

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

AR 683

In the Matter of

Temporary Interconnection Rules in
Response to Executive Order 25-25.

ORDER

**DISPOSITION: STAFF'S RECOMMENDATION ADOPTED; TEMPORARY RULES
ADOPTED**

This order memorializes our decision, made and effective at our March 31, 2026 Regular Public Meeting, to adopt the Staff's recommendation in this matter. The Staff Report with the recommendation is attached as Appendix A. The temporary rules become effective upon filing with the Secretary of State.

Made, entered, and effective Apr 01 2026.



Letha Tawney
Chair



Les Perkins
Commissioner



Karin Power
Commissioner



ITEM NO. RM1

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: March 31, 2026**

REGULAR **CONSENT** **RULEMAKING** X **EFFECTIVE DATE** N/A

DATE: March 10, 2026

TO: Public Utility Commission

FROM: Ted Drennan

THROUGH: Caroline Moore, Scott Gibbens, and Curtis Dlouhy **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. AR 683)
Interconnection Actions in Response to Executive Order No. 25-25.

STAFF RECOMMENDATION:

Staff recommends the Public Utility Commission of Oregon (Commission):

- Approve Staff's request to adopt temporary rules modifying Division 82 Small Generator Interconnection Rules in response to Executive Order No. 25-29. The proposed draft rules are included in Attachment 1.
- Direct Idaho Power (IPC), Pacific Power (PAC), and Portland General Electric (PGE) to publish its process, data, and analytical criteria for third-party SIS by April 15, 2026.
- Direct IPC, PAC, and PGE to update their hosting capacity data online by April 15, 2026, if it has not been updated since July 31, 2025.
- Open a permanent rulemaking to address the full scope of issues to be addressed in Phase 2 of the UM 2111 investigation.

DISCUSSION:

Issue

Whether the Public Utility Commission of Oregon (Commission) should approve Staff's request to adopt temporary changes to Division 82 Small Generator Interconnection Rules and require supporting actions from the utilities to facilitate speedy interconnections.

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Applicable Rule or Law

Oregon Revised Statute (ORS) 756.060 provides "[t]he Public Utility Commission may adopt and amend reasonable and proper rules and regulations relative to all statutes administered by the commission and may adopt and publish reasonable and proper rules to govern proceedings and to regulate the mode and manner of all investigations and hearings of public utilities and telecommunications utilities and other parties before the commission."

Under ORS 757.035(1) the "Public Utility Commission has power ... to adopt and prescribe the installation, use, maintenance and operation of appropriate safety or other devices, or appliances, to establish or adopt standards of construction or equipment, and to require the performance of any other act which seems to the commission necessary or proper for the protection of the health or safety of all employees, customers or the public."

ORS 183.335(5) provides that an agency may adopt, amend or suspend a rule without prior notice or hearing or upon any abbreviated notice and hearing that it finds practicable, if the agency finds that its failure to act promptly will result in serious prejudice to the public interest or the interest of the parties concerned.

Existing administrative rules for small generator interconnections allow a generator to hire a third-party consultant to complete interconnection studies with the utility's agreement (860-082-0060(9)). Oregon House Bill (HB) 2065 (2025) requires investor-owned electric utilities to provide microgrids the option to contract with a third-party consultant to conduct necessary interconnection studies or engineering evaluations and provides specific procedural and substantive requirements for third-party study for microgrids.

[Executive Order 25-25](#) (EO 25-25) "Accelerating Wind and Solar Energy Development in Advance of Elimination of Federal Clean Energy Tax Credits" issued on October 6, 2025, directs the Public Utility Commission and other agencies to accelerate development of solar and wind energy projects in Oregon that seek to qualify for federal clean energy tax credits. This requires construction to commence by July 4, 2026, and imposes a four-year deadline for projects to be placed in service.

[Executive Order 25-29](#) (EO 25-29) also encourages the Commission to find opportunities to use its scope and authority to accelerate clean energy procurement.

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Analysis

Background

The Governor's EO 25-25 directs Commission Staff to:

propose for the Commission's adoption provisions of House Bill 2065 (2025) that if applied will allow use of interconnection studies conducted by third parties to solar or wind projects subject to this Order.¹

When the EO was issued, Staff was conducting Phase 2 of the UM 2111 Interconnection Modernization investigation. This phase was similarly focused on finding opportunities to improve interconnection timelines for state jurisdictional generators. Therefore, Staff shifted its focus from UM 2111 Phase 2 to this expedited rulemaking to develop a process to extend the opportunity for HB 2065 third-party studies to wind and solar resources. Because the roll out of a new third-party study framework carries risks of delays and lengthy disputes that impact all other generators in queue, Staff also carried over a narrow set of high impact improvements to interconnection timelines that were under consideration in UM 2111.

As part of assembling a proposal for the Commission's consideration, Staff met informally with the parties impacted, including IPC, PAC, and PGE, collectively the Joint Utilities (JU), and representatives of stakeholders active in the interconnection arena.

Following the meetings, Staff circulated an initial draft proposal, and incorporated feedback received. Staff filed draft proposal on February 18, 2026, and received comments from PacifiCorp, PGE, the Interstate Renewable Energy Council (IREC), the Renewable Energy Coalition (REC), and the Oregon Solar + Storage Industries Association (OSSIA)

Staff's proposed rules take into account verbal discussions with stakeholders, as well as written comments. The proposal also benefits from Phase 2 of the UM 2111 investigation, which addressed, among other items, more clearly defined timelines, with multiple workshops devoted to discussing timelines and expectations.

Staff Strategy

Staff's draft rules establish a clear, timely process for third-party System Impact Studies (SIS) that minimizes the likelihood of disputes and avoids delaying or otherwise impacting other generators seeking timely interconnection.² Staff also proposes rules implementing a limited set of policies currently under consideration in UM 2111 Phase 2

¹ EO 25-25 (3), p. 4.

² Staff notes that the bulk of MWs seeking interconnection in Oregon are under FERC jurisdiction.

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that will increase the likelihood of a timely interconnection following the completion of the third-party study. Staff notes that these complementary policies will help address key barriers to the timely interconnection of all projects in the small generator queues.

New Rule Additions

Staff proposes multiple new rules under OAR 860-082-0060 Tier 4 Interconnection Review, which is for small generators (under 10 MW) in a serial study queue that fail the faster track screening review processes. The proposed changes will:

1. Establish minimum requirements for the process and substance of third-party SIS.
2. Establish 45-business-day timelines for SIS and Facilities Studies (FAS).
3. Establish a maximum 600-day timeline for system upgrades.
4. Establish the opportunity for limited operation pending construction of system upgrades need for interconnection.

As part of the implementation of the new rules, Staff also requests the Commission direct the utilities to update their Oregon Hosting Capacity data, if it has not been updated since July 31, 2025.

As the temporary rules last only 180 days, Staff also requests the Commission open a rulemaking to address both the temporary rules proposed here, as well as outstanding issues from Phase 2 of Docket UM 2111.

Applicability

Staff does not believe that requiring third-party studies on an expedited basis is practical for generators being studied in clusters or for generators that are likely to impact the transmission network. Therefore, Staff's proposal is targeted toward small generator interconnections processed outside of the cluster study process. For PGE and IPC, this is the existing Tier 4 process. For PAC, this will be the Tier 5 process addressed in Docket No. UM 2351.

Immediately after EO 25-25, Staff met with the utilities to review the status of projects currently in the serial interconnection queues. The utilities indicated that the active state jurisdictional interconnection applicants in the small generator queues were on track to meet federal tax incentive timelines.³ If the Commission adopts Staff's draft rules implementing a maximum construction timeline, the temporary rules should apply to any eligible generator that has not received a facilitates study from the utility.

³ Solar and wind energy projects that seek to qualify for federal clean energy tax credits must commence construction by July 4, 2026, and be placed in service within four years.

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EO 25-25 specifies that Staff bring a proposal forward for solar and wind energy resources. To eliminate complexity, Staff has not limited the applicability of this temporary rule to any specific resource types, rather the rules will apply to generators who fit the requirements laid out in Division 82. The vast majority of small generators seeking interconnection are solar resources, and thus the practical application of the rule is consistent with the EOs. Some stakeholders suggested limiting the eligibility to wind and solar facilities, and not allow applicants seeking to interconnect battery energy storage systems to elect to use a third-party consultant to conduct the SIS.⁴ However, Staff believes that limiting the rule changes to a subset of resources makes the interconnection process overly complex.

Third-party Studies

Given the specificity and cost implications of Facilities Studies, Staff's draft rules do not contemplate third-party Facilities Studies and focus on establishing a clear, timely process for the use of third parties to complete System Impact Studies. Under Staff's draft rules, utilities must, "publish criteria for applicants seeking to use a third-party system impact study including minimum requirements for the study format and methods, the data sharing process, any non-disclosure agreements, and other needed policies." Staff is recommending such criteria be finalized by April 15, 2026, and included on utility websites as criteria for a "qualifying notice of intent" to use a third-party consultant⁵ as PacifiCorp recommended. The criteria include:

1. Description of all analysis required,
2. Required format for study output to provide to the utility,
3. Listing of national standards relied on by utility,
4. Listing of any additional criteria, along with rationale, and
5. All needed agreements including non-disclosure and data-handling.

Utilities will be required to develop a process to provide data required for third-party interconnection studies. HB 2065 requires that utilities provide applicants data for third-party studies within 21 days of the request. Staff's draft rules incorporate the HB 2065 21-day period for utilities to provide data. The utility may charge for the reasonable costs of gathering and providing the required data.

⁴ See PGE comments at 3 ("[B]attery energy storage systems are more complex to evaluate because the study must consider impacts of the battery both exporting and charging. Keeping the scope of third-party studies to simpler wind and solar generators will help all stakeholders implement this new process efficiently.")

⁵ PacifiCorp comments at 12 recommend a "qualifying notice of intent" that will include all "necessary non-disclosure and data-handling agreements."

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The third-party system impact study must be completed within 45 business days. Following submission of a third-party study, the utility has 30 business days to accept the study or provide written feedback on all modifications needed for acceptance. At that point the third-party consultant will have 45 business days to provide an updated study. The utility again has 30 business days to review and provide acceptance or rejection. The utility has authority to accept or reject the third-party study. However, the decision to approve or deny must be based on safety, reliability and compliance with published standards.

Staff also proposes a cap on the amount the utility could charge for review of a third-party SIS at \$1,000. The study is at a higher, more general level than a FAS, which is much more granular. There are worries that a SIS review with unbounded costs could result in an applicant paying twice for a SIS, once for the third-party to perform, and again for the utility review, thus the need for a cap of some sort.

Utilities will also be required to provide applicants contact information for a liaison to resolve ambiguities and explain technical requirements. This approach should minimize applicant complaints. PGE raised concerns about the liaison, wanting to clarify that responses from the liaison do not replace the utility review of any third-party studies. Staff agrees that this language can help provide clarity about the extent of support provided by the liaison that can help limit disputes. Staff also believes that liaisons will be able to respond more quickly if it is clear that their assistance is not expected to replace the utility's post-study review.

Staff notes that stakeholders would like to understand where utility engineering study requirements come from, either nationally established standards (e.g., IEEE, UL, NERC, or any others), or utility-specific standards, as reflected in Items 3 and 4 above. Staff urges utilities to provide these citations to avoid complaints and ambiguity and will consider proposing such a requirement if necessary to implement permanent rules regarding third-party studies.

Staff also supports standardized templates for the study output, and suggests utilities explore this approach. Given the limited time frame however, Staff is not recommending this be a requirement at this time.

Supplemental Proposal – Timelines

The overall impact of Staff's proposal on interconnection timelines will depend on the timeliness of the steps following the third-party SIS, including the facilities study and the construction of facilities needed for interconnection. Staff also notes that the timely processing of utility performed SIS for other generators in queue will speed the process for lower queued generators electing third-party SIS.

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Staff believes that the new timelines on both studies and construction will increase the chances that a project will have the information it needs to make the decisions necessary to initiate construction by July 4, 2026, and be able to meet commercial operations within four years.

Study Timelines

One workstream of Docket No. UM 2111, Phase 2 was study timelines. Staff and stakeholders had extensive discussion on appropriate timelines, including comparisons of requirements in other jurisdictions. Staff recommended 30 business days each for the utility to complete the SIS and FAS in the original proposal. In reply comments, PGE recommended 45 business days, while OSSIA recommended a 60-day timeline for the studies, raising concerns about potential cost impacts.⁶ Staff notes that OAR 860-082-0035(1) caps study costs charged to generators at \$100 per hour (as adjusted for inflation), but shares concerns that the utility may face excessive costs if timelines are too restrictive.

In light of comments received, Staff is recommending 45 business days for both the SIS and FAS study timelines, which are roughly equivalent to the 60 calendar days recommended by OSSIA.

If the timeline is not met for the SIS, the applicant's cost for the study will be reduced. When the delay is no more than 15 business days, the cost of the study will be reduced by 50 percent. When the delay exceeds 15 business days, the cost of the study will be reduced by 100 percent. The utility will be required to file a report with the Commission for any SIS that is provided to the applicant after 45 business days.

Under the FAS timeline, the utility would also have 45 business days to complete a facilities study. If the timeline is not met, the cost of the study is reduced as described above for the SIS and the utility must file a report with the Commission on any such failures.

The utility may request a waiver of timelines for both the SIS and FAS from the Commission for good cause.

Staff notes that it is proposing symmetrical SIS timeline requirements for utilities and third-party consultants.

⁶ OSSIA March 9, 2026 Comments ("OSSIA members have heard from PGE that they will be increasing their interconnection study fees by ten times their current cost, in order to comply with these temporary rules.")

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Construction Timelines

Based on the latest data available to Staff, the time between execution of an interconnection agreement and commercial operation date is 54 months for PGE in 2024 and 41 months for PAC in 2024.⁷ LBNL's *Queued Up: 2025 Edition Characteristics of Power Plants Seeking Transmission Interconnection as of the End of 2024*, cites a national average of 35 months in 2024. Further, Staff requested data from LBNL that isolates generators < 80 MW and finds an average of 28 months in 2024, or 39 months when looking only at generators outside of an organized market (ISO/RTO).

Staff proposes that the Commission establish a 600-day (approximately 20 months) timeline requirement for utilities to construct interconnection facilities and system upgrades for small generators processed outside of a cluster study. In the event a utility cannot agree to meet this timeline at the time the interconnection agreement is executed, the utility must allow for a self-build option for applicants or seek a waiver from the Commission.

If the utility fails to meet a 600 day timeline or a longer timeline agreed to with the applicant, the applicant's obligation to pay for interconnection costs would be reduced by five percent every 30 calendar days until the construction is complete. Staff originally proposed to reduce the amount owed by interconnection applicants if the Company exceeds the timeline stated in the Interconnection Agreement, but adjusts its recommendation to reducing payment if the Company exceeds 600 days to mitigate the incentive for the Company to artificially set construction schedules at 600 days if a faster timeline is feasible.

PGE argues timelines are not needed.⁸ In support, PGE states "current average duration between the execution of the Interconnection Agreement and the anticipated commercial online date is 412 days."⁹ The average also reflects one project with a requested timeline of 651, raising the overall average. Staff recognizes that these timelines vary by project and market conditions and appreciates that PGE's timelines are trending in a positive direction.

REC and OSSIA meanwhile argue for shorter timelines, with 365 days for new applicants, and six months for existing projects.¹⁰ REC argues further that 600 days is

⁷ Idaho Power does not have small generator interconnection activity.

⁸ PGE comments at 9 ("Enforceable construction timelines are unnecessary because utility-controlled actions do not delay construction.")

⁹ PGE comments at 9.

¹⁰ REC comments at 4; OSSIA comments at 1.

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longer than the initial time included in interconnecting agreements for Community Solar Program (CSP) facilities, citing ten projects, with four approximately one year or less.¹¹

Staff believes 600 days from interconnection agreement to witness test, aka the construction period, strikes a reasonable balance, providing a significant benefit to Oregon small generators processed outside of the cluster study, while recognizing the current supply chain and the competing construction priorities facing utilities, such as wildfire mitigation investments. While trade groups advocate for a more aggressive timeline, Staff's proposal would require utilities to meet a timeline that is close to half the 2024 national average in LBNL's data (1050 days). Staff does not perceive any harm to utilities if, as PGE argues, they are well positioned to comply with 600 given recent improvements in timelines. Staff notes that there will be an opportunity to fine tune and address any issues in the permanent rulemaking process to follow.

There are safeguards associated with the construction timelines as well. The utility and applicant can mutually agree to a construction timeline that is longer than 600 days. The utility can also ask for a waiver of the 600-day requirement for good cause at any point before or during construction. Here Staff would like to clarify that good cause could include equipment procurement delays outside of the utility's control, however that would not include a utility's failure to timely order equipment.

Staff would also like to address concerns raised by PGE¹² and PacifiCorp¹³ that developer-caused delays will lead to penalties for the utilities. It is Staff's position that delays caused by a generator, such as missing milestones, could be good cause for the utility to not meet the timeline specified in the interconnection agreement. However, Staff hopes that the generators and public utilities will choose to address such issues (i.e., delays attributable to the generator) by mutually agreeing to extend the time for construction.

As discussed above, Staff has proposed the Commission reduce the cost of interconnection studies and construction if they are not provided on a timely basis. With respect to construction, a public utility would be required to discount the costs owed by the generator if the public utility was unable to finish construction within 600 days or the date specified in the Interconnection Agreement, if this date is more than 600 days from the date the Interconnection Agreement was executed. Both PacifiCorp and PGE raise

¹¹ REC comments 8-9.

¹² PGE comments at 10 ("PGE would still need to file a waiver whenever an applicant misses a milestone or other delays occur outside PGE's control in case such delays accumulate and result in PGE missing the required timeline.")

¹³ PacifiCorp comments at 2 ("If adopted as proposed, the draft revisions to the Interconnection Rules would make utilities financially liable for construction delays that they may not control, or that are the responsibility of generation developers.")

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concerns about the Commission's ability to order "penalties". PacifiCorp argues the penalty for construction timelines is contrary to the SGIA and states further:

Moreover imposing this damages "discount" exceeds the Commission's authority: "The Commission has only those powers granted to it by statute. There is no statute granting the Commission authority to order a utility company to pay damages[.]"¹⁴

PGE cites Order No. 18-212 in raising similar concerns, but argues the proposal to make payments to applicants are not penalties:

PGE questions the Commission's authority to require a utility to refund or reduce an applicant's costs while still completing the work, i.e., complete study or construction work for free, or pay for an applicant's third-party study. The Commission has authority to impose penalties, but the proposed rules that, in effect, require a utility to make payments to an applicant do not constitute penalties.¹⁵

The reductions to the generators' costs for studies and to interconnect are within the Commission's authority. The Commission has authority to establish what costs generators must pay for interconnection studies and interconnection.¹⁶ Here, Staff is recommending the Commission reduce the costs of studies and construction when they are not provided in a timely manner. To the extent any payments must be refunded to the generator, it would be because the generator paid the public utility more than the public utility is owed. The Commission has authority to ensure a generator pays no more than what it owes for interconnection.

Supplemental Proposal – Limited Operation Interconnection

IREC recommends that the Commission adopt provisions allowing DER projects to operate on a temporary or limited basis prior to completion of distribution system upgrades to expedite deployment of DERs.¹⁷ IREC explains that under this approach, projects that trigger grid upgrades could begin operating under limited export or non-export conditions until the required upgrades are completed. Once upgrades are constructed, the project could then transition to operating at full capacity. This type of

¹⁴ PacifiCorp at 7-8, citing *T.G. v. QWEST*, Docket No. UCR 188, Order No. 18-212 at 3 (June 6, 2018) (citing *In re Quattuorcesi Beach House v. CenturyTel of Oregon, Inc.*, Docket No. UC 569, Order No. 01-157 at 1 (Feb. 8, 2001)).

¹⁵ PGE Comments at 13.

¹⁶ 18 C.F.R. sec. 292.306(1) (Authorizing states to determine what costs QFs must pay to interconnection); HB 2066 (2025)(Authorizing Commission to determine what costs microgrid must pay for interconnection).

¹⁷ IREC Comments at 2.

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framework is increasingly being considered by utilities and regulators as a way to maximize the use of the grid and reduce the impacts of interconnection delays due to required grid upgrades.¹⁸

Staff agrees that limited operation during construction of upgrades is a reasonable and efficient way to facilitate timely operation of new generating resources seeking to meet tax credit timelines. PacifiCorp supported such a proposal in a recent filing in Docket No. UM 2351.¹⁹ Accordingly, Staff's draft rules include a requirement for utilities to perform studies necessary to determine if limited operation is possible if the utility is unable to meet the construction timeline specified in the Interconnection Agreement.

Additional Issues

Parties made multiple recommendations in comments filed March 9 that Staff does not include in the temporary rules. For example, PacifiCorp cites comments made in UM 2111 to recommend rules related to timing of SGIA amendments, communication between utility and applicant, as well as site visits.²⁰ REC recommends additional third-party involvement in the interconnection process.²¹ These and many of the issues raised could be considered in a permanent rulemaking. Staff's objective at this time is to respond to the directive to Staff in the EO and establish the opportunity for third-party studies, and to facilitate timely interconnections, as quickly as possible. While Staff is interested in exploring additional ideas raised by stakeholders, Staff believes a permanent rulemaking process is a more suitable place to do so.

Conclusion

EO 25-25 directs Staff to propose the Commission adopt provisions set forth in HB 2065 for these solar and wind resources. Staff has built off its work with stakeholders in UM 2111 Phase 2 to bring forward a narrow set of policies that respond directly to the EO and offer high impact timeline improvements for small generator interconnections. Staff believes its draft rules are targeted, balanced, and feasible. Further, Staff believes the Commission has authority to establish specific timelines to perform interconnection studies and construct system upgrades and Staff believes imposing these requirements will expedite the interconnection process.

¹⁸ IREC Comments at 2-3.

¹⁹ UM 2351, PacifiCorp's Reply Comments at 4-6 (February 25, 2026).

²⁰ PacifiCorp comments at 10.

²¹ REC comments at 6-10.

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PROPOSED COMMISSION MOTION:

Staff recommends that the Commission:

- Approve Staff's request to adopt temporary rules modifying Division 82 Small Generator Interconnection Rules in response to Executive Order No. 25-29. The proposed draft rules are included in Attachment 1.
- Direct IPC, PAC, and PGE to publish its process, data, and analytical criteria for third-party SIS by April 15, 2026.
- Direct IPC, PAC, and PGE to update their hosting capacity data online by April 15, 2026, if it has not been updated since July 31, 2025.
- Open a permanent rulemaking to address the full scope of issues to be addressed in Phase 2 of the UM 2111 investigation.

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OAR 860-082-0060(7)(c) Within 15 business days of receipt of the system impact study agreement the applicant must execute and return the system impact study agreement or submit a notice of intent to use a third-party consultant to conduct the system impact study, or the application is deemed withdrawn.

The following will be added to OAR 860-082-0060(7):

(m) The public utility must allow opportunity for an applicant in any serially studied small generator interconnection queue to use a third-party consultant to conduct the system impact study.

(A) The public utility must publish criteria for applicants electing to use a third-system impact study including minimum requirements for the study format and methods, the data sharing process, any non-disclosure and data handling agreements, and other needed policies. The criteria must also include:

(i) A description of necessary analysis, as well as required format for output, including any necessary workpapers,

(ii) A listing of national standards relied on by the public utility, and

(iii) A listing of any additional critical standards required, with underlying rationale.

(B) Each public utility must designate and make available a liaison for applicants electing to use a third-party consultant to clarify data, resolve ambiguities, and explain technical requirements to the best of the liaison's ability. Information provided by the liaison will not replace or limit the utility's review of the third-party consultant's study under subsection (7)(o).

(C) Each public utility must establish detailed instructions for eligible interconnection applicants to:

(i) Provide a qualifying notice of intent to use a third-party consultant to conduct the system impact study, including any forms required for non-disclosure and data handling agreements; and

(ii) Request the data necessary to perform to the third-party system impact study to the public utility's specifications.

(D) Within five (5) business days of receipt of an applicant's notice of intent to use a third-party consultant to perform the system interconnection study, the public utility will notify the applicant in writing whether or not the application is complete.

(E) The public utility must provide a third-party consultant access to public utility data within 21 calendar days of the public utility's receipt of a qualifying notice of intent to use a third-party consultant to conduct a system impact study. Data provided by the public utility must be provided in a standardized, machine-readable format, except as otherwise agreed.

(n) Applicant obligations for third-party studies.

(A) Before submitting a third-party study, the applicant must notify the public utility of their intent to use a third-party consultant for the system impact study in the manner set forth by the public utility under subsection (7)(m)(C).

(B) Any third-party system impact study must be completed within 45 business days of the later of the following, unless another date is mutually agreed to:

- (i) The public utility's written acceptance of applicant's notice of intent to use of third-party consultant to perform system impact study, or
- (ii) The applicant's receipt of data required under this rule.

(C) Any third-party study must include a professional engineer's stamp.

(o) The public utility must accept or reject in writing any third-party study within 30 business days of study receipt.

(A) If a third-party study is accepted, the public utility must follow the process set forth in subsection (7)(j), (k), or (l).

(B) If a study is rejected, the public utility must identify all study modifications required, with supporting rationale.

(C) If a study is rejected, the applicant has 45 business days to provide an updated study addressing all public utility-raised issues.

(D) A public utility's decision to approve or reject a third-party study must be based on safety, reliability and compliance with published standards.

(E) The public utility may charge the applicant for the reasonable costs incurred by the public utility in preparing and providing technical data under this subsection.

(F) The public utility may charge the applicant for the reasonable costs of reviewing any third-party study up to \$1,000.

The following will be added at end of OAR 860-082-0060:

(12) Interconnection Study Timelines.

(a) Notwithstanding other subsections in this rule regarding timing of studies, the following timelines are applicable to serially studied small generators.

(A) The public utility must perform a system impact study within 45 business days of the latest of the following:

(i) The public utility's receipt of a signed system impact study agreement from the applicant;

(ii) The public utility's receipt of all necessary study fees and deposits from the applicant; and

(iii) The public utility's receipt of all necessary data from applicant.

(B) The public utility must perform a facilities study within 45 business days of the latest of the following

(i) The public utility's receipt of a signed facilities study agreement from the applicant;

(ii) The public utility's receipt of all necessary study fees and deposits from the applicant; and

(iii) The public utility's receipt of all necessary data from the applicant.

(b) For any study that is not provided in the timeline specified in subsection (12)(a)(A) or (B), the public utility:

(A) Must reduce the study costs owed to the public utility from the applicant by fifty percent for any delay up to 15 business days from the due date for the study, and by 100 percent for any delay longer than 15 business days, refund any study costs in excess of the reduced study fees if the applicant has already remitted payment to public utility, and file a report with the Commission indicating the reason for failure to meet the time requirement and the amount of time required to complete the study; or

(B) May seek a waiver from the Commission of the obligation to finish the study within 45 days, for good cause.

(13) Construction timelines.

(a) This subsection applies to all serially studied small generators proposing to interconnect to a public utility's system.

(b) At the time of executing the interconnection agreement, the public utility must commit to a construction timeline, which means from interconnection agreement execution to

witness test, no longer than 600 calendar days. If the public utility cannot commit to a construction timeline of 600 calendar days or less, the public utility must either:

(A) Execute an agreement with applicant under which applicant will assume responsibility for design, procurement, and construction of mutually agreed-upon interconnection facilities and stand-alone system upgrades, to be consistent with Commission-approved terms and conditions for the option to build in the QF-LGIA (see Order No. 25-355);

(B) Seek a waiver of the maximum 600-day construction timeline from the Commission for good cause; or

(C) Execute an Interconnection Agreement in which the applicant agrees to a construction timeline that exceeds 600 days.

(c) A public utility that fails to construct the facilities specified in the Interconnection Agreement within the 600 day maximum timeline, or date specified in the Interconnection Agreement if later, will discount the costs charged to the applicant for interconnection, including costs of facilities by five (5) percent for every 30 calendar days construction extends beyond the maximum 600-day timeline or agreed upon end of construction timelines, if later than 600 days, unless:

(A) The public utility seeks a waiver from the Commission of the obligation to construct facilities within the maximum 600 day timeline, or by the date specified in the Interconnection Agreement if later, for good cause, which could include the applicant's failure to meet a milestone or payment set forth in the interconnection agreement.

(B) The public utility and applicant agree in writing to extend the construction timeline included in the Interconnection Agreement.

(14) Other Interconnection Options; Limited Operation. If any of applicant's interconnection facilities or system upgrades are not reasonably expected to be completed by the end of the construction timeline specified in the Interconnection Agreement, the public utility shall, upon the request and at the expense of Applicant, perform operating studies on a timely basis to determine the extent to which the applicant's interconnection facilities may operate prior to the completion of system upgrades consistent with applicable laws and regulations and reliability standards. A public utility shall allow applicant to operate its generating facility and interconnection facilities in accordance with the results of such studies. The costs the public utility incurs under this subsection are not subject to discount as provided in subsection 13(c).