

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UM 2032

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Investigation into the Treatment of Network
Upgrade Costs for Qualifying Facilities

NEWSUN’S POST-HEARING RESPONSE
BRIEF

I. INTRODUCTION

NewSun Energy LLC (“NewSun”) hereby submits this Post-hearing Response Brief in Docket No. UM 2032 in response to the prehearing briefs filed in this docket. In this brief, NewSun does not repeat its arguments made in its earlier briefing but simply responds to a few key points.

First, the concern that on-system QFs subject to the Commission’s jurisdiction¹ are or will be unique in triggering potentially costly network upgrades is overblown. It also misses the real issue, which is that Oregon must procure a massive amount of new resources to meet 100% clean electricity mandates and to do so in a constrained transmission environment. All options and resources must be on the table for this major, unprecedented energy transformation to occur *at all*, much less successfully and timely, and QFs undisputedly can (but for policies of this Commission that may constrain them from doing so) contribute critically to meeting the massive need for new renewable energy. With that context, the claims of utilities that QFs somehow

¹ For brevity, I simply refer to these QFs throughout as “on-system QFs,” which means the QF is selling 100% of its net output to its interconnecting utility.

hypothetically might injure ratepayers by the getting the same (i.e. non-discriminatory) treatment as other generators—namely ERIS options and full refundability of all network upgrades—are effectively mooted for the next 20-30 years given the *thousands of megawatts* of new renewables required to meet these mandates. This will undisputedly require transmission and distribution upgrades of all sorts of scales and types, everywhere.

Second, NewSun’s recommendations will help reduce the utilities’ incentives to inflate costs and discriminate against QFs, instead requiring that on-system QF network upgrades be subject to the same prudence review as any other upgrades whether for reliability, load service or FERC-jurisdictional interconnections, including QFs that sell off system (QF-driven network upgrades that Oregon ratepayers are already paying for). Contrary to the assertions in this docket, NewSun’s recommendations will not violate the avoided cost rule and mandatory purchase obligation, and the focus on those provisions is misplaced. This docket is about interconnection. And FERC and the independent market have long recognized that a utility’s power to levy costs against prospective competitors is the power to harm and kill them. The Commission should remove this anticompetitive incentive.

Third, requiring a QF to pay 100% of network upgrade costs without reimbursement is discriminatory in violation of PURPA. The Commission cannot deny QFs the same basic refundability benefits afforded to the *same* network upgrades—literally the same exact types of facilities in most if not all cases (bigger and new lines, new substations, new switches and disconnects and switchyards, etc.)—that are afforded for upgrades associated with load, general reliability, safety, and for other generators. This is true even if the Commission believes that sometimes the utility overbuilds such facilities; they still often get those same upgrades charged

to ratepayers, whether or not their judgement and sizing and need is perfect or not. The Commission cannot deny a QF the same benefit without discriminating against them.

Finally, neighboring states and even Oregon’s current policies do not consistently deny QFs the option to (i) elect ERIS or (ii) receive reimbursement for network upgrades, therefore, arguments that NewSun’s recommendations violate PURPA or would pose unreasonable costs on ratepayers are simply overblown. Indeed, these benefits are also fully afforded under the various FERC jurisdictional tariffs for identical facilities, as well as under Bonneville Power Administration’s (“BPA”) tariffs.

As a reminder, NewSun Recommends:

1. Refunding on-system QF network upgrades over a period not less than 5 years:

Network upgrades initially funded by the QF would be reimbursed by the utility 100% at the time of energization or over 5 years consistent with Federal Energy Regulatory Commission’s (“FERC”) policies and the practices of the California Independent System Operator (“CAISO”) and other transmission providers.²

2. Allowing on-system QFs to be studied for both Energy Resource Interconnection Service (“ERIS”) and Network Resource Interconnection Service (“NRIS”) and choose either:

Consistent with FERC policies, QFs would be studied as ERIS, NRIS or both up to the point of the Facilities Study Agreement and the QF could ultimately choose either depending on its business objectives. And that even if the Commission determines that NRIS is required, the QF may be *studied* for both to

² And always not worse than would be afforded under the applicable non-Oregon-specific tariff.

encourage efficiency if the facility later decides to become a FERC-jurisdictional interconnection customer.

3. Specifying that FERC policy and a utility’s FERC tariff is the backstop:

A QF would be able to proceed under FERC’s or the interconnecting utility’s Open Access Transmission Tariff cost allocation framework applicable to the utility’s own resources or other parties’ interconnections (if, for example, FERC adopts new positive reforms after the Commission closes this docket).

4. As an interim action, allowing on-system QFs to be studied for both ERIS and NRIS:

There is no practical reason not to allow QFs to be studied for both service types (even if the Commission ultimately decides to require NRIS). It will pose almost no additional burden on utilities but will facilitate QFs having full information about costs should they decide to become FERC-jurisdictional after they receive their system impact (or cluster) study results.

II. RESPONSE

A. Concerns Over QFs Alone Triggering Expensive Network Upgrade Costs Are Overblown and Miss the Real Issue Oregon Faces Considering 100% Clean Electricity Mandates and a Constrained Transmission System

Clean resources are going to be constructed on a massive scale for the foreseeable future. As stated in NewSun’s testimony and briefing, the region’s 100% clean electricity mandates will require the utilities to procure significantly more renewable and non-emitting energy and capacity. Recent studies report that the potential removal of the lower Snake River dams add to that future need with a range of \$8 to \$56 billion in energy replacement costs.³ One such study

³ *Lower Snake River Dams: Benefit Replacement Report* at 10-11 (August 2022) available at

found that even doubling the historic rate of procurement would not be enough to timely construct the 14.9 GW of new capacity additions needed to replace those dams and meet the region’s clean energy mandates.⁴

Further, all interconnections, not just on-system QFs, are likely to trigger network upgrades going forward. The Joint Utilities admit that “interstate transmission systems across the West are riddled with constraints that make interconnection costs economically unfavorable when a generator sites in an unfavorable location,”⁵ and that the “challenge” of “find[ing] efficient locations for interconnection . . . is a reality for all QF and non-QF developers alike.”⁶ NewSun implores the Commission to consider whether and, if so, how many so-called “economically efficient locations” are left for on-system QFs or otherwise. BPA’s recent cluster study revealed that the east-west transmission to serve loads west of the Cascades is essentially full as it only awarded minimal levels of long-term firm transmission, and either (a) did not offer service or (b) offered conditional firm service products (subject to curtailments until major upgrades were completed).⁷ PGE stated the same in a recent presentation.⁸ Therefore, the concern that on-system QFs *alone* will make “uneconomic” siting decision and hoist expensive

https://www.governor.wa.gov/sites/default/files/images/LSRD%20Benefit%20Replacement%20Final%20Report_August%202022.pdf.

⁴ Energy GPS, *Lower Snake River Dams Power Supply Replacement Analysis*, at slides 17 & 19 (August 2022) available at

https://www.nwcouncil.org/fs/17874/2022_08_4_replacementanalysis.pdf.

⁵ Joint Utilities Posthearing Brief at 7.

⁶ *Id.* at 5-6.

⁷ Bonneville Power Administration, *Transmission Service Request Study and Expansion Process: 2022 Cluster Study Report* (June 10, 2022).

⁸ Portland General Electric, *PGE Queue Reform Introduction*, at slide 4 “The Need for Reform” (“Current Transmission System is in effect, full.”) available at https://www.oasis.oati.com/woa/docs/PGE/PGEdocs/Initial_QR_slides.pdf.

costs onto the utility which will be passed onto the ratepayers is overblown. Rather, there are likely very few economic locations left.

By requiring on-system QF customers alone to take NRIS service and be responsible for 100% of the network upgrade cost without reimbursement, the Commission will simply sabotage QFs' abilities to contribute, eliminate an important vehicle of entrepreneurial and problem-solving investment in the market, and likely ensure that *those generators will play almost no significant role* in Oregon's clean energy future—which is *entirely unnecessary*. This is against the backdrop of Oregon's 100% clean law, which also *required* that community-based projects and small-scale renewables contribute to this effort.⁹

Given this massive scale of procurement in conjunction with the constrained transmission system, the Joint Utilities' focus on the siting decisions of on-system QFs simply misses the big picture. This effort will require all hands on deck. Upgrades can scarcely be constructed fast enough, as the task of 100% clean is essentially overwhelming and insurmountable renewables needed from all quarters which are categorically dependent on grid expansion. Even if the Commission might have agreed with arguments of ratepayer harm from QFs being wholly reimbursed network upgrades in the same manner as other generators, now those upgrades are needed and would be ratepayer funded with or without the QFs.

For these reasons, NewSun recommends that the Commission allow a QF to elect ERIS and be reimbursed for its network upgrades, just like the Joint Utilities are already doing for QFs that sell off system and all other FERC-jurisdictional interconnections.

And, yet again, NewSun reminds the Commission of the statutory “encouragement” standard in the context of this issue and all issues herein. This standard is not met if QFs

⁹ ORS 469A.210.

continue to be discriminated against for critical interconnection service. It is time for this Commission to put itself back on the right side of the law, and fully enable QFs' critical role to contribute fully to (1) decarbonization, the greatest challenge and obligation of our lifetimes, which obligation is now codified in Oregon state law; and (2) creating competitive pressure for the regulated utilities to improve their own performance and to mitigate their abuse of their unique monopsony power. This competitive oversight is a critical role of the Commission, including to ensure that to whatever extent a utility is cost ineffective—even considering all its price metrics are set at higher economies of scale—there is always a protected option for a QF to step in and perform at those same prices, notwithstanding their smaller scales. Ultimately, if a utility's cost of execution cannot compete with that achievable by a sub-80 MW (much less sub-10 MW) QF, then the Commission has a much bigger problem, which is that its regulated utilities are charging its ratepayers too much, across the board. The ability to have QFs sell at the utility's avoided cost is a critical and valuable service that QFs provide the ratepayer, shining a light on utility cost-*inefficiency*. The Commission must remove the handicaps and properly enable Oregon QFs to maintain this competitive pressure—for both the planet and for ratepayer benefits (and, of course, compliance with the legal standards).

B. The Avoided Cost Rule and Mandatory Purchase Obligation Do Not Prevent This Commission from Allowing a QF to Elect ERIS and Allocating Network Upgrade Costs to the Utility

Utility investments in the transmission system, whether for reliability, load service, FERC-jurisdictional interconnection, or State-jurisdictional interconnection, must be prudent. Contrary to the Joint Utilities' assertion, NewSun does not assert here that any utility investment should presumptively be deemed prudent, and NewSun's proposal therefore would not be a "subsidy" by Oregon ratepayers as alleged. Rather, NewSun's proposal would correct the current practice by which on-system QFs currently subsidize all transmission customers

(notwithstanding the fact that on-system QFs themselves are not transmission customers) and instead help ensure that the utilities have a clear incentive to prudently incur interconnection and network upgrade costs for all interconnection customers in a non-discriminatory manner.

Under current policy, and the position advocated by Joint Utilities, there is no incentive to control costs and ample opportunities for undue discrimination. The QF is 100% responsible for the network upgrade costs. Joint Utilities propose to exempt on-system QFs from cost responsibility for upgrades identified in their transmission planning process as necessary for load service or reliability.¹⁰ The only potential incentive to control costs is the unlikely event that a QF files a complaint and proves “system wide benefits,” a standard which the Joint Utilities testified even they do not know how to meet.¹¹ This is essentially no incentive at all. As such, there can be no certainty that the Joint Utilities’ past practices accurately reflect prudently incurred State-jurisdictional interconnection and network upgrades costs.

As Staff highlights, a recent Georgia Public Service Commission (“Georgia PSC”) decision considered this issue and concluded that QFs’ network upgrade costs should be refunded 100% to the QF in line with FERC’s policy.¹² The Georgia PSC considered and rejected arguments that adopting this policy would not leave customers “indifferent” to the purchase of QF power, would result in a subsidy to the interconnection customer or cause inefficiencies in siting.¹³ The Georgia PSC reasoned that “where, as here, the transmission

¹⁰ Joint Utilities Posthearing Brief at 28.

¹¹ *Id.* at 27.

¹² *Capacity and Energy Payments to Cogenerators under PURPA*, 2021 WL 1224144 (Ga.P.S.C.), pp. 5 (March 21, 2021).

¹³ *Id.* NewSun also notes that the “customer indifference” standard as articulated by the Joint Utilities is really no more than PURPA’s avoided cost rule. As applied in Oregon “avoided cost” defined as *equal to* the incremental cost a utility would otherwise incur but for the purchase from the QF, not “no greater than” as the Joint Utilities assert. ORS 758.505(1)

provider . . . is not independent ‘and has an interest in frustrating rival generators,’ such an approach would be too subjective and thereby create opportunities for undue discrimination.”¹⁴ As such, the Georgia CPSC concluded that “*the risks involved in allowing the utility to decide which Network Upgrade Costs to reimburse outweighed the risk of inefficient siting decisions and the subsidy of network upgrades by customers.*”¹⁵

In fact, is it this “frustration of rival generators” that inspired PURPA’s adoption in the first place. **As the Joint Utilities admit, before PURPA, they “were not obligated to interconnect to any third parties.”**¹⁶ But PURPA was enacted specifically to *encourage* the development of independent generators and *required that the utilities interconnect with QFs.*

Here, PURPA’s avoided cost rule and mandatory purchase obligation similarly do not prevent this Commission from adopting FERC’s framework. Oregon’s utilities are not independent. They admit that without PURPA or other statutory or regulatory requirements directing them to do so, they have no obligation to interconnect any third parties.¹⁷ They have an incentive to frustrate rival generators, and they are doing so in this docket by advocating for a policy that would give them virtually unfettered discretion to decide which transmission system upgrades their rival generators must be responsible for. By instead adopting FERC’s framework, this Commission can similarly help to ensure that Oregon’s regulated utilities do not have an opportunity to discriminate against on-system QFs. Doing so would treat on-system QF interconnections the same as QFs that sell off-system and all other interconnection customers, in that the utility must prudently incur the interconnection costs or risk non recovery. Therefore,

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Id.

15

Id. (emphasis added).

16

Joint Utilities’ Posthearing Brief at 10 (emphasis added).

17

Joint Utilities’ Posthearing Brief at 10.

Oregon ratepayers will not “subsidize” on-system QF interconnections in any way that is different from or more favorable to those QFs than what is already in place for QFs that sell off-system and other FERC-jurisdictional interconnection customers.

Further, the focus on avoided costs and the utility’s mandatory purchase obligation is misplaced. This case is about interconnection. The Joint Utilities assert that they are “cognizant of” network upgrades when they make resource acquisition decisions but that an on-system QF can invoke its mandatory purchase obligation and “force” the utility to incur the network upgrade costs regardless of their scale.¹⁸ However, this is not an issue unique to on-system QFs. It also ignores the fact that, under the FERC rules we urge the Commission to follow, the QF, like all other interconnection customers, would be required to initially fund 100% of Network Upgrade costs.

The Joint Utilities fail to acknowledge that they are also required to interconnect every FERC-jurisdictional generator pursuant to their Open Access Transmission Tariffs regardless of the cost, and the utility must still reimburse that generator for its network upgrade costs under FERC’s policy. If the FERC-jurisdictional generator sells its output off-system, the interconnecting utility further has no opportunity to “be cognizant of” those network upgrades in the utility’s resource acquisition process (because the utility is not acquiring the resource). This includes not only non-QF interconnection customers but also QFs that sell their output to another utility under PURPA’s mandatory purchase obligation. Therefore, under current Commission policy, ratepayers are already paying for the cost of any QF-triggered network upgrades for QFs that invoke PURPA’s mandatory purchase obligation and sell to a utility other than their interconnecting utility. NewSun’s recommendation to adopt the same FERC cost allocation

¹⁸ Joint Utilities’ Posthearing Brief at 8.

policy for Oregon, would simply treat all QFs and all generators the same from an interconnection standpoint.

Similarly, as NewSun articulated in prior testimony and briefing, the Joint Utilities allegation that costs will shift to ratepayers if QFs are allowed to elect ERIS is unfounded. This is so because the factual reasons Joint Utilities cite for treating QFs differently do not hold up because they also apply to non-QFs.¹⁹ Additionally, *Pioneer Wind Park I, L.L.C.* does not require firm transmission in all instances but simply stands for the proposition that a utility cannot require a QF to agree to greater curtailment than is permissible under PURPA. Nothing in *Pioneer Wind* bars a QF from negotiating a transmission or curtailment arrangement that would reduce the amount of Network Upgrades it is initially required to fund.

Finally, the Joint Utilities' arguments on this point are a red herring: The idea that a QF would force the utility to build some massive unnecessary upgrade, like a major new unneeded transmission line, with which the ratepayers would be pointlessly stuck with the bill. A \$5-10 million QF is not likely to post and fund a \$100-\$300 million network upgrade, because those costs are not financeable, proportional, or conceivable in the same universes of scale. Moreover, a QF with 3-4 years to come online *cannot* depend on *any major transmission upgrade* being executed on time; transmission lines spanning hundreds of miles take 10-15 years to permit and build. Their mere proposal (solely due to NRIS requirements; not applied to nearly identical solar facilities studied for ERIS) is a death sentence to those QFs,²⁰ both because of the costs and intolerable delays involved. Therefore, even if the Commission adopts NewSun's

¹⁹ NewSun's Prehearing Brief at 12-13.

²⁰ NewSun/300, Bunge/4.

recommendations, the ratepayers are not likely to be stuck with an unnecessarily large bill out of scale with the proportion of the QF proposed.²¹

C. Requiring QFs to Pay 100% of Network Upgrade Costs is Discriminatory in Violation of PURPA

A policy in which the same upgrades are refundable to the utilities or other generators—and charged to ratepayers—and not to QFs is discriminatory. The utilities’ clear bias to use these regulations to suppress competitive pressures is undeniable, and the Commission should act now to correct these policies.

This year, the Montana Supreme Court found that the Montana Public Service Commission (“Montana PSC”) violated PURPA’s non-discrimination provision by requiring a QF to bear 100% of the cost for network upgrades without reimbursement.²² In that case, the on-system QF was studied for both ERIS and NRIS but elected to take NRIS.²³ Under NRIS, the utility calculated and Montana PSC assessed on the QF alone 100% of the costs of a of a \$237 million transmission line to get the QF’s power to the utility’s load.²⁴ The Montana Supreme Court found that these costs were far disproportional to the impact caused by the QF.²⁵ The Court reasoned that PURPA’s definition of interconnection costs required costs to be “‘reasonable and ‘directly related’ to the installation and maintenance of the physical facilities ‘necessary’ to permit interconnected operations,”²⁶ and that “these requirements dovetail with PURPA’s mandate that utilities purchase electricity generated by QFs at rates that are ‘just and

²¹ Inevitably, other solutions such as those FERC is currently working on in its transmission and interconnection rulemakings, will also be necessary.

²² *CED Wheatland Wind, LLC v. Mont. Dep’t of Pub. Serv. Regul.*, 408 Mont. 268, 284, 509 P.3d 19 (May 10, 2022).

²³ *Id.* at 274.

²⁴ *Id.* at 277.

²⁵ *Id.* at 281-84.

²⁶ *Id.* at 282 (citing 18 CFR 292.101(b)(7)) (emphasis in original).

reasonable’ to the consumer, ‘in the public interest,’ and *nondiscriminatory* to the QF.”²⁷ So, while the QF may have triggered such costs simply because of its position in the interconnection queue, the Court reasoned that because the line essentially doubled the transmission service in that corridor and provided additional reliability, the new line “does far more than simply deliver [the QF’s] power to [the utility’s] substation.”²⁸ Accordingly, the Montana Supreme Court found that requiring the on-system QF alone to bear 100% of those costs to be “discriminatory treatment toward [the QF] and, accordingly, fails to comply with PURPA.”²⁹ Ultimately, the Montana Supreme Court remanded the case to the Montana PSC to consider the nondiscriminatory purpose of PURPA, the amount of MW generated in proportion to the costs, the interconnection of other facilities, and who is the primary beneficiary of the network upgrades.³⁰

Here, the Montana Supreme Court’s decision is persuasive in articulating PURPA’s non-discriminatory requirement as relates to cost responsibility for network upgrades. Notably, the Montana court left open the possibility that the QF may ultimately be responsible for \$0, if, for example, the Montana PSC concluded that the primary beneficiary is someone other than the QF. Instead of engaging in a case-by-case determination, Newsun recommends adopting a bright-line policy that errs on the side of that which is most likely to occur. As articulated in prior briefing, FERC has determined that network upgrades *in most instances* will generally cause the average embedded cost transmission rate to decrease for all remaining customers, thereby primarily

²⁷ *Id.* (citing *Vote Solar v. Mont. Pub. Serv. Comm’n.* 401 Mont. 85 (2020); 16 USC 824a.3(b)) (emphasis added).

²⁸ *Id.* at 283.

²⁹ *Id.*

³⁰ *Id.* at 284-85.

benefiting all transmission customers (but not the on-system QF).³¹ In other words, for this and other reasons, the rebuttable (if rebuttable at all) presumption must be that Network Upgrades produce broadly-distributed ratepayer and utility benefits. As such, to mitigate against the discriminatory treatment of the QF subsidizing the transmission system, the Commission should adopt FERC’s cost allocation framework.

D. Other States in the Region Do Not All Require QFs to Interconnect with NRIS and Pay 100% of Network Upgrade Costs

In Washington, there are no QF-specific interconnection rules like there are in Oregon. The Washington Administrative Code section 480-108 entitled “Interconnection with Electric Generators” which has the most detail of any interconnection provisions within the WAC specifically “does not govern interconnection of, or electrical company services to, PURPA qualifying facilities”³² Section 480-106 governs “Purchases of Electricity from Qualifying Facilities” and contains only limited guidance on interconnection costs. It states “the utility must assess all reasonable interconnection and necessary system or network upgrade costs the utility incurs against a qualifying facility on a nondiscriminatory basis.”³³ To NewSun’s knowledge the Washington Utilities and Transportation Commission (“WUTC”) has not elaborated on this language and declined to modify it in its most recent PURPA rulemaking. Additionally, this language notably contains the qualifiers that the costs must still be “reasonable” and “nondiscriminatory,” which means that the QF may not be required to bear 100% of the network upgrade costs without reimbursement since doing so would be unreasonable and discriminatory.

³¹ NewSun’s Prehearing Brief at 7.

³² WAC 480-018-001.

³³ WAC 480-106-080.

Finally, the WUTC has allowed one of its regulated utilities to implement an interconnection tariff providing an option for QFs to take an interconnection service less than NRIS.³⁴

Staff notes that Idaho employs a fixed percentage cost allocation approach, which is detailed in Staff's testimony in this docket and NewSun will not repeat that here.³⁵

While the Montana PSC attempted to require that a QF bear 100% of the network upgrade costs, that decision was overturned by the Montana Supreme Court as detailed above. Further, the resource subject to that litigation was "studied . . . as both [NRIS] and [ERIS]. The [study] identified no additional upgrades beyond the point of interconnection necessary to interconnect through ERIS. However, under NRIS, the [study] indicated the . . . facility would cause overloads to [the utility's] transmission system and identified the corresponding need for a new 230 kilovolt (kV) transmission line to accommodate the increased generation."³⁶ "The [interconnection customer] elected to interconnect through NRIS."³⁷ As such, in Montana QFs are given the option to elect their interconnection service type.

Additionally, Bonneville Power Administration also refunds all network upgrades to its customers, irrespective of being QFs,³⁸ as NewSun's recent BPA-interconnected QFs bears out.³⁹ BPA's tariff does not discriminate with respect to its refund policies for network upgrades based on whether the interconnection customer is a QF or not, is selling to BPA (or its customers) or not: In all cases, all network upgrades are 100% refundable. Additionally, the generator may

³⁴ Interconnection Customer Coalition Post-hearing Brief at

³⁵ Staff/100, Moore/25-26.

³⁶ *CED Wheatland Wind* at 274.

³⁷ *Id.*

³⁸ Bonneville Power Administration, Open Access Transmission Tariff, Attachment L at § 12.2.3.

³⁹ NewSun/500, Boissevain.

connect as NRIS or ERIS *and be studied for both options from the outset*, at the QF’s sole discretion.

Further, although *currently* here in Oregon it may appear that the Commission’s policy is to deny QFs the option to select ERIS and receive network upgrade cost reimbursement,⁴⁰ *on-system QFs have been interconnected using ERIS in the past*,⁴¹ and may do so under BPA policies in Oregon today, and QFs are not responsible for for network upgrades that provide “system wide benefits.”⁴² Further, an ERIS option is available for Community Solar Projects.⁴³

Therefore, the arguments that NewSun’s recommendations would violate PURPA or otherwise result in unjust rates are simply overblown. NewSun’s recommendation to adopt the FERC framework is easy to implement, aligns with the practical reality that network upgrades benefit all customers using the transmission system, and places QFs on equal footing with other generators.

III. CONCLUSION

To further Oregon’s 100% clean electricity standard and address transmission constraints, the Commission should resolve both questions in this phase one of the docket by adopting FERC’s approach to cost allocation and giving Oregon-jurisdictional generators the option to be studied for both NRIS and ERIS up to the point of the Facilities Study Agreement and to allow a QF to select either interconnection service type.

Dated this 2nd day of September 2022.

⁴⁰ NewSun/200, Andrus/6-11.

⁴¹ Interconnection Customer Coalition/105, Lowe/1 (“PacifiCorp began consistently requiring [QFs] in all states to secure [NRIS] starting on February 1, 2016”).

⁴² NewSun/200, Andrus/6-11.

⁴³ Staff/100, Moore/34. Again, this further demonstrates a discriminatory application where otherwise identical projects would be treated differently, with only the QF outside some checkbox being denied benefits otherwise afforded in like situations

Respectfully submitted,

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