 and Tier 4 small generator interconnection approval, the  
11 number of business days it takes:

12 (A) Between the day that the utility receives an application and the date of the  
13 certificate of completion;

14 (B) To complete each study;

15 (C) To complete the facility installation; and

16 (D) To complete system upgrade, where applicable.

17 For paragraphs (e) and (f) above, ODOE hereby incorporates its prior comments  
18 regarding the proposal to include actual costs.

19 For paragraph (f) above, ODOE recognizes that the project owner will pay the actual cost  
20 of the interconnection facilities. Thus, the project owner will have to agree up-front in the  
21 interconnection agreement that the project owner will share the cost data with the utility for  
22 reporting purposes.

23 For new paragraph (g) above, ODOE believes it will be impossible to monitor whether  
24 the rules are meeting the state's needs without this additional information.

#### 25 **D. Comments of the Industrial Customers of Northwest Utilities, Filed August 12, 2008**

26 ODOE supports the request of the Industrial Customers of Northwest Utilities (ICNU) to  
add the word "reasonable" to the interconnection costs language in OAR 860-082-0035.

///

///

1 **E. PacifiCorp's Third Set of Comments, Filed August 8, 2008**

2 Under paragraph 4 for "Metering," the PacifiCorp comment includes a statement that the  
3 utility should be allowed to require telephonic meter interrogation. ODOE hereby incorporates  
4 its prior comments regarding telephonic interrogation. ODOE strongly objects to this  
5 requirement because telephonic meter interrogation is another way to increase the cost of the  
6 interconnection, without a demonstrated corresponding benefit. Utilities do not know or measure  
7 when specific industrial loads are turned on or off, such as large motors, except in very unusual  
8 circumstances. There does not appear to be a sound basis for treating small generators  
9 differently.

10

11 DATED this 20<sup>th</sup> day of August, 2008.

12

13

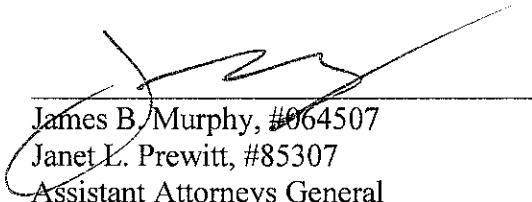
Respectfully submitted,

14

HARDY MYERS  
Attorney General

15

16



James B. Murphy, #064507  
Janet L. Prewitt, #85307  
Assistant Attorneys General  
Of Attorneys for Oregon Department of Energy

17

18

19

20

21

22

23

24

25

26

AR 521 Service List

**PACIFICORP OREGON DOCKETS**  
OREGON DOCKETS  
825 NE MULTNOMAH ST  
STE 2000  
PORTLAND OR 97232  
[oregondockets@pacificcorp.com](mailto:oregondockets@pacificcorp.com)

SVEN ANDERSON  
**OREGON DEPARTMENT OF ENERGY**  
635 MARION ST  
SALEM OR 97301  
[sven.anderson@state.or.us](mailto:sven.anderson@state.or.us)

AUBREY BALDWIN  
**PACIFIC ENVIRONMENTAL ADVOCACY CENTER**  
10015 SW TERWILLIGER BLVD  
PORTLAND OR 97219  
[abaldwin@lclark.edu](mailto:abaldwin@lclark.edu)

DIANE BROAD  
**TRIAXIS ENGINEERING**  
1600 SW WESTERN BLVD  
CORVALLIS OR 97333  
[dbroad@triauxiseng.com](mailto:dbroad@triauxiseng.com)

CRAIG DEHART  
**MIDDLEFORK IRRIGATION DISTRICT PO**  
BOX 291  
PARKDALE OR 97041  
[mfidcraig@embarqmail.com](mailto:mfidcraig@embarqmail.com)

LOYD FERY  
11022 RAINWATER LANE SE  
AUMSVILLE OR 97325  
[dlchain@wvi.com](mailto:dlchain@wvi.com)

J RICHARD GEORGE  
**PORTLAND GENERAL ELECTRIC COMPANY**  
121 SW SALMON ST 1WTC1301  
PORTLAND OR 97204  
[richard.george@pgn.com](mailto:richard.george@pgn.com)

ALAN GUGGENHEIM  
**CENTRAL ELECTRIC COOPERATIVE INC**  
PO BOX 846  
REDMOND OR 97756  
[aguggenheim@cec.coop](mailto:aguggenheim@cec.coop)

RANDY ALLPHIN  
**IDAHO POWER COMPANY**  
PO BOX 70  
BOISE ID 83707-0070  
[rallphin@idahopower.com](mailto:rallphin@idahopower.com)

DAVE ANGELL  
**IDAHO POWER COMPANY**  
PO BOX 70  
BOISE ID 83707-0070  
[daveangell@idahopower.com](mailto:daveangell@idahopower.com)

KEVIN D BEST  
**REALENERGY LLC**  
6712 WASHINGTON ST  
YOUNTVILLE CA 94599  
[kbest@realenergy.com](mailto:kbest@realenergy.com)

ALAN COWAN  
**ENERGY TRUST**  
[alan.cowan@energytrust.org](mailto:alan.cowan@energytrust.org)

CAREL DEWINKEL  
**OREGON DEPARTMENT OF ENERGY - RENEWABLE ENERGY DIVISION**  
625 MARION ST NE  
SALEM OR 97301-3737  
[carel.dewinkel@state.or.us](mailto:carel.dewinkel@state.or.us)

SANDRA FLICKER  
**OREGON RURAL ELECTRIC COOPERATIVE ASSN**  
1750 LIBERTY ST SE  
SALEM OR 97302-5159  
[sflicker@oreca.org](mailto:sflicker@oreca.org)

RICK GILLIAM  
**SUNEDISON**  
590 REDSTONE DR  
BROOMFIELD CO 80020  
[rgilliam@sunedison.com](mailto:rgilliam@sunedison.com)

PATRICK HAGER  
**PORTLAND GENERAL ELECTRIC RATES & REGULATORY AFFAIRS**  
121 SW SALMON ST 1WTC0702  
PORTLAND OR 97204  
[pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com)

JOE HENRI  
**SUNEDISON**  
5013 ROBERTS AVE STE B  
MCELLAN CA 95652  
[jhenri@sunedison.com](mailto:jhenri@sunedison.com)

SAMULE R JUSTICE  
PO BOS 480  
MCMINNVILLE OR 97128  
[sjustice@onlinemac.com](mailto:sjustice@onlinemac.com)

JEFFREY S LOVINGER  
**LOVINGER KAUFMANN LLP**  
825 NE MULTNOMAH STE 925  
PORTLAND OR 97232-2150  
[lovinger@lklaw.com](mailto:lovinger@lklaw.com)

ROBIN LUKE  
**REALENERGY LLC**  
6712 WASHINGTON ST  
YOUNTVILLE CA 94599  
[rluke@realenergy.com](mailto:rluke@realenergy.com)

ROBERT MIGLIORI  
**VOLTAIR WIND ELECTRIC**  
24745 NE MOUNTAIN TOP RD  
NEWBERG OR 97132  
[windy@freewirebroadband.com](mailto:windy@freewirebroadband.com)

LISA D NORDSTROM  
**IDAHO POWER COMPANY**  
PO BOX 70  
BOISE ID 83707-0070  
[lnordstrom@idahopower.com](mailto:lnordstrom@idahopower.com)

LISA F RACKNER  
**MCDOWELL & RACKNER PC**  
520 SW SIXTH AVENUE STE 830  
PORTLAND OR 97204  
[lisa@mcd-law.com](mailto:lisa@mcd-law.com)

TONI ROUSH  
**ROUSH HYDRO INC**  
366 E WATER  
STAYTON OR 97383  
[tmroush@wvi.com](mailto:tmroush@wvi.com)

IRION SANGER  
**DAVISON VAN CLEVE**  
333 SW TAYLOR – STE 400  
PORTLAND OR 97204  
[ias@dvclaw.com](mailto:ias@dvclaw.com)

SANDRA D HOLMES  
**IDAHO POWER COMPANY**  
PO BOX 70  
BOISE ID 83707-0070  
[sholmes@idahopower.com](mailto:sholmes@idahopower.com)

LISA LOGIE  
**OREGON RURAL ELECTRIC COOPERATIVE  
ASSN**  
1750 LIBERT ST SE  
SALEM OR 97302-5159  
[llogie@oreca.org](mailto:llogie@oreca.org)

JOHN LOWE  
**SORENSEN ENGINEERING**  
12050 SW TREMONT ST  
PORTLAND OR 97225  
[jravenesanmarcos@yahoo.com](mailto:jravenesanmarcos@yahoo.com)

WENDY MCINDOO  
**MCDOWELL & RACKNER PC**  
520 SW 6TH AVE STE 830  
PORTLAND OR 97204  
[wendy@mcd-law.com](mailto:wendy@mcd-law.com)

MICHELLE R MISHOE  
**PACIFIC POWER & LIGHT**  
825 NE MULTNOMAH STE 1800  
PORTLAND OR 97232  
[michelle.mishoe@pacificcorp.com](mailto:michelle.mishoe@pacificcorp.com)

MARK OSBORN  
**PORTLAND GENERAL ELECTRIC**  
121 SW SALMON ST  
PORTLAND OR 97204  
[mark.osborn@pgn.com](mailto:mark.osborn@pgn.com)

PETER J RICHARDSON  
**RICHARDSON & O'LEARY**  
PO BOX 7218  
BOISE ID 83707  
[peter@richardsonandoleary.com](mailto:peter@richardsonandoleary.com)

STEVE SANDERS  
**MINIKAHDA HYDROPOWER CO LLC**  
5829 NE 19<sup>TH</sup> AVENUE  
PORTLAND OR 97211  
[stevehydros@hayoo.com](mailto:stevehydros@hayoo.com)

GAIL SHAW  
**MCMINNVILLE WATER AND LIGHT**  
PO BOX 638  
MCMINNVILLE OR 97128  
[gails@mc-power.com](mailto:gails@mc-power.com)

MICHAEL T WEIRICH  
**DEPARTMENT OF JUSTICE**  
REGULATED UTILITY & BUSINESS SECTION  
1162 COURT ST NE  
SALEM OR 97301-4096  
[michael.weirich@doj.state.or.us](mailto:michael.weirich@doj.state.or.us)

PAUL R WOODIN  
**COMMUNITY RENEWABLE ENERGY  
ASSOCIATION**  
282 LARGENT LN  
GOLDENDALE WA 98620-3519  
[pwoodin@communityrenewables.org](mailto:pwoodin@communityrenewables.org)

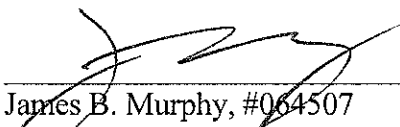
MICHAEL YOUNGBLOOD  
**IDAHO POWER COMPANY**  
PO BOX 70  
BOISE ID 83707  
[myoungblood@idahopower.com](mailto:myoungblood@idahopower.com)



CERTIFICATE OF SERVICE

I hereby certify that on the 20<sup>th</sup> day of August, 2008, I copied the foregoing OREGON DEPARTMENT OF ENERGY'S COMMENTS ON PROPOSED RULES, electronically to the parties named on the attached service list and by hardcopy via First Class, U.S. Mail for those parties that have not waived paper service.

DATED: This 20<sup>th</sup> day of August, 2008.



---

James B. Murphy, #064507  
Janet L. Prewitt, #85307  
Assistant Attorney General