

**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 BRIEF

August 5, 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 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.

This proceeding was broken into two phases, with the first phase limited to the following questions:

1. Who should be required to pay for Network Upgrades necessary to interconnect the QF to the host utility?
2. Should on-system QFs be required to interconnect to the host utility with Network Resource Interconnection (NRIS) or should QFs have the option to interconnect with Energy Resource Interconnection Service (ERIS) or an interconnection service similar to ERIS?¹

Depending on the resolution of Phase I, the question for Phase II is:

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 Network Upgrades necessary to interconnect the QF to the host utility, how should that policy be implemented? For example, should utility customers, 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 to reimbursement from utility customers? Should the QF,

¹ Ruling at 1-2 (May 22, 2020).

utility customers, and other beneficiaries and users, if any, share the costs of Network Upgrades?²

Regarding Network Upgrades, the Interconnection Customer Coalition’s position on this issue is that the Commission should assume that all system users benefit from Network Upgrades, and that all Network Upgrades should be paid by all users and beneficiaries of the system.³ Further, the utilities should bear the burden to rebut that presumption by demonstrating the Network Upgrades do not provide any benefits to other users or at least provide only partial benefits.⁴ The Interconnection Customer Coalition acknowledges 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.⁵ The Interconnection Customer Coalition does not assert that benefits provided by a Network Upgrade will always equal the costs.⁶

Regarding Network Resource Interconnection Service (“NRIS”) and Energy Resource Interconnection Service (“ERIS”), the Interconnection Customer Coalition recommends that the Commission should allow all interconnection customers the option

² Ruling at 2 (May 22, 2020).

³ Interconnection Customer Coalition/100, Lowe/6-7, 21; Interconnection Customer Coalition/300, Lowe/5.

⁴ Interconnection Customer Coalition/100, Lowe/6-7, 21; Interconnection Customer Coalition/300, Lowe/5-6.

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

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

to be interconnected using ERIS or an interconnection service similar to ERIS.⁷

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 qualifying facility (“QF”) has the right to sell whatever amount of net output can be delivered, even if it cannot arrange for firm deliverability.⁸

The Interconnection Customer Coalition recommends that the Commission resolve as many issues as possible during Phase I and provide guidance for Phase II. While Phase II is intended to address how a policy in which users and beneficiaries are required to pay for Network Upgrades should be implemented, much of the testimony in this proceeding addresses this issue at least in part. The Commission’s Phase I order should not simply answer the first question with “yes” but instead should provide direction and resolve as many issues as practicable. This will achieve judicial economy so that the parties do not need to repeat their testimony and arguments, the Commission need not hear them again, and improvements in interconnection policies can be more quickly implemented.

Idaho Power Company (“Idaho Power”), PacifiCorp dba Pacific Power (“PacifiCorp”), and Portland General Electric Company (“PGE”) (collectively the “Joint Utilities”) recommend the Commission should address the Commission’s quantifiable

⁷ Interconnection Customer Coalition/100, Lowe/24-25; Interconnection Customer Coalition/300, Lowe/12-13.

⁸ 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 IV(B).

system-wide benefits test in Phase II.⁹ The Interconnection Customer Coalition disagrees and recommends that the Commission resolve as many of the core issues surrounding the quantifiable system-wide benefits in Phase I as practicable. There is sufficient information for the Commission to adopt a policy in this Phase and implement the policy in Phase II. For example, the Commission should first decide that retail customers, who are the primary users and beneficiaries, should be required to pay for interconnection upgrades, with the limited exception that utilities should be provided the opportunity to rebut this presumption. Phase II of this proceeding should focus on what circumstances would allow the utilities to overcome this presumption and what evidence the utilities would need to provide to demonstrate that costs exceed benefits. Alternatively, the Commission could decide that it will adopt a fixed percentage that interconnection customers will pay for Network Upgrades and use Phase II to determine that percentage.¹⁰

The Commission should provide a quick resolution of these issues. Every day of delay will result in another day in which Oregon QFs are unable to help meet the state's clean energy and climate goals.¹¹ Prompt action is needed if Oregon is going to meet its 80 percent clean energy goal by 2030 and 100 percent clean energy goal by 2040.¹²

⁹ Joint Utilities' Prehearing Brief at 5, n.11 (June 3, 2022).

¹⁰ See Staff/200, Moore/11; Staff/300, Moore/8-9; Interconnection Customer Coalition/300, Lowe/8-9.

¹¹ Most, if not all, QFs in Oregon are clean energy resources that utilize renewable energy resources like hydropower or solar.

¹² HB 2021, 81st Gen. Assemb., Reg. Sess. (Or. 2021).

Thus, the Commission should resolve as many issues as possible in this Phase so that QFs can help Oregon meet its clean energy goals.

The remainder of this Post Hearing Brief will provide background on these issues and provide more detail and legal arguments for each of these issues. Additionally, the Interconnection Customer Coalition recommends that Phase II only consist of rounds of comments and no evidentiary hearing. A hearing was ultimately not needed in this Phase.

II. BACKGROUND

The Commission's current policy on the cost of Network Upgrades was established in Docket Nos. UM 1401 and AR 521. In UM 1401, the Industrial Customers of Northwest Utilities¹³ recommended that large QFs be able to recover the costs of Network Upgrades from utilities consistent with the Federal Energy Regulatory Commission's ("FERC's") policy.¹⁴ The Commission stated that "Interconnection Customers are responsible for all costs associated with Network Upgrades unless they can establish quantifiable system-wide benefits, at which point the Interconnection Customer would be eligible for direct payments from the Transmission Provider in the

¹³ The Industrial Customers of Northwest Utilities was the prior name for the Alliance of Western Energy Consumers ("AWEC"), prior to the electric industrial customer trade association merging with the gas industrial customer trade association, the Northwest Industrial Gas Users.

¹⁴ See generally *In re Investigation into Interconnection of Public Utility Regulatory Policies Act QFs with Nameplate Capacity Larger than 10 MW to a Pub. Util.'s Transmission or Distrib. Sys.*, Docket No. UM 1401, Opening Comments of Industrial Customers of Northwest Utilities (June 8, 2009); see also Docket No. UM 1401, Reply Comments of Industrial Customers of Northwest Utilities (Aug. 13, 2009).

amount of the benefit.”¹⁵ The Commission intended some costs could be paid by ratepayers if there was system-wide benefits otherwise the Commission would have required the interconnection customer to pay for all costs of Network Upgrades. Thus, the interconnection customer would *only* be responsible for costs of Network Upgrades that do not provide system-wide benefits.

Further, in AR 521, the rulemaking proceeding for small generator interconnections, the Commission explained as follows:

The proposed rules, however, include language that is meant to strictly limit a public utility’s ability to require one small generator facility to pay for the cost of system upgrades that primarily benefit the utility or other small generator facilities, or that the public utility planned to make regardless of the small generator interconnection. Under the proposed rules, a public utility may only require a small generator facility to pay for system upgrades that are ‘necessitated by the interconnection of a small generator facility’ and ‘required to mitigate’ any adverse system impacts ‘caused’ by the interconnection.¹⁶

Thus, these policies require the interconnection customer to pay for the costs associated with Network Upgrades in the following circumstances: 1) if those Network Upgrades were reasonably necessitated by the interconnection of that generator; 2) only to the extent that the upgrades do not provide a system-wide benefit for which the QF developer or owner should be provided a refund or discount; 3) only to the extent the upgrades do not primarily benefit the utility or other small generator facilities; and 4) only if the

¹⁵ Docket No. UM 1401, Order No. 10-132 at 3 (Apr. 7, 2010).

¹⁶ *In re Rulemaking to Adopt Rules Related to Small Generator Interconnection*, Docket No. AR 521, Order No. 09-196 at 5 (June 8, 2009).

public utility would not have made the upgrade regardless of the small generator interconnection. In addition, interconnection customers are not responsible for unreasonable, imprudent, or negligent costs.¹⁷

The Commission’s current policy has failed because it is unclear how an interconnection customer would establish quantifiable system-wide benefits to be reimbursed for Network Upgrade costs.¹⁸ Further, after this policy being in place for over a decade, the Joint Utilities were unable to provide any guidance on how this policy should be demonstrated by interconnection customers.¹⁹ The only case that the Interconnection Customer Coalition is familiar with of a QF attempting to establish quantifiable system-wide benefits was *Madras PVI, LLC v. PGE*, but the parties reached settlement and dismissed the case.²⁰ Additionally, the Joint Utilities do not normally credit the interconnection customer for the value conferred by paying for upgrades that replace aged equipment that the utility would have needed to replace soon even without the interconnection customer’s interconnection request.²¹

Thus, the current policy has operated as a *de facto* prohibition on the ability for the users and beneficiaries of Network Upgrades (which typically are primarily utility customers) to shoulder any responsibility for the costs of upgrades. This means that

¹⁷ See, e.g., OAR 860-082-0035(2), (4) (“The applicant *must pay the reasonable costs of the interconnection facilities*. . . . The applicant *must pay the reasonable costs of any system upgrades*.”) (emphasis added); OAR 860-082-0060(2).

¹⁸ Note Staff is also unsure how an interconnection customer would establish quantifiable system-wide benefits. See Staff/100, Moore/15.

¹⁹ Interconnection Customer Coalition/100, Lowe 12-13.

²⁰ See generally *Madras PVI, LLC v. PGE*, Docket No. UM 2009.

²¹ Interconnection Customer Coalition/300, Lowe/9-12.

interconnection customers are significantly subsidizing retail customers; or, more likely, are being deterred from developing otherwise viable renewable energy facilities as intended by state and federal law.

Network Upgrade costs are a major impediment for QF development in Oregon. As the transmission system becomes more constrained, these costs are drastically increasing. This will make it harder to economically develop projects, which could slow down progress towards Oregon’s clean energy goals.

The Joint Utilities are taking advantage of these interconnection issues to thwart QF development. For example, PacifiCorp used to allow a QF to use third-party point-to-point (“PTP”) transmission services to deliver energy out of a load pocket, but now has changed its deliverability requirements so that a “deliverability analysis” occurs at the interconnection study stage.²² This can result in excessive interconnection costs that PacifiCorp will not allow the QF to avoid by using third-party PTP transmission services to bypass the constraints that would exist on PacifiCorp’s system and deliver the energy to another load area.²³

²² *Dalreed Solar, LLC v. PacifiCorp*, Docket No. UM 2125, Dalreed Solar’s Notice of Dismissal Without Prejudice at 8-10 (Jan. 20, 2022).

²³ The Commission, the parties, and PacifiCorp expended considerable resources to allow QFs to wheel their power out of load pockets. *See In re Commission Staff Investigation into QF Contracting and Pricing*, Docket No. UM 1610 (Phase II was opened on Feb. 24, 2014, and the Docket was closed on June 24, 2020). *See also In re PacifiCorp Revises Schedule 37, Avoided Cost Purchases from Qualifying Facilities (QF) of 10,000 kW or Less*, Docket No. UE 235 (Docket was opened on June 27, 2011, and the Docket was closed without an order on Dec. 21, 2012 because the policy question was to be addressed in UM 1610). However, a simple change in PacifiCorp’s interconnection study requirements effectively wasted these efforts, and no action has been taken to remedy PacifiCorp’s actions.

The utilities could address these issues and offer innovative solutions, but they are not. For example, Puget Sound Energy in Washington has adopted a voluntary interconnection tariff as an innovative but partial solution to the high costs of certain interconnections under NRIS, which is discussed more below.²⁴ Thus, there are options available to the utilities to address these issues and the Commission should not limit any potential solution.

As Network Upgrade costs are an impediment to QF development in Oregon, it is important to expedite this proceeding to implement a cost allocation policy. The Interconnection Customer Coalition initially proposed an investigation for Phase I based on comments and no evidentiary hearing.²⁵ Ultimately, a schedule with several rounds of testimony, an evidentiary hearing, and legal briefs was adopted.²⁶ Parties have spent a considerable amount of time and resources in this docket. There have been three rounds of testimony for each party, which has mostly consisted of policy recommendations.²⁷ Additionally, the docket has been ongoing since September 2019. Further, the Commission denied NIPPC's intervenor funding request; thus, all non-utility resources

²⁴ Interconnection Customer Coalition/300, Lowe/14-15; Interconnection Customer Coalition/301, Lowe/1-17 (PSE's Schedule 153 QF Transmission Interconnection Service Tariff and additional explanatory materials, and WUTC Staff Memorandum for Dec. 23, 2021 Open Meeting).

²⁵ NIPPC, the Coalition, and CREA Comments on Staff's Proposed Issues List at 10-11 (May 4, 2020).

²⁶ Prehearing Conference Memorandum at 1-2 (July 1, 2020).

²⁷ Joint Utilities have submitted Direct Testimony, Reply Testimony, and Second Round Reply Testimony. The Interconnection Customer Coalition and Staff have submitted Response Testimony, Reply Testimony, and Second Round Reply Testimony. NewSun has filed Response Testimony and Second Round Reply Testimony.

for this docket are paid solely by each non-utility party.²⁸ Ultimately, the parties agreed to cancel the evidentiary hearing in this Phase,²⁹ which was the Interconnection Customer Coalition’s initial recommendation. Because of all these delays and extensive process in Phase I, the Interconnection Customer Coalition recommends there is no need for testimony or a hearing in the next phase.

Below is a summary table of each party’s position on the various issues.

	Network Upgrade Cost Allocation	ERIS and NRIS
Interconnection Customer Coalition	<p>The Commission should adopt policy that assumes all system users benefit from Network Upgrades, the Network Upgrade costs equal the benefits, and Network Upgrades should be paid for by all users and beneficiaries unless the utility, that bears the burden of proof, can rebut that presumption by demonstrating that Network Upgrades provide no benefits or that costs do not equal benefits.³⁰ Thus, only Network Upgrades equal to the benefit would be refunded to the interconnection customer.</p> <p>The Interconnection Customer Coalition is also supportive of Staff’s alternative</p>	<p>The Commission should allow all interconnection customers the option to be interconnected using ERIS or another alternative to NRIS.³² Several examples include: PTP transmission service, Oregon’s Community Solar Program, voluntary curtailment, and Puget Sound Energy’s voluntary interconnection tariff.³³</p>

²⁸ Order No. 20-180 (June 3, 2020).

²⁹ Notice of Cancellation of Hearing (June 10, 2022).

³⁰ NIPPC, REC, and CREA’s Prehearing Brief at 7-10 (June 3, 2022).

³² Interconnection Customer Coalition/100, Lowe/24-25; Interconnection Customer Coalition/300, Lowe/12-13.

³³ NIPPC, REC, and CREA’s Prehearing Brief at 19-22.

	recommendation to speed up resolution of this proceeding. ³¹	
Staff	<p>Staff recommends that interconnection customers should be responsible for Network Upgrade costs that exceed the utilities' avoided Network Upgrade costs, but that the Commission's current policy is not being implemented as interconnection customers, ratepayers, and other users of the system should share the costs of Network Upgrades proportional to the benefits.³⁴</p> <p>Staff also supports a percentage cost allocation formula in which an interconnection customer and the utility are responsible for specific percentages of Network Upgrade costs.³⁵</p>	Staff recognizes that NRIS is not the only way to firmly deliver a generator's output to load, but that NRIS is the most practical interconnection service for QFs. ³⁶
Joint Utilities	Then Joint Utilities recommend that QFs be responsible for Network Upgrades that would not have been required but-for the interconnection customer's interconnection request. ³⁷	The Joint Utilities recommend that all interconnection customers be required to interconnect using NRIS based on the claim that the Public Utility Regulatory Policies Act ("PURPA") required a utility to deliver QF power with firm transmission. ³⁸

³¹ NIPPC, REC, and CREA's Prehearing Brief at 13-14.

³⁴ Staff's Prehearing Brief at 10-13 (June 3, 2022).

³⁵ Staff's Prehearing Brief at 12-13.

³⁶ Staff's Prehearing Brief at 13-16.

³⁷ Joint Utilities' Prehearing Brief at 10-12 (June 3, 2022).

³⁸ Joint Utilities' Prehearing Brief at 33-34.

<p style="text-align: center;">NewSun</p>	<p>NewSun recommends that host utilities or transmission providers should ultimately pay for the Network Upgrades necessary to interconnect a QF unless the Network Upgrades solely benefit a single QF.³⁹</p>	<p>NewSun recommends that a QF should be allowed to select NRIS or ERIS based on what best meets the QF’s business objectives.⁴⁰</p>
<p style="text-align: center;">AWEC</p>	<p>The AWEC recommends that QFs pay for Network Upgrade costs that would not have been incurred but for the QF’s interconnection and that QFs should bear the burden of proof to demonstrate that Network Upgrades are required regardless of the QF’s interconnection.⁴¹</p>	<p>States no position.⁴²</p>

III. NETWORK UPGRADE COSTS

Staff recommended that the Commission open this investigation so that Staff could evaluate “whether Oregon’s treatment of network upgrades, which differs from established FERC policies, is appropriate.”⁴³ While FERC mandates cost refunds, the Commission decided to limit such refunds to cases where QFs demonstrated “quantifiable system-wide benefits.”⁴⁴ For over a decade, this policy has proven unworkable in practice, without a single QF successfully receiving any reimbursement

³⁹ NewSun’s Prehearing Brief at 3-9 (June 3, 2022).

⁴⁰ NewSun’s Prehearing Brief at 10-13.

⁴¹ AWEC’s Prehearing Brief at 5-9 (June 3, 2022).

⁴² AWEC’s Prehearing Brief at 1.

⁴³ *In re Investigation into PURPA Implementation*, Docket No. UM 2000, Order No. 19-254, Appendix A at 31 (July 31, 2019) (Staff White Paper).

⁴⁴ Docket No. UM 1401, Order No. 10-132 at 3 (Apr. 7, 2010).

for funding network upgrades that generally benefit the entire system and all users and beneficiaries. Requiring QFs to subsidize system development is contrary to Oregon’s policy of encouraging QF development and to the Commission’s obligation to protect customers, including interconnection customers, from unjust and unreasonable practices.⁴⁵ Simply put, the current treatment in Oregon is not appropriate and needs to be changed.

The Interconnection Customer Coalition’s position on this issue is that the Commission should assume that all system users benefit from Network Upgrades, and that all Network Upgrades should be paid by all users and beneficiaries of the system.⁴⁶ Further, the utilities can rebut that presumption by demonstrating the Network Upgrades do not provide any benefits to other users or at least provide only partial benefits.⁴⁷ Thus, 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.⁴⁸ The Interconnection Customer Coalition does not assert that benefits provided by a Network Upgrade will always equal the costs.⁴⁹ For example, “the benefits could be less than the costs, equal to the costs, or

⁴⁵ ORS 758.525; ORS 756.040(1).

⁴⁶ Interconnection Customer Coalition/100, Lowe/6-7, 21; Interconnection Customer Coalition/300, Lowe/5.

⁴⁷ Interconnection Customer Coalition/100, Lowe/6-7, 21; Interconnection Customer Coalition/300, Lowe/5-6.

⁴⁸ Interconnection Customer Coalition/100, Lowe/10-11; Interconnection Customer Coalition/300, Lowe/5.

⁴⁹ Interconnection Customer Coalition/300, Lowe/5-6.

even greater than the costs.”⁵⁰ Specifically, the Interconnection Customer Coalition recommends that:

the Commission [] retain the principle that beneficiaries pay for benefits, adopt a presumption that QF Network Upgrades provide system-wide benefits equivalent to the utility identified costs for those Network Upgrades, and allow utilities to rebut that presumption by demonstrating that a specific QF Network Upgrade does not provide system-wide benefits at all or in part.⁵¹

The Joint Utilities should bear the burden of demonstrating whether parties other than the interconnecting facility do not benefit from a given Network Upgrade for several reasons.

- First, the utilities have more information about their system and utility operations.⁵²
- Second, utilities are “monopoly providers of interconnection services that have discriminated against and imposed unreasonable, unfair and unjust costs, and practices upon QFs.”⁵³
- Third, having the utilities make this evaluation should facilitate the creation of a transparent and non-discriminatory standard.⁵⁴ Right now, most interconnection customers lack the ability and resources to prove that a given Network Upgrade provides system-wide benefits. Indeed, the

⁵⁰ Interconnection Customer Coalition/300, Lowe/6.
⁵¹ Interconnection Customer Coalition/100, Lowe/21.
⁵² Interconnection Customer Coalition/100, Lowe/19.
⁵³ Interconnection Customer Coalition/100, Lowe/19.
⁵⁴ Interconnection Customer Coalition/100, Lowe/19-20.

utility possesses the details regarding its system, and therefore, absent utility cooperation, the interconnection customer would normally only be able to obtain such information necessary to demonstrate the full extent of such benefits by filing a formal complaint and propounding discovery on the utility.

- Fourth, as FERC has long recognized, it is well established that most Network Upgrades provide some benefit to the system, and thus the presumption should require the utility to disprove that ordinary expectation.⁵⁵ In general, the information asymmetry and likelihood that Network Upgrades provide some benefit to the system, supports the presumption that Network Upgrades provide benefits, and the utilities must demonstrate otherwise.
- Finally, the Commission has the requisite expertise to address and resolve any issues related to whether costs exceed benefits. In utility rate proceedings, the Commission typically reviews the prudence and reasonableness of utility capital investments,⁵⁶ including transmission and

⁵⁵ Interconnection Customer Coalition/100, Lowe/20.

⁵⁶ See generally, e.g., *In re PacifiCorp Cost Recovery Adjustment and Coal Removal Mechanism*, Docket No. UM 2183 (Commission opened a new docket following PacifiCorp's 2020 general rate case to evaluate the reasonableness of coal decommissioning cost estimates because the record in the rate case was inadequate).

interconnection costs.⁵⁷ The utility similarly has the burden of proof and persuasion.

Network Upgrades can be very expensive and based on both siting decisions as well as the utility's approach to evaluating the upgrades. Utilities have considerable discretion in Network Upgrade cost allocation as demonstrated by PacifiCorp's new deliverability analysis explained above. Another example is the Prineville, Oregon situation in which PacifiCorp has decided to invest in transmission to get power from its eastern service territory instead of fixing its load pocket issue in Oregon. Cluster study reforms have not solved this expensive Network Upgrade problem for FERC or state jurisdictional interconnections. Network Upgrade cost allocation will continue to be a problem and impediment to QF development, unless the Commission implements a new policy.

A. The Interconnection Customer Coalition's Recommendation Is Consistent with the Commission's Current Policy

The Interconnection Customer Coalition's recommendation summarized above is consistent with the Commission's current policy, as it was originally intended. In UM 1401, the Commission adopted the current quantifiable system-wide benefits test in which "Interconnection Customers are responsible for all costs associated with network upgrades unless they can establish quantifiable system-wide benefits, at which point the

⁵⁷ See generally, e.g., *In re PacifiCorp Request for a General Rate Revision*, Docket No. UE 374, Order No. 20-473 at 35-39 (Dec. 18, 2020) (the Commission reviewed the reasonableness of cost overruns for various transmission projects and disallowed many costs).

Interconnection Customer would be eligible for direct payments from the Transmission Provider in the amount of the benefit.”⁵⁸ The Commission must have intended some costs could be paid by ratepayers if there was system-wide benefits. Otherwise, the Commission would have required the QF to pay for all costs of Network Upgrades. Thus, the QF would only be responsible for costs of Network Upgrades that do not provide system-wide benefits.

Under the Interconnection Customer Coalition’s recommendation, the interconnection customer would only receive a refund if the Network Upgrade provides system-wide benefits. This is consistent with the Commission’s current policy as it allows interconnection customers to be eligible for refunds if there are system-wide benefits, with the change that there would be an assumption that all network upgrades benefit all users of the system, and an opportunity for those with the most information on the topic (utilities) to do the analysis to rebut the presumption of system-wide benefits in those limited circumstances in which there are not system-wide benefits. There could be instances where the utility demonstrates the costs exceed the system-wide benefits, and in this situation, the interconnection customer would only be reimbursed for those benefits.

The Interconnection Customer Coalition recommends the Commission adopt the rebuttable presumption that Network Upgrades provide benefits. The Commission should change the current policy that assumes that there are no system-wide benefits and imposes an impossible test upon the interconnection customer to demonstrate otherwise.

⁵⁸ Docket No. UM 1401, Order No. 10-132 at 3 (Apr. 7, 2010).

There is strong support for this presumption. When FERC adopted its standardized generator interconnection agreements and procedures, FERC presumed Network Upgrades provided system-wide benefits.⁵⁹ Specifically, FERC stated that “[m]ost improvements to the Transmission System, including Network Upgrades, benefit all transmission customers” and that “it is just and reasonable for the Interconnection Customer to pay for Interconnection Facilities but not for Network Upgrades.”⁶⁰ FERC has upheld the notion that Network Upgrades can benefit more than just the interconnection customer.⁶¹ Additionally, this presumption has been upheld by federal courts.⁶²

⁵⁹ *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 U.S. 1230 (2008).

⁶⁰ FERC Order No. 2003, 104 FERC ¶ 61,103 at P 21.

⁶¹ *See, e.g., Consumers Energy Co.*, 96 FERC ¶ 61,132 (July 26, 2001) (FERC rejected arguments by various utilities that Network Upgrades related to short-circuit and stability issues should be directly assigned to the interconnection customer because, although the upgrades did not provide a benefit to every grid user, the grid was a cohesive network, and the upgrades were crucial to protect nearby generators and equipment.); *see also, e.g., Entergy Services, Inc.*, 96 FERC ¶ 61,311 at P 62,202 (Sept. 14, 2001) (“the integrated transmission grid is a cohesive network whose expansion benefits all users of the grid. Even if they do not increase network capacity, short-circuit and stability-related upgrades that facilitate network expansion *benefit all users, not just the newly-interconnecting generator*, since the grid is continuously expanding and all users of the grid benefit from its continued stability”) (emphasis added).

⁶² *See Nat’l Ass’n of Regulatory Util. Comm’rs v. FERC*, 475 F.3d 1277 at 1285 (D.C. Circuit 2007) (affirming FERC’s “long-held understanding that Network Upgrades provide system-wide benefits” and thus justify refunds); *Entergy Services v. FERC*, 319 F.3d 536 at 539 (D.C. Circuit 2003) (“We hold third, that

More recently FERC has further acknowledged that Network Upgrades are increasingly likely to provide system-wide benefits. In the 2021 Advanced Notice of Proposed Rulemaking, FERC stated:

At the time that the Commission issued Order No. 2003, it was less likely that interconnection customers would be assigned significant interconnection-related network upgrades through the interconnection study process. Now, however, there is little remaining existing interconnection capacity on the transmission system, particularly in areas with high degrees of renewable resources that may require new resources to fund interconnection-related network upgrades that are more extensive and, as a result, more expensive. *The more significant the interconnection-related network upgrades needed to accommodate a new resource, the greater the potential that such upgrades may benefit more than just the interconnection customer. Where an interconnection customer elects not to pursue a generating facility with system-wide benefits that exceeds such facility's cost, net beneficial infrastructure would not be developed, potentially leaving a wide range of customers worse off as a result.*⁶³

PacifiCorp has even acknowledged that Network Upgrades likely provide system-wide benefits.⁶⁴ When describing Network Upgrades in relation to its OATT, PacifiCorp stated that Network Upgrades are “assets that benefit all customers using the transmission

there is sufficient support for the Commission’s conclusion that its pricing policy provides a systemwide benefit for all users of Entergy's grid[.]”).
⁶³ *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Docket No. RM21-17-000, 176 FERC ¶ 61,024 at P 40 (July 15, 2021) (emphasis added).

⁶⁴ It is important to recognize that under the FERC Open Access Transmission Tariff (“OATT”), these Network Upgrades could be caused by the need to interconnect a PacifiCorp owned resource, an independent power producer (“IPP”) selling to PacifiCorp, or an IPP selling to another utility. According to the Joint Utilities, the only interconnection customers whose Network Upgrades that almost never result in system wide benefits are QFs interconnections.

system.”⁶⁵ A Network Upgrade could require an interconnection customer to increase the capacity of a transmission line, which PacifiCorp stated 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.”⁶⁶ Thus, PacifiCorp has even noted that Network Upgrades could provide system-wide benefits beyond just the interconnection customer.

The Interconnection Customer Coalition’s recommendation is consistent with the underlying principles of the Commission’s current policy on Network Upgrade cost allocation. The Commission’s current policy allows an interconnection customer to be reimbursed if the Network Upgrade provides system-wide benefits. The Interconnection Customer Coalition’s proposal actually implements that policy. It starts with the presumption that Network Upgrades provide system-wide benefits equal to the costs, which has strong support in FERC precedent. However, a utility can rebut that presumption by demonstrating, in those rare circumstances, that a specific Network Upgrade does not provide any benefits or only provides partial benefits. Thus, the interconnection customer would only be reimbursed for Network Upgrade costs commensurate with the benefits the Network Upgrade provides, which is consistent with the Commission’s policy. Therefore, the Commission should adopt the Interconnection

⁶⁵ NewSun’s Cross-Examination Exhibit List, NewSun/600 at 11 (June 9, 2022) (PacifiCorp Request for General Rate Revision, Docket No. UE 399, Direct Testimony of Richard A. Vail).

⁶⁶ NewSun/600 at 4 (emphasis added).

Customer Coalition’s recommendation on Network Upgrade cost allocation and move to Phase II to determine how and under what limited circumstances a utility can rebut that presumption.

B. The Interconnection Customer Coalition’s Recommendation Is Consistent with the Customer Indifference Standard

The Interconnection Customer Coalition’s recommendation is consistent with PURPA’s customer indifference standard because the interconnection customer is only being reimbursed for Network Upgrade costs that provide system-wide benefits and the utility’s customers are not subsidizing the interconnection customer. The Joint Utilities claim that the customer indifference standard “requires QFs to pay the costs necessitated by their interconnection.”⁶⁷ The Joint Utilities also claim that requiring reimbursement to interconnection customers of Network Upgrade costs that provide system-wide benefits would result in utility customers subsidizing interconnection customers.⁶⁸ Both of these assertions are incorrect, and the Joint Utilities do not cite any support that QFs are required to pay for all Network Upgrades no matter the cost or system-wide benefit the Network Upgrades provide. If the Commission were to adopt this recommendation, it would be the first time that the Interconnection Customer Coalition is aware that FERC or any state public utility commission has adopted the view that the customer indifference standard requires an interconnection customer to pay for all costs necessitated by the interconnection.

⁶⁷ Joint Utilities’ Prehearing Brief at 5.

⁶⁸ Joint Utilities’ Prehearing Brief at 10-11.

Under the Joint Utilities’ view of the customer indifference standard, a utility could require an interconnection customer to pay for any Network Upgrade it deems was “necessitated” by the interconnection even if those upgrades and costs are unreasonable. This is contrary to Commission policy as a Network Upgrade and its cost must be reasonable.⁶⁹ For example, the Commission has stated that utility required upgrades pursuant to the small generator interconnection rules must leave “customers and the system in an equivalent position relative to safety and reliability as it was prior to the introduction of the [generator] in question.”⁷⁰ This demonstrates upgrades and costs cannot be “gold-plated,” unreasonable, or more than what is required—unless the utility and ratepayer pay for the additional benefits. Current Commission policy is contrary to the Joint Utilities’ position that the customer indifference standard requires the interconnection customer to pay all Network Upgrade costs associated with interconnection.

The Interconnection Customer Coalition’s recommendation is also consistent with the customer indifference standard because it does not result in utility ratepayer customers subsidizing interconnection customers. The Interconnection Customer Coalition’s recommendation only allows for reimbursement for the system-wide benefit of the Network Upgrade. This is the same result intended by the Commission’s current

⁶⁹ OAR 860-082-035(4); *see, e.g.*, Docket UM 1401, Staff Reply Comments at 3 (Aug. 13, 2009) (“Staff disagrees that the [Large Generator Interconnection] Agreement, as drafted, allowed for unreasonable illegal or negligently incurred costs to be imposed on large QF interconnection customers.”).

⁷⁰ *Zena Solar, LLC v. PGE*, Docket No. UM 2164, Order No. 22-134 at 11 (Apr. 29, 2022).

policy. The difference is that the utilities have effectively not implemented the Commission policy.⁷¹ The way the Commission's policy is currently designed recognizes that Network Upgrades may provide system-wide benefits and QFs should receive reimbursement. However, no QF has received reimbursement.⁷² Thus, it is likely interconnection customers are paying for Network Upgrades that provide system-wide benefits and utility ratepayer customers are not contributing to any of that system-wide benefit. In other words, it is likely that QFs are subsidizing utility ratepayer customers right now.

Contrary to the Joint Utilities' assertion, ratepayers will not be harmed if ratepayers are paying for the benefits they receive from the Network Upgrades. FERC has previously addressed this argument in response to numerous comments and still adopted the 100 percent refund policy for Network Upgrades.⁷³ The Interconnection Customer Coalition's recommendation is consistent with the customer indifference standard because there is no subsidy when those who are benefiting from a Network Upgrade pay for it.

C. The Joint Utilities' But-For Test Is Unreasonable

The Joint Utilities have proposed a but-for test with regards to Network Upgrade cost allocation. The Joint Utilities recommend that interconnection customers be responsible for Network Upgrades that "would not have been required but-for [the QF's]

⁷¹ Interconnection Customer Coalition/100, Lowe/12-13.

⁷² See Interconnection Customer Coalition/100, Lowe/14.

⁷³ FERC Order 2003, 104 FERC ¶ 61,103 at PP 681-703.

interconnection request.”⁷⁴ Put another way, the Joint Utilities recommend that “the QF would be responsible for the costs associated with all system upgrades that would not have been incurred by the utility and its customers ‘but-for’ the QF’s interconnection request.”⁷⁵ The only exception to this test is that the Joint Utilities propose that Network Upgrades the “utility has already determined through its transmission planning process that...[are] necessary for reliability purposes or for transmission capacity expansion to allow for cost-effective load service” would be refundable.⁷⁶

As a preliminary matter, the Joint Utilities’ arguments are focused almost entirely on interconnection customers that are QFs; however, state jurisdictional interconnection customers include other facilities like community solar facilities,⁷⁷ and it is more appropriate to consider the issues in this proceeding with all state-jurisdictional interconnection customers in mind.

The Joint Utilities’ “but for” test is unreasonable and oversimplifies the issue for several reasons. First, as FERC found, it subjects the interconnection customer to the

⁷⁴ Joint Utilities/100, Vail-Bremer-Foster-Larson-Ellsworth/24-25.

⁷⁵ Joint Utilities/200, Wilding-Macfarlane-Williams/11.

⁷⁶ Joint Utilities’ Prehearing Brief at 43-44.

⁷⁷ In Oregon, community solar facilities must also be QFs; however, the utilities do not have the same mandatory purchase obligation for the vast majority of their net output and there is no avoided cost rate, which are the prime justifications by the Joint Utilities for ensuring that interconnection customers continue to subsidize the utilities and retail customers when they benefit from Network Upgrades.

inherently subjective determinations on the need and cost for upgrades without providing the incumbent utility with any incentive to control such costs.⁷⁸

Second, the “but for” test essentially means an interconnection customer would always pay for the Network Upgrades regardless of whether there were any system-wide benefits. Even if 99% of the benefits accrued to retail ratepayers, the interconnection customer will pay for 100% of the costs. This ignores the possibility of system-wide benefits and is contrary to the Commission’s current policy.

Third, if the test for system benefits is a “but for” test that requires an interconnection customer to demonstrate that the Network Upgrade was not “required but for its interconnection request,” then the only way for an interconnection customer to meet the Joint Utilities’ test would be for the interconnection customer to prove that a utility assigned the interconnection customer a Network Upgrade that was not caused by its interconnection (i.e., that the utility violated the Commission’s rules).⁷⁹ This runs afoul of the Commission’s policy to allow interconnection customers to be reimbursed if there are quantifiable system-wide benefits.

⁷⁸ FERC Order No. 2003, 104 FERC ¶ 61,103 at P 696 (“[T]he Commission remains concerned that, when the Transmission Provider is not independent and has an interest in frustrating rival generators, the implementation of participant funding, including the ‘but for’ pricing approach, creates opportunities for undue discrimination. As the Commission stated in the NOPR, a number of aspects of the ‘but for’ approach are subjective, and a Transmission Provider that is not an independent entity has the ability and the incentive to exploit this subjectivity to its own advantage. ... The Commission would find any policy that creates opportunities for such discriminatory behavior to be unacceptable.”).

⁷⁹ See Interconnection Customer Coalition/100, Lowe/17-18.

The Joint Utilities’ exception to the but-for test for Network Upgrades already planned for in the utility transmission planning process is too limited. The Joint Utilities provided these transmission plans to the Interconnection Customer Coalition through data responses.⁸⁰ The Joint Utilities’ responses revealed a significant flaw in their proposal – namely, the referenced transmission plans “do not include all additions to transmission rate base; for example, transmission maintenance activities would not be included in these planning documents.”⁸¹ Idaho Power and PacifiCorp both concede this point in response to CREA Data Request No. 4(d).⁸² A high level review of the plans cited in the responses indicates that they are limited to transmission plans for major transmission projects. In contrast, the utilities have indicated that there are no plans in place for run-of-mill maintenance activities which make up much of the additions to transmission and distribution plant each year, and the utilities further indicated that such maintenance plans are not publicly available to verify or check whether the upgrades paid for by a QF may have been included in such a plan.⁸³

⁸⁰ Exhibit Interconnection Customer Coalition/302, Lowe/6-7 (Jan. 19, 2022) (PacifiCorp Response to CREA Data Request 4); Exhibit Interconnection Customer Coalition/303, Lowe/9-10 (Jan. 19, 2022) (Idaho Power Response to CREA Data Request 4); Exhibit Interconnection Customer Coalition/304, Lowe/7-8 (Jan. 19, 2022) (PGE Updated Response to CREA Data Request 4).
⁸¹ Exhibit Interconnection Customer Coalition/302, Lowe/8 (PacifiCorp Response to CREA Data Request 4); Exhibit Interconnection Customer Coalition/303, Lowe/10 (Idaho Power Response to CREA Data Request 4).
⁸² Exhibit Interconnection Customer Coalition/302, Lowe/8 (PacifiCorp Response to CREA Data Request 4); Exhibit Interconnection Customer Coalition/303, Lowe/10 (Idaho Power Response to CREA Data Request 4).
⁸³ Exhibit Interconnection Customer Coalition/302, Lowe/12 (PacifiCorp Response to CREA Data Request 6(b)-(d)); Exhibit Interconnection Customer

Thus, for a hypothetical example, assuming that a QF's interconnection triggered the replacement of aged equipment, such as a set of 50-year old transmission structures, that were past their useful life and needing to be replaced in the near term, say within a year. The Joint Utilities' suggestion that the Commission could rely solely on transmission plans and prior interconnection studies would result in no refund being provided to the QF, even though such a refund would clearly be justified.

Further, the Joint Utilities have spent millions of dollars on transmission additions that were not included in the transmission plans they propose to use as the basis to authorize refunds to interconnection customers.⁸⁴ The transmission plans do not adequately capture all additions to a utility's transmission system that interconnection customers may allow the utilities to avoid incurring. Thus, even if the Commission were to accept the Joint Utilities' proposal that only additions that were previously planned should be subject to refund, the Joint Utilities' proposal to rely solely on their publicly available transmission plans is inadequate. At the very least, the Commission's policy should certainly provide a refund if the interconnection customer replaces equipment that would have been replaced in the near term even without the interconnection. This includes but is not limited to the substantial avoided expenditures on regular maintenance

Coalition/303, Lowe/13 (Idaho Power Response to CREA Data Request 6(b)-(d)); Exhibit Interconnection Customer Coalition/304, Lowe/11 (PGE Response to CREA Data Request 6(b)-(d)).

⁸⁴ See Interconnection Customer Coalition/300, Lowe 11-12 (these costs ranged from about \$3.4 million to \$506 million).

and replacement of any equipment that would be replaced soon even without the interconnection customer's interconnection.

Overall, the Commission should not adopt the Joint Utilities' but-for test as it is contrary to the Commission's quantifiable system-wide benefits test. Further, the Joint Utilities' exception for upgrades already planned in the utility's transmission plan is too limited because it does not provide a refund for regulator maintenance if the interconnection customer replaces equipment that would ordinarily be replaced in the near-term. The Interconnection Customer Coalition's recommendation is consistent with the Commission's policy. Thus, the Commission should adopt the Interconnection Customer Coalition's Network Upgrade cost allocation recommendation.

D. The Commission's Statutory Duties Also Require the Commission to Protect Interconnection Customers from Unreasonable Costs and Practices

The Commission has statutory duties to ensure customers receive fair rates and protect those customers from unjust and unreasonable practices, which includes interconnection customers. Specifically, the statutory duties of the Commission state:

[T]he commission shall represent the customers of any public utility or telecommunications utility and the public generally in all controversies respecting rates, valuations, service and all matters of which the commission has jurisdiction. In respect thereof the commission shall make use of the jurisdiction and powers of the office to *protect such customers, and the public generally, from unjust and unreasonable exactions and practices and to obtain for them adequate service at fair and reasonable rates.*⁸⁵

⁸⁵ ORS 756.040(1) (emphasis added).

The Joint Utilities cite this statutory duty as reasoning that the Commission should adopt a Network Upgrade cost allocation policy in which the interconnection customer pays for all the costs it necessitates.⁸⁶ The Joint Utilities ignore the potential for system-wide benefits that an interconnection customer would pay for under the Joint Utilities' proposal.

The Commission's statutory duty to ensure reasonable and just practices and rates also applies to interconnection customers. The Commission has a duty to ensure interconnection customers are not paying an unreasonable or unjust share of Network Upgrade costs especially in light of its quantifiable system-wide benefits policy. Thus, if a Network Upgrade provides system-wide benefits, the costs should be shared between all users and beneficiaries otherwise the interconnection customer would bear an unreasonable and unjust portion of those costs. The Commission has a duty to ensure interconnection customers are not subsidizing ratepayers for Network Upgrades that provide system-wide benefits.

E. The Interconnection Customer Coalition's Proposal Does Not Absolve QFs of the Obligation to Pay for Network Upgrades or Eliminate the Incentive for QFs to Keep Such Costs Low with Appropriate Siting Decisions

Throughout the Joint Utilities' Prehearing Brief, they suggest that the Interconnection Customer Coalition's proposal would remove the incentive for QF

⁸⁶ Joint Utilities' Prehearing Brief at 13.

developers to site their facilities in locations that have low Network Upgrade costs.⁸⁷ But that assertion is incorrect.⁸⁸

Under the Interconnection Customer Coalition’s proposal, the QF would not be absolved of financing the upfront costs of the Network Upgrades and would only receive a refund if it were to successfully bring the project online. Further, under the Interconnection Customer Coalition’s recommendation, unlike FERC’s policies, the state jurisdictional interconnection customer still faces the possibility that not all of the Network Upgrade costs would be reimbursed if some of the costs do not provide system-wide benefits.

The requirement to fully finance a Network Upgrade and then be repaid over a period of time should not be underestimated as an incentive to site in locations with low interconnection costs. Under FERC’s policy, “the Interconnection Customer . . . pay[s] initially the full cost of Interconnection Facilities and Network Upgrades that would not be needed but for the interconnection” and receives a refund only “once the Generating Facility commences operation and delivery service begins[.]”⁸⁹ The refund is typically repaid over time, not in a lump sum, which is no longer than 20 years under FERC policy. Thus the interconnection customer must successfully finance and construct its

⁸⁷ *E.g.*, Joint Utilities’ Prehearing Brief at 13 (“The Commission’s current generator interconnection policies provide a critical financial incentive for QFs and other generators to site their projects in economically efficient locations. Without this price signal, QFs would be indifferent to the costs caused by their siting choices.”).

⁸⁸ Interconnection Customer Coalition/100, Lowe/21-22.

⁸⁹ Order No. 2003, 106 FERC ¶ 61,103 at P 694.

facility and the Network Upgrades to actually receive the repayment over a period of time after operation begins.⁹⁰ While that refund could be supplied via credits against transmission rates in the case where the interconnection customer is also a point-to-point transmission customer of the interconnected utility, FERC has further clarified that “a stream of uniform monthly payments designed to fully reimburse the Interconnection Customer” could also be used.⁹¹ And the refund is applicable even in cases where the interconnection customer takes no transmission service from the interconnected utility or any affected systems.⁹²

FERC specifically adopted the refund policy to provide the developer of the generation facility with a financial incentive not to speculatively require the construction of costly Network Upgrades. FERC described one of the main purposes of its upfront funding requirement as follows: “by placing the Interconnection Customer initially at risk for the full cost of the Network Upgrades, the upfront payment provides the

⁹⁰ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003-C, 111 FERC ¶ 61,401 at PP 6-9 (June 16, 2005).

⁹¹ Order No. 2003, 106 FERC ¶ 61,103 at P 720.

⁹² Order No. 2003-C, 111 FERC ¶ 61,401 at P 13 (“We clarify that both the Transmission Provider and an Affected System Operator must provide the 20-year lump sum reimbursement to refund any remaining balance, even if no transmission service was taken.”); *see also id.* at P 14 (clarifying that the Transmission Provider or Affected System Operator “must reimburse the Interconnection Customer for its upfront payment even if the Generating Facility ceases Commercial Operation before the Interconnection Customer is completely reimbursed as long as the Interconnection Agreement between the Interconnection Customer and the Transmission Provider remains in full force and effect.”).

Interconnection Customer *with a strong incentive to make efficient siting decisions* and, in general, to make good faith requests for Interconnection Service.”⁹³

FERC also rejected the contention that an interconnection customer has complete control over the locations it may site generation in the first instance, noting that “a number of the factors that influence siting decisions are beyond the control of both the Interconnection Customer and the Commission,” such as siting requirements of state authorities.⁹⁴ The very argument that the Joint Utilities make has therefore already been rejected by FERC. A cost-based incentive exists to locate generating facilities in locations without major Network Upgrades even under the Network Upgrade cost allocation policy proposed by the Interconnection Customer Coalition.

Further, in addition to being potentially cost-prohibitive to finance, extensive Network Upgrades also take more time to construct than lower cost interconnections requiring less upgrades. No developer of a renewable energy facility, QF or otherwise, would knowingly choose a location that will take longer to bring online. Indeed, the proposals being made in the parallel rulemaking in Docket No. AR 631 would provide the QF with an outer boundary of four years to bring its facility online, and the QF will lose time off of its fifteen-year fixed-price term for any delay beyond three years,

⁹³ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003-A, 106 FERC ¶ 61,220 at P 613 (Mar. 5, 2004) (emphasis added); *see also* Order No. 2003, 106 FERC ¶ 61,103 at P 731.

⁹⁴ Order No. 2003-A, 106 FERC ¶ 61,220 at P 627.

including most interconnection delays.⁹⁵ For example, if the Network Upgrades are extensive and will take 5-10 years to complete, as is often the case in interconnection studies produced by PacifiCorp, then the QF would have no feasible way to bring the project online within the timelines that appear to be proposed in the parallel PURPA rulemaking. The Joint Utilities have advocated for that policy in AR 631, and their position in that docket is contradictory to the suggestion here that QFs have no incentive other than cost to site projects in locations where Network Upgrades will not be extensive. QFs have obvious reasons besides cost to avoid sites that require extensive Network Upgrades.

F. The Joint Utilities Vastly Overstate Their Case in Arguing that Competitive Non-QF Independent Power Producers Are Differently Situated than QFs; To the Contrary, QFs Are Similarly Situated and Should Be Treated Comparably

Qualifying facilities are similarly situated to competitive non-QF independent power producers (“IPPs”) in material respects and therefore should be provided refunds for Network Upgrades similar to competitive IPPs. Notably, the Interconnection Customer Coalition has proposed a reasonable policy whereby the interconnecting utility could rebut the presumption that the QF’s Network Upgrades provide a system-wide benefit entitling it to a refund—a significant ratepayer protection not applicable to interconnections of any competitive IPPs or the utility’s own merchant unit in the case of

⁹⁵ See *In re Rulemaking to Address Procedures, Terms, and Conditions Associated with Qualifying Facility (QF) Standard Contracts*, Docket No. AR 631, ALJ Memorandum Re Group 2 Schedule and Revised Group 1 Redlines (June 24, 2022) (Proposed Rule OAR 860-029-0120(5)).

utility-owned generation. Nevertheless, the Joint Utilities claim that QFs are so different from other IPPs that QFs should almost never be entitled to a refund for Network Upgrades.⁹⁶ In support of that position, the Joint Utilities make the sweeping assertion that “the cost of IPP interconnections do not raise the same cost issues that QF interconnections do.”⁹⁷ In so arguing, the Joint Utilities vastly overstate the distinctions and ignore several important facts by suggesting that the costs to the interconnecting utility and its retail ratepayers of refunds for Network Upgrades are always taken into account in a voluntary resource acquisition process, such as an RFP. That assertion is simply untrue.

First, the Joint Utilities gloss over the fact that the only Oregon QFs who currently receive *no* refund for Network Upgrades are those QFs subject to Oregon-jurisdictional interconnection rules because they sell 100% of their net output to the interconnecting utility under PURPA’s mandatory purchase provisions.⁹⁸ That is because, while FERC has allowed states to retain their historic interconnection jurisdiction under PURPA where the QF sells its entire net output to the interconnecting utility, FERC has also explained that “when an electric utility interconnecting with a QF does not purchase all of the QF’s output and instead transmits the QF power in interstate

⁹⁶ Joint Utilities’ Prehearing Brief at 25-29.

⁹⁷ Joint Utilities’ Prehearing Brief at 25.

⁹⁸ Order No. 2003, 104 FERC ¶ 61,103 at P 813; *see also, e.g., Prior Notice and Filing Requirements Under Part II of the Federal Power Act*, 64 FERC ¶ 61,139 at 61,991-92, *order on reh’g*, 65 FERC ¶ 61,081 (1993).

commerce, the Commission exercises jurisdiction over the rates, terms, and conditions affecting or related to such service, such as interconnections.”⁹⁹

Accordingly, any QF other than one selling its entire net output to the interconnected utility¹⁰⁰ is FERC-jurisdictional and thus entitled to a refund for all Network Upgrades, just the same as any IPP or the utility’s merchant unit’s own generation facilities. That would include both off-system QFs that interconnect to one utility but transmit and sell the net output to another utility and even on-system QFs that sell some portion of their net output to an entity other than the purchasing utility. If, for example, a QF interconnects its new wind facility to PacifiCorp’s system and PacifiCorp identifies \$100 million in Network Upgrades, FERC policy requires PacifiCorp to refund that \$100 million to the QF if the QF is selling any of its net output to a utility other than PacifiCorp, such as Idaho Power or PGE. Thus, the suggestion that all QFs currently receive no refund for Network Upgrades under FERC’s policy is wrong. Rather, a significant number of QFs are entitled to a full refund for Network Upgrades under FERC’s interconnection policies.

Second, and similarly, the Joint Utilities are incorrect in suggesting that all IPP interconnection costs and refunds for costly Network Upgrades will be taken into account and justified in the interconnecting utility’s resource procurement evaluation, such as an

⁹⁹ Order No. 2003, 104 FERC ¶ 61,103 at P 813.

¹⁰⁰ In Oregon, these are called “off-system QFs.”

Request for Proposal (“RFP”).¹⁰¹ To the contrary, whenever the IPP interconnects its facility to a utility that is not purchasing the power from the IPP’s facility, the interconnecting utility and, in large part, its retail ratepayers must refund the full costs of the Network Upgrades under FERC’s policy. In that circumstance, because the interconnecting utility is not purchasing the power through an RFP or any other voluntary arrangement, the Joint Utilities’ assertion in their brief—that in the case of IPP interconnections, the interconnecting utility “takes steps to ensure the overall costs . . . , including interconnection and delivery costs, are, on the whole, prudent”¹⁰²—is wrong.

To further illustrate, if an IPP interconnects its new wind facility to PacifiCorp’s system and PacifiCorp identifies \$100 million in Network Upgrades, FERC policy requires PacifiCorp to refund that \$100 million to the IPP where the IPP sells its power in a voluntary agreement with PGE or Idaho Power. In that circumstance, the interconnecting utility (i.e., PacifiCorp) and its retail ratepayers cannot evaluate the prudence of the Network Upgrades and decline to refund the \$100 million if deemed imprudent. Those costs must be refunded under FERC policy.

Third, to complete the examples, the same holds true for utility-owned generation. If an Oregon utility interconnects a facility it owns to another utility’s system, the interconnected utility must refund the Network Upgrade costs to the first utility

¹⁰¹ See Joint Utilities’ Prehearing Brief at 26 (asserting “When a utility engages in a *voluntary* agreement to purchase power, the utility takes steps to ensure the overall costs of purchasing power from an IPP, including interconnection and delivery costs, are, on the whole, prudent.”).

¹⁰² Joint Utilities’ Prehearing Brief at 26.

regardless of cost or prudence. For example, if PGE interconnects a new wind facility to PacifiCorp's system and PacifiCorp identifies \$100 million in Network Upgrades, FERC policy requires PacifiCorp to refund that \$100 million to PGE when PGE delivers that energy to PGE's own system to serve PGE's customers. In that circumstance, the interconnecting utility (i.e., PacifiCorp) must refund (i.e., pay for) the full \$100 million to PGE under FERC policy and cannot "take[] steps to ensure the overall costs . . . including interconnection and delivery costs, are, on the whole, prudent"¹⁰³ as the Joint Utilities suggest in their brief.

Indeed, in a very real example, the PGE wind proxy resource used for setting avoided cost rates is interconnected to Bonneville Power Administration's ("BPA's") system, and thus its Network Upgrade costs are excluded from the avoided cost rates on account of the fact that under FERC policy PGE would receive a full refund for those Network Upgrade costs.¹⁰⁴ Thus, it appears that PGE finds it perfectly acceptable to have BPA's network and point-to-point transmission customers—including retail customers of many publicly owned utilities in the region—pick up the tab for PGE's generation project's Network Upgrade costs, but finds such a result totally unacceptable for a QF facility.

In sum, therefore, all generators—off-system QF, IPP, and utility-owned—*except* on-system QFs selling 100% of their output to the interconnecting utility receive refunds for Network Upgrades. In many such cases the interconnecting utility making such

¹⁰³ Joint Utilities' Prehearing Brief at 26.

¹⁰⁴ Staff/100, Moore/19; Exhibit Staff/104, Moore 12-15 (Oct. 30, 2020).

refunds has no ability to determine if the Network Upgrades are prudent or provide system-wide benefits before being required to refund such costs.

G. The Joint Utilities Are Also Mistaken in Suggesting that QFs Are the Only Interconnection Customers Who Do Not Pay Network or Point-to-Point Transmission Rates to Move their Energy to Load

The Joint Utilities and Staff also mistakenly suggest that QFs are the only generation facilities for which no point-to-point or network transmission rates are paid to the interconnecting utility.¹⁰⁵

First, an IPP directly interconnecting to the utility for a non-PURPA sale of energy to that utility, in an RFP or otherwise, also does not pay any network or point-to-point transmission costs to the utility. Instead, the purchasing utility's merchant unity, acting as a network transmission customer, would designate the IPP's generation facility as a network resource with the utility's transmission provider. And under network transmission service, the transmission charges are based on the network customer's *load* not the number of generation facilities designated as network resources. In Order No. 888, FERC explained, "Network service permits the applicant to fully integrate load and resources on an instantaneous basis in a manner similar to the transmission owner's integration of its own load and resources."¹⁰⁶ "Network service allows more flexibility

¹⁰⁵ Staff/200, Moore/9; Joint Utilities' Prehearing Brief at 24 n.84.

¹⁰⁶ *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities and Recovery of Stranded Costs by Public Utilities and Transmitting Utilities*, Order No. 888, 75 FERC ¶ 61,080 at 34 (Apr. 24, 1996), *order on reh'g*, Order No. 888-A, 78 FERC ¶ 61,220 (Mar. 14, 1997), *order on reh'g*, Order No. 888-B, 81 FERC ¶ 61,248 (Nov. 25, 1997), *order on reh'g*, Order No. 888-C, 82 FERC ¶ 61,046 (Jan. 20, 1998), *aff'd in*

by allowing a transmission customer to use the entire transmission network to provide generation service for specified resources and specified loads without having to pay multiple charges for each resource-load pairing.”¹⁰⁷ FERC stated: “Because network service is load based, it is reasonable to allocate costs on the basis of load for purposes of pricing network service.”¹⁰⁸ There is thus no increased payment in transmission rates that would offset the refunded costs of Network Upgrades built for a new IPP generator selling energy to the interconnected utility.

In sum, therefore, QFs are not the only generation facilities for which no incremental transmission rates are paid to offset the costs of Network Upgrades, and Staff and the Joint Utilities are mistaken to rely on that assumption as a materially distinguishing factor for a network refund policy applicable to Oregon QFs.

IV. NRIS AND ERIS

The Interconnection Customer Coalition recommends that the Commission should allow all interconnection customers the option to be interconnected using ERIS or an interconnection service similar to ERIS.¹⁰⁹ 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. This is especially important

relevant part sub nom. Transmission Access Pol’y Study Grp. v. FERC, 225 F.3d 667 (D.C. Cir. 2000), *aff’d sub nom. New York v. FERC*, 535 US 1, 122 S Ct 1012 (2002).

¹⁰⁷ Order No. 888, 75 FERC ¶ 61,080 at 34 n. 65.

¹⁰⁸ Order No. 888, 75 FERC ¶ 61,080 at 296.

¹⁰⁹ Interconnection Customer Coalition/100, Lowe/24-25; Interconnection Customer Coalition/300, Lowe/12-13.

when considering Oregon’s 100 percent clean energy goals. If Oregon is to reach its clean energy goals, it needs as much clean energy generation as possible, but that will not be possible if interconnection customers must interconnect using NRIS instead of some other alternative that reduces interconnection costs. The Commission has noted the importance of alternative transmission solutions when it stated, “increasing constraints on the transmission system...make it important to begin to more seriously consider alternative transmission products that may deliver a significant portion of the value that some resources offer the system.”¹¹⁰

There are alternatives to NRIS that still allow for firm deliverability and designation of network resource status. Some examples include firm Point-to-Point transmission service (“PTP”) and Oregon’s Community Solar Program (“CSP”). Although this docket is focused on on-system QFs, off-system QFs can take advantage of ERIS as well as a utility’s own resources. Another viable alternative to NRIS is to offer the QF the option of agreeing to limited voluntary curtailment deemed necessary to enable the need for anybody to fund or build the Network Upgrades. The Joint Utilities and Staff take the position that to obtain a fixed price contract, the QF must be forced to sell all their power with complete deliverability rather than choose to sell only when the power cannot be curtailed.¹¹¹

¹¹⁰ *In re PacifiCorp Application for Approval of 2022 All-source Requests for Proposals*, Docket No. UM 2193, Order No. 22-130 at 3-4 (Apr. 28, 2022).

¹¹¹ Joint Utilities’ Prehearing Brief at 33; Staff’s Prehearing Brief at 15.

Transmission is limited, and Oregon needs to take advantage of every possible way to interconnect more clean resources to the grid to meet its 100 percent clean energy goal. The utilities are recognizing this transmission limitation and allowing (or being directed to consider allowing) conditional firm transmission as an option in RFPs.¹¹² The Commission should not limit QFs to use of fully firm transmission when it does not so limit the utility for its own resources or other non-QF IPPs.

The Interconnection Customer Coalition points to several viable alternatives to NRIS. There are likely more, but if the utilities are allowed to require only NRIS, then cost-effective, innovative solutions like these might never be able to be implemented in Oregon. Prohibiting ERIS or another viable alternative will shut the door on innovative solutions to mitigate high interconnection costs and long interconnection timelines. Thus, the Commission should not preclude an interconnection customer from selecting ERIS or another viable alternative.

A. The Interconnection Customer Coalition’s Recommendation Is Reasonable as There Are Several Alternatives to NRIS that Allow for Firm Deliverability and Designation of Network Resource Status

One issue the Joint Utilities raise in opposition to allowing alternatives to NRIS is the “deliverability” issue associated with ERIS and designated network resource status.¹¹³

¹¹² *In re PGE 2021 All-Source RFP*, Docket No. UM 2166, PGE’s 2021 All-Source RFP – Final Draft at 16 (Oct. 15, 2021) (“Eligible long-term transmission services include long-term firm, long-term conditional firm bridge, or long-term conditional firm reassessment.”); Docket No. UM 2193, Order No. 22-130 at 3-4 (Commission directing PacifiCorp to “provide analysis of potential solutions to include conditional firm bids in the next [request for proposals].”).

¹¹³ Joint Utilities’ Prehearing Brief at 31-34.

This is unfounded because there are various alternatives to NRIS that would still allow for firm deliverability. Further, the utilities will allow ERIS for their own resources, so it is possible that ERIS or a similar alternative could work for QFs.

One alternative for on-system projects is the QF generation could be delivered on a firm basis using a third-party transmission provider's firm PTP transmission service to bypass a transmission constraint on the purchasing utility's system to allow the QF to still be designated as a network resource at another load area without transmission constraints.¹¹⁴ For example, PacifiCorp in the past has used PTP transmission service across BPA's system to transport energy from the QF interconnected to PacifiCorp's system in a load pocket to another load area on PacifiCorp's system where there is more generation than load.¹¹⁵ By doing so, the QF and PacifiCorp may be able to avoid the inability to designate the QF as a network resource without costly Network Upgrades. PacifiCorp has ceased allowing QFs to use third-party PTP transmission service because it changed its interconnection study process.¹¹⁶ However, that does not mean it is not still a viable option and alternative to NRIS.

Another example is Oregon's CSP in which the utilities will study and interconnect CSP projects under "the scope of a FERC ERIS study."¹¹⁷ If CSP projects

¹¹⁴ Interconnection Customer Coalition/100, Lowe/25.

¹¹⁵ Interconnection Customer Coalition/300, Lowe/15-16.

¹¹⁶ Interconnection Customer Coalition/300, Lowe/16.

¹¹⁷ *In re Community Solar Implementation*, Docket No. UM 1930, Order No. 20-038, Appendix A at 4 (Feb. 4, 2020); *see also* Docket No. UM 1930, Order No. 19-392, Appendix A at 6-10 (Nov. 8, 2019).

are able to interconnect using ERIS, then QFs should also be allowed to interconnect using ERIS or another alternative in certain circumstances.

It is worth noting that off-system QFs already can use ERIS service. An off-system QF can ensure firm deliverability to the purchasing utility's system by interconnecting with ERIS on the non-purchasing utility's system and purchasing firm PTP transmission service to a point of delivery with available transfer capability on the purchasing utility's system. Another example is a project could interconnect at a point of interconnection on the purchasing utility's system using ERIS, purchase firm PTP transmission service from a non-purchasing utility, and deliver firm energy to the purchasing utility at a point of delivery with available transfer capability. Both options could still result in the same firm delivery as NRIS and designation of network resource status. These various examples demonstrate there are alternatives to NRIS that still allow for firm delivery and designation of network resource status. Thus, the Commission should not preclude the use of alternatives to NRIS.

B. The Interconnection Customer Coalition's Proposal to Allow Limited Curtailment to Avoid Network Upgrades Is a Reasonable Alternative to NRIS; the Joint Utilities and Staff Misread FERC's *Pioneer Wind Park* Decision to Argue Otherwise

As noted above, the Interconnection Customer Coalition submits that it would be reasonable and consistent with efficient use of the transmission system to allow a QF to elect to voluntarily agree to limited curtailment of its facility during times of congestion

to avoid the expense and delay of funding Network Upgrades.¹¹⁸ The primary objection from the Joint Utilities and Staff to this common sense proposal is that FERC has deemed it to be illegal in *Pioneer Wind Park I, LLC*, 145 FERC ¶ 61,215 (Dec. 16, 2013).

Respectfully, the Joint Utilities and Staff misread *Pioneer Wind Park* and the controlling FERC regulations.

Pioneer Wind Park presented a circumstance where the purchasing utility, coincidentally PacifiCorp, proposed to refuse to back down its own generation, including its utility-owned coal-fired generation, in order to accept the output of the QF.¹¹⁹ FERC noted that such treatment discriminated against the QF and deprived it of its right to compel the purchasing utility to accept its entire net output even if it is necessary to back down the utility's own generation resources to do so.¹²⁰ Given that the QF had expressed

¹¹⁸ NIPPC, REC, and CREA's Prehearing Brief at 20-21; Interconnection Customer Coalition/100, Lowe/25-26; Interconnection Customer Coalition/300, Lowe/14-15.

¹¹⁹ *Pioneer Wind Park*, 145 FERC ¶ 61,215 at P 1 (explaining Pioneer Wind Park requested "that the Commission issue an order finding that PacifiCorp's refusal to execute a Power Purchase Agreement (PPA) with Pioneer Wind, unless Pioneer Wind agrees to allow PacifiCorp to curtail the Pioneer Wind Project ahead of other generators"); *see also id.* at P 4 ("Pioneer Wind explains, however, that PacifiCorp is refusing to execute this PPA unless Pioneer Wind agrees to include in the PPA a curtailment provision that would allow PacifiCorp to curtail the Pioneer Wind Project ahead of other generators for the period of time before PacifiCorp's Transmission Energy Gateway Segment D transmission project (which is not required as a Network Upgrade under the LGIA) begins service.").

¹²⁰ *Pioneer Wind Park*, 145 FERC ¶ 61,215 at P 37 ("this proposed curtailment provision violates the non-discrimination protections for QFs, included in PURPA and the Commission's PURPA regulations, by granting a preference in curtailment priority to PacifiCorp's existing Network Resources, which were designated as Network Resources prior to execution of the PPA with Pioneer Wind, as compared to Pioneer Wind.").

intent to sell its entire net output at avoided cost rates and claimed a legally enforceable obligation to do so without incurring Network Upgrade costs, FERC rejected PacifiCorp's proposal because it denied the QF's right under FERC's PURPA regulations to compel PacifiCorp to purchase its entire net output at avoided cost rates.¹²¹

However, FERC also noted that the parties could take the transmission constraint into account in calculating the avoided costs paid to the QF by, "for example, agree[ing] to prices that reflect the new transmission project entering service, and also to alternative prices should the new transmission project not enter service."¹²² Thus, FERC explicitly recognized that there could be a transmission constraint that would prevent firm deliveries, and it was the QF's choice to require the utility to accept all or only a portion of its net output.

FERC's rules make clear that a QF may agree to an alternative arrangement, and the right to sell the entire net output of the QF to the utility is not the only option available. Section 292.301(b)(1) of FERC's rules provide that a QF may agree to "terms or conditions . . . which differ from the . . . terms or conditions which would otherwise be required by [FERC's PURPA rules]."¹²³ Thus, a QF may certainly agree to have its output curtailed in lieu of selling its entire net output to the utility and funding Network Upgrades.

¹²¹ *Pioneer Wind Park*, 145 FERC ¶ 61,215 at P 36.

¹²² *Pioneer Wind Park*, 145 FERC ¶ 61,215 at P 41 n. 79.

¹²³ 18 CFR § 292.301(b)(1).

Staff’s testimony even confirms an example where the Idaho Public Utilities Commission (“IPUC”) approved of an arrangement where the Cassia Wind QFs agreed to limited curtailment of generation to avoid the need to fund substantial Network Upgrades.¹²⁴ The referenced arrangement was referred to as “Cassia Redispatch,” and it enabled reduction in the Network Upgrade costs from an original estimate of \$60 million to approximately \$11 million under the “Redispatch Study.”¹²⁵ In approving this redispatch arrangement as well as the related cost sharing agreement, the IPUC “congratulate[d] the parties on fashioning what we find to be a workable, least-cost and reasonable solution to capacity and operational constraints on its transmission system that will benefit Idaho Power, its customers and Cassia.”¹²⁶ In contrast, Pioneer Wind Park was not willing to agree to selling anything less than its entire net output and claimed entitlement to do so at a specific avoided cost rate,¹²⁷ in that case, Section 301(b)(1) of FERC’s regulations was simply inapplicable.

In sum, therefore, *Pioneer Wind Park* is not a legal barrier to this Commission implementing a reasonable alternative option for QFs to agree to curtailment to avoid the costs of Network Upgrades.

¹²⁴ Staff/100, Moore/25-26 (citing *Cassia Gulch Wind Park, LLC and Cassia Wind Farm, LLC v. Idaho Power*, IPUC Case No. IPC-E-06-21, Order No. 30414 (Aug. 29, 2007), available at <https://puc.idaho.gov/Case/Details/1755>).

¹²⁵ IPUC Case No. IPC-E-06-21, Order No. 30414 at 3-4.

¹²⁶ IPUC Case No. IPC-E-06-21, Order No. 30414 at 10.

¹²⁷ *Pioneer Wind Park*, 145 FERC ¶ 61,215 at P 26 (“Pioneer Wind asserts that the October 18th Amendment creates a Hobson’s Choice in which a QF must either agree to give PacifiCorp a curtailment right beyond those curtailment rights provided for in the Commission’s PURPA regulations or accept lower avoided-cost rate pricing.”).

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 claim a voluntary curtailment option for QFs is “unworkable.”¹²⁸ This is incorrect. Puget Sound Energy (“PSE”) recently had a voluntary interconnection tariff, Schedule 153, go into effect at the Washington Utilities and Transportation Commission.¹²⁹ This tariff creates an optional transmission interconnection service for QFs in which QFs can choose limited curtailments as an alternative to paying full Network Upgrades, if PSE has adequate available transmission capacity.¹³⁰ The QF is allowed to choose a lower quality of interconnection service compared to NRIS while still addressing deliverability issues raised by the Joint Utilities.¹³¹ PSE’s interconnection tariff appears to be a workable alternative to the full NRIS that the Joint Utilities are proposing that could resolve at least some interconnection-related disputes. It provides a constructive and creative solution to extremely high interconnection costs faced by QFs. Thus, the Commission should allow QFs to interconnect using ERIS or other alternatives. Phase II of this proceeding could further explore these options.

¹²⁸ Joint Utilities’ Prehearing Brief at 35-36.

¹²⁹ See Interconnection Customer Coalition/301, Lowe/1-17 (PSE’s Schedule 153 QF Transmission Interconnection Service Tariff and additional explanatory materials, and WUTC Staff Memorandum for Dec. 23, 2021 Open Meeting). Available at: <https://www.pse.com/pages/rates/electric-tariffs-and-rules#first=80&sort=%40documentdate%20descending>.

¹³⁰ Interconnection Customer Coalition/301, Lowe/9.

¹³¹ Interconnection Customer Coalition/301, Lowe/9.

V. CONCLUSION

The Commission should adopt the Interconnection Customer Coalition's recommendation that there should be 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 burden should be placed on the utility to demonstrate a lack of system-wide benefits. The Interconnection Customer Coalition recommends the Commission proceed to Phase II to address how to implement this policy. Regarding ERIS and NRIS, the Interconnection Customer Coalition recommends the Commission should allow all interconnection customers the option to be interconnected using ERIS or another similar alternative.

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Respectfully submitted,

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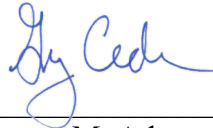
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