1 BEFORE THE PUBLIC UTILITY COMMISSION			
2 OF OREGON			
3 UM 2032			
In the Matter of			
PUBLIC UTILITY COMISSION OF	AMENDED STAFF PROPOSED ISSUES LIST		
Upgrade Costs for Qualifying Facilities.			
Background			
At the July 30, 2019 public meeting, Staff presented its recommendation to open several			
11 different investigations regarding the implementation of PURPA, including an investigation into			
12 the appropriate cost allocation of interconnection-related Network Upgrades for qualifying			
13 facilities (QFs). During the meeting, stakeholders asked the Commission to expand the scope of			
14 the investigation into the cost allocation of Network Upgrades to include additional issues such			
15 as whether utilities should be required to allow generators to hire third parties to conduct			
16 interconnection studies and to build Network Upgrades. After some discussion the Commission			
17 ordered:			
The Administrative Hearings Division shall consider, following a prehearing conference and after considering recommendations from the parties, whether the scope of the investigation into the treatment of network upgrade costs for QFs should be expanded to include a limited number of additional, discrete issues related to interconnection of QFs. ¹			
		Staff and parties to Docket No. UM 2032 have conferred regarding the appropriate scope	
		of this docket and have not reached agreement. Instead the parties agreed that on April 27, 2020,	
23 Staff will submit a proposed issues list to the Administrative Law Judge and parties will file			
comments regarding their recommendations for the scope of the investigation on May 4, 2020.			
	OF O UM In the Matter of PUBLIC UTILITY COMISSION OF OREGON, Investigation into the Treatment of Network Upgrade Costs for Qualifying Facilities. Background At the July 30, 2019 public meeting, Sta different investigations regarding the implement the appropriate cost allocation of interconnection facilities (QFs). During the meeting, stakehold the investigation into the cost allocation of Network as whether utilities should be required to allow interconnection studies and to build Network UC ordered: The Administrative Hearings Divisis prehearing conference and after consi parties, whether the scope of the in network upgrade costs for QFs should number of additional, discrete issues rel Staff and parties to Docket No. UM 202		

¹ In the Matter of the Oregon Public Utility Commission Request to Adopt a Scope and Process for the Investigation into PURPA Implementation (Docket No. UM 2000); Order No. 19-254.

- 1 Staff anticipates that the ALJ will hold a prehearing conference to consider the scope of the
- 2 investigation and the procedural schedule on May 18, 2020.

³ **Proposed Issues List**

- 4 Staff recommends limiting the initial phase of this docket (Phase 1) to the following questions as Staff recommended to the Commission in July 2019: 5 6 1. Who should be required to pay for Network Upgrades necessary to interconnect the QF to the host utility? 7 2. Should on-system QFs be required to interconnect to the host utility with 8 Network Resource Interconnection Service (NRIS) or should OFs have the option to interconnect with Energy Resource Interconnection Service (ERIS) 9 or an interconnection service similar to ERIS? 10 Depending on the Commission's resolution of Issues 1 and 2, a second phase may be necessary to address how to implement the Commission's decisions. If so, Staff 11 12 recommends a second phase of the docket (Phase II) to address the following issue: 13 3. If the answer to Issue No. 1 is that users and beneficiaries of Network Upgrades, (which typically are primarily utility customers), should pay for the 14 Network Upgrades necessary to interconnect the QF to the host utility, how should that policy be implemented? For example, should utility customers, 15 and other beneficiaries and/or users, fund the cost of the Network Upgrades upfront or should the QF provide the funding for the Network Upgrade subject 16 to reimbursement from utility customers? Should the QF, utility customers, and other beneficiaries and users, if any, share the costs of Network 17 Upgrades? 18 Staff recognizes that the following issues identified by the Renewable Energy 19 Coalition (REC), the Community Renewable Energy Association (CREA), and other 20 intervenors are appropriate to include in a general investigation of interconnection
- 21 process and policies. These issues are:
- 1. What are the appropriate circumstances under which an Interconnection
- ²³ Customer should be provided an option to build (or hire third parties to build) Network
- 24 Upgrades?
- 25
- 26

2. What are the appropriate circumstances under which an Interconnection
 Customer should have an opportunity to hire third parties to perform Interconnection
 Studies?

3. What is the appropriate process through which an Interconnection Customermay challenge utility cost estimates and propose alternatives?

4. In what circumstances should identified transmission upgrades should be
reviewed using power flow analysis to confirm that the upgrades are necessary and
prudently designed and sized.

9 Staff does not recommend investigating the additional issues identified by the QFs 10 in Phase I of Docket No. UM 2032. Instead, Staff believes the issues identified by the QFs 11 are appropriately addressed in a broader investigation of interconnection issues that is not 12 tied to the timeline to resolve the specific Network Upgrade issues. The questions raised 13 by the QFs are technical and of interest to all interconnection customers subject to the 14 Commission's jurisdiction, including Community Solar Program projects and net metering customers. Staff does not believe it is appropriate to incorporate these issues into this 15 16 narrow investigation of how costs of Network Upgrades for QFs should be allocated. 17 Staff anticipates recommending that the Commission open a general investigation into interconnection process and policies relatively soon. However, Staff commits that if the general 18 19 investigation is not opened prior to the resolution of the issues identified by Staff in this docket, Staff will not object to considering the issues identified by the QFs in Phase II of this docket. 20 21 DATED this 28th day of April 2020. 22 Respectfully submitted, 23 ELLEN F. ROSENBLUM Attorney General 24

/s/ Stephanie Andrus

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