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VIA ELECTRONIC FILING

PUC Filing Center
Public Utility Commission of Oregon
PO Box 1088
Salem, OR 97308-1088

**Re: Docket UM 2009: In the Matter of the Complaint of Madras PV1, LLC, against
Portland General Electric Company.**

Attention Filing Center:

Attached for filing in the above-captioned docket is Portland General Electric Company's
Supplemental Response to Madras Solar's Motion for Clarification.

Please contact this office with any questions.

Sincerely,

Wendy McIndoo
Office Manager

Attachment

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2009

Madras PV1, LLC,
Complainant,

v.

Portland General Electric Company,
Defendant.

**PORTLAND GENERAL ELECTRIC
COMPANY'S SUPPLEMENTAL
RESPONSE TO MADRAS SOLAR'S
MOTION FOR CLARIFICATION**

Portland General Electric Company (PGE or the Company) respectfully requests leave to submit this Supplemental Response to Madras Solar's Motion for Clarification. Although the Commission's rules do not specifically allow for Supplemental Responses, in this instance a response is critical to correct Madras Solar's repeated misrepresentation of the record.¹ The parties have conferred pursuant to OAR 860-001-0420(2),² and Madras Solar objects to PGE filing this motion.

In its Reply in Support of Motion for Clarification, Madras Solar repeatedly—and incorrectly—states that PGE is seeking a change to the Commission's policy, adopted in Order No. 07-360, that network upgrade costs should be accounted for in the interconnection process,

¹ To the extent necessary to allow this Supplemental Response, PGE requests a formal waiver under OAR 860-001-0000(2).

² PGE is unclear as to whether the Commission would view this motion as procedural or substantive, but conferred out of an abundance of caution.

1 rather than through avoided cost prices.³ In fact, throughout its interactions with Madras Solar,
2 PGE has sought to ensure that the Commission’s interconnection policies apply to Madras Solar
3 and that Madras Solar pays required costs in the interconnection process,⁴ which is why PGE’s
4 initial counterclaim specifically requests that the Commission approve a contract term making
5 clear that the avoided cost prices in dispute are “contingent on [Madras Solar] paying for all
6 interconnection costs . . . necessary for the provision of Network Resource Interconnection
7 Service, including any required network upgrades, as determined in the Facilities Study conducted
8 by PGE *pursuant to Large Generator Interconnection Procedures adopted by the Public Utility
9 Commission of Oregon in Order No. 10-132.*”⁵ If, however, Madras Solar successfully evades
10 cost responsibility for network upgrades, then PGE has reserved the right to adjust Madras Solar’s
11 avoided cost prices, consistent with the Commission’s recent direction from *Blue Marmot*.⁶

³ See, e.g., Madras Solar’s Reply in Support of Motion for Clarification at 3 (“PGE’s disagreement with the Commission’s long-standing policy, which requires the QF to pay for network interconnection upgrades through the interconnection process and not through an adjustment of the avoided cost prices, does not warrant adjudicating the Facilities Study.”); see also *id.* (“If the Commission wants to change its policy (which Madras Solar believes would be inappropriate and unlawful) to allow PGE unfettered discretion to charge Madras Solar for costs that are not assigned to Madras Solar in the QF-LGIA it can do so by adopting PGE’s contract terms and there is no need to resolve the unreasonableness of PGE’s interconnection costs and proposed upgrades.”); see also *id.* at 11 (“This shows that PGE is attempting to convince the Commission to abandon its interconnection and avoided cost price policies and procedures.”); see also *id.* at 12 (“PGE’s filing makes it abundantly clear that: 1) PGE does not like this policy; 2) is recommending that the Commission change its policy; and 3) wants the Commission to adjust Madras Solar’s avoided cost rates for interconnection costs that PGE Transmission Services does not assess to Madras Solar in the QF-LGIA.”)

⁴ See, e.g., Portland General Electric Company’s Answer and Counterclaim at 3-4 (genesis of interconnection dispute revolved around Madras Solar’s attempt to undermine the Commission’s interconnection framework).

⁵ Portland General Electric Company’s Answer and Counterclaim at ¶ 168.

⁶ *Blue Marmots v. Portland Gen. Elec. Co.*, Docket UM 1829, Order No. 19-322 at 19 (Sept. 30, 2019) (reiterating that network upgrade costs should be captured in an on-system QF’s interconnection process, that PGE should proactively conduct due diligence and communicate limitations on accepting QF deliveries, and that PGE and QFs have the option to negotiate PPAs that either adjust avoided cost values to incorporate costs PGE cannot reasonably avoid or allow the QF to fund network upgrades); see also *Pioneer Wind Park I, LLC*, 145 FERC ¶ 61,215 at P38 n.73

1 Madras Solar's mischaracterization of the record is particularly troubling because Madras
2 Solar has apparently projected its own position onto PGE. In fact, Madras Solar, not PGE, has
3 repeatedly stated an intent to challenge the Commission's interconnection policies at the Federal
4 Energy Regulatory Commission (FERC). Madras Solar's testimony makes clear that:

- 5 • Madras Solar believes that the Commission's interconnection policies adopted in
6 Order No. 10-132 "contradict established FERC precedent and policies;"⁸
- 7 • Madras Solar considered challenging Order No. 10-132 at FERC because "Madras Solar
8 generally believes that neither requiring QFs to take NRIS nor withholding credits for the
9 cost of network upgrades would be supported by FERC";⁹ and
- 10 • "Madras Solar cannot predict how events will unfold with regard to the project
11 interconnection" and therefore reserves its right to challenge Order No. 10-132 at FERC.¹⁰

12 In its Motion for Clarification, Madras Solar reiterated its intent to seek relief at FERC to
13 resolve the interconnection dispute with PGE, even though it acknowledged that the

(Dec. 16, 2013) ("Correspondingly, implicit in the Commission's regulations, transmission or distribution costs directly related to installation and maintenance of the physical facilities necessary to permit interconnected operations may be accounted for in the determination of avoided costs if they have not been separately assessed as interconnection costs.").

⁸ Madras Solar/300, Rogers/27, line 20 to 28, line 5 ("**Q. Did Madras Solar seek to sell a portion of its output a third party because it believed that FERC, rather than the Commission, might be the appropriate venue in which to resolve any interconnection-related disputes?** A. Yes. Madras Solar was attempting to comply with Oregon's requirements for QF interconnections while leaving room for the possibility of seeking FERC jurisdiction in the event of an interconnection dispute. **Q. And why was this?** A. As explained previously, Madras Solar believes that the Commission adopted certain QF interconnection policies that contradict established FERC precedent and policies – namely, the disallowance of QFs being able to interconnect under ERIS and receive credits for network upgrades.").

⁹ Madras Solar/300, Rogers/15, lines 16-20 ("**Q. Has Madras Solar considered challenging the de facto requirement under Order No. 10-132 that QFs take NRIS?** A. It certainly has considered doing so at times, as Madras Solar generally believes that neither requiring QFs to take NRIS nor withholding credits for the cost of network upgrades would be supported by FERC.").

¹⁰ Madras Solar/300, Rogers/29, lines 3-8 ("**Q. Is Madras Solar still reserving the right to seek FERC jurisdiction over any interconnection-related dispute?** A. Madras Solar cannot predict how events will unfold with regard to the project interconnection. However, Madras Solar has reaffirmed its commitment to seek NRIS in accordance with the QF-LGIP and QF-LGIA and fund whatever network upgrades are legitimately required for interconnection.").

1 interconnection is state jurisdictional.¹¹ Madras Solar's consistent refusal to accept and abide by
2 the Commission's carefully considered interconnection policies has created the uncertainty
3 surrounding both the avoided cost prices and interconnection dispute that requires Commission
4 resolution of both issues together in this case.

Dated February 5, 2020

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¹¹ See Madras Solar's Motion for Clarification at 14 ("At the conclusion of the LGIP process (if any disputes remain), Madras Solar intends to determine which PGE actions have violated or are inconsistent with laws, rules, and policies under state jurisdiction and which are under FERC jurisdiction.").