

**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

NEWSUN ENERGY LLC AND OREGON
SOLAR + STORAGE INDUSTRIES
ASSOCIATION REPLY COMMENTS ON
JOINT UTILITIES' APPLICATION FOR
APPROVAL OF COMPLIANCE FILING

I. Introduction.

Pursuant to the schedule adopted by the Oregon Public Utility Commission (“Commission”) in this docket, NewSun Energy LLC (“NewSun”) and the Oregon Solar + Storage Industries Association (“OSSIA”) (hereafter “Joint Developers”) hereby submit their reply comments regarding the Joint Utilities’ Application for Approval of Compliance Filing (“Joint Filing”) in response to the Commission’s Order Nos. 23-005 and 23-164 (collectively the “Orders”). NewSun submits these comments without waiver of its positions in its pending appeal of the Orders regarding treatment and allocation of Network Upgrade costs.¹

II. Reply Comments.

A. The Joint Utilities’ limitation of readiness milestones for QFs electing ERIS is discriminatory and without proper basis in this docket.

The Joint Utilities are undercutting the ERIS study option by proposing to require QFs electing ERIS to execute non-standard PPAs as the sole readiness milestone prior to being offered an ERIS interconnection agreement. The Joint Developers do not disagree that a QF that

¹ Oregon Court of Appeals Case No. A180896.

ultimately chooses ERIS will eventually have to execute a non-standard PPA. But the Joint Utilities' proposed PPA prerequisite for ERIS interconnection service was not the subject of either the Commission's Orders or the docket in general. Stakeholders have not had the opportunity to fully present arguments or evidence to the Commission on why this milestone should be required, and why other readiness milestones available to QFs electing NRIS are not likewise available to QFs electing ERIS.

The Joint Utilities do not have a legitimate, non-discriminatory basis for requiring ERIS-electing QFs to execute a PPA prior to receiving an interconnection, while no such requirement is applied to NRIS electing QFs. The Joint Utilities claim that if they are "required to sign ERIS interconnection agreements without evidence the QF complied with the Commission's requirement to negotiate a non-standard PPA, then it will potentially create a multitude of signed ERIS interconnection agreements for QFs that may never reach commercial operation."² Besides the speculative and exaggerated nature of this claim, the Joint Utilities fail to explain why the same would not be true of NRIS-electing QFs.

In its initial comments, Commission Staff identified as one of its two issues "the requirement of an executed PPA as a criterion for a LGIA."³ Staff proposed to address the Joint Utilities' concern by allowing ERIS-electing QFs a "grace period" in which they can terminate a non-standard PPA without financial penalties. While the Joint Developers appreciate Staff's attempt to find solutions, the Joint Developers does not believe that Staff's proposal will have any practical effect. If ERIS-electing QFs have the opportunity to both terminate their PPAs without consequences and withdraw their interconnection requests, this would leave the interconnecting utilities in the same position they would have been in if they allowed the interconnection

² Joint Filing at 2.

³ See Initial Comments by Commission Staff filed November 22, 2023 at 2.

agreements to be signed without PPAs in place to begin with. Moreover, Staff's proposal does not address the Joint Utilities' discrimination between ERIS- and NRIS-electing QFs.

The Joint Developers request that the Commission eliminate the Joint Utilities' requirement of an executed, non-standard PPA, restore the full list of readiness milestones, and require the Joint Utilities to address their concerns on this issue through a separate docket with a full public process.

B. The Commission should require the Joint Utilities to modify their interconnection procedures to ensure the study reports give QFs the information they need to make an informed decision about which interconnection service to pursue.

The Commission's Orders make clear that QFs have the option to choose to study, at the QF's cost, both ERIS and NRIS.⁴ "Where an ERIS and NRIS study together reveal that voluntary curtailment or other solutions to avoiding Network Upgrades may exist, we favor experimenting...with voluntary arrangements between QFs and utilities that allow for more efficient use of the existing transmission system at a time of increasing constraints."⁵ Before a QF can make an informed and voluntary election to pursue a particular form of interconnection service, it must have sufficient information on which to base its decision. The Orders are clear that the "dual ERIS and NRIS reports" serve as that "foundation for a QF's voluntary agreement."⁶ Thus, the study reports must contain sufficient detail on the "voluntary curtailment[s] or other solutions" that could obviate the need for expensive Network upgrades.

However, the Joint Filing does not implement this requirement. None of the Joint Utilities' LGIPs or SGIPs have been modified to make clear that, if the QF has elected to study ERIS, the resulting reports will address the frequency and extent of curtailment that the utility "agrees

⁴ Order No. 23-005 at 34.

⁵ *Id.*

⁶ *Id.*

obviates the need for Network Upgrades identified in a NRIS report and can be accommodated through appropriate transmission service (*e.g.*, non-firm or PTP).”⁷ The Joint Developers agree with the comments submitted by the Interconnection Customer Coalition⁸ that the Commission should require revised interconnection procedures that clearly require the interconnecting utility to include in its ERIS reports sufficiently detailed information relating to voluntary curtailments or other solutions that would allow QFs to make informed and timely decisions.

Dated this 5th day of January, 2024.

Respectfully submitted,

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⁷ Order No. 23-005 at 34.

⁸ See Initial Comments filed November 22, 2023, by Community Renewable Energy Association, the Northwest & Intermountain Power Producers Coalition, and the Renewable Energy Coalition.