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October 15, 2019

VIA ELECTRONIC FILING

Attention: Filing Center
Public Utility Commission of Oregon
201 High Street SE, Suite 100
P.O. Box 1088
Salem, Oregon 97308-1088

**Re: Docket UM 1930 – In the Matter of PUBLIC UTILITY COMMISSION OF OREGON,
Community Solar Program Implementation.**

Attention Filing Center:

Attached for filing in the above-captioned docket is an electronic copy of the Joint Utilities' Final Comments on Staff's Community Solar Program Interconnection Proposal.

Please contact this office with any questions.

Sincerely,

Wendy McIndoo
Office Manager

Attachment

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

In the Matter of:

PUBLIC UTILITY COMMISSION OF
OREGON,

Community Solar Program
Implementation.

UM 1930

**JOINT UTILITIES' FINAL COMMENTS
ON
STAFF'S COMMUNITY SOLAR
PROGRAM INTERCONNECTION PROPOSAL**

October 15, 2019

I. INTRODUCTION

1 Idaho Power Company (Idaho Power), PacifiCorp, d/b/a Pacific Power (PacifiCorp),
2 and Portland General Electric Company (PGE) (collectively, the Joint Utilities) respectfully
3 offer these comments in response to Public Utility Commission of Oregon (Commission)
4 Staff’s October 4, 2019 Report regarding Community Solar Program (CSP) interconnection,
5 low income, transition to ongoing costs, and bill credit rate policies (Staff Report). These
6 comments address only the interconnection issues, and each utility will file separate comments
7 on other aspects of the CSP addressed in the Staff Report.¹

8 The Joint Utilities applaud Staff for recognizing that its original interconnection
9 proposal would not encourage efficient siting and largely adopting the interconnection
10 proposals offered by the Joint Utilities (Joint Utilities’ Proposal). The Joint Utilities generally
11 support Staff’s revised interconnection recommendations reflected in the Staff Report.
12 Although the barriers to CSP project interconnection are not as high as Staff originally
13 perceived,² the streamlined process Staff recommends should reasonably advance a viable
14 CSP, while also mitigating the risk of unreasonable cost-shifting, which is prohibited by both
15 the CSP statute and the Public Utility Regulatory Policies Act (PURPA).

II. BACKGROUND

16 Staff originally proposed to allow all CSP QFs to interconnect with energy resource
17 interconnection service (ERIS).³ For the reasons explained in depth in the Joint Utilities’

¹ The Joint Utilities are not responding at this time to Staff’s recommendations for assigning interconnection-related issues to other, pending dockets, as summarized on page 5 of the Staff Report. The Joint Utilities’ focus on recommendations for the CSP should not be understood as agreement with Staff’s corollary recommendations related to other dockets.

² *In the Matter of Public Utility Commission of Oregon, Community Solar Program Implementation*, Docket UM 1930, Joint Utilities’ Comments on Draft Community Solar Interconnection Proposal at 7-15 (July 24, 2019); Docket UM 1930, Joint Utilities’ Reply Comments at 1-2 (Sept. 13, 2019).

³ Docket UM 1930, Staff’s Draft Proposal for Community Solar Interconnection at 13 (June 19, 2019).

1 responsive comments, the Joint Utilities are very concerned that Staff’s original proposal
2 would expose non-participating customers to significant cost shifts and would not meet the
3 stated goals of the interconnection efforts, which were to streamline interconnection for
4 eligible CSP projects.⁴

5 To minimize the risk of cost-shifting, while also creating a path to interconnection for
6 efficiently sited CSP projects, the Joint Utilities proposed a pilot program in which CSP
7 projects that met certain eligibility criteria: (1) could be studied outside of the serial queue
8 order because of the state’s determination that this is a net metering-type program; and (2)
9 could receive ERIS because the sizing criteria decreased the likelihood that deliverability-
10 related upgrades would be required for interconnection.⁵ In response to specific concerns
11 raised by small, not-for-profit developers, the Joint Utilities also proposed a simplified
12 metering proposal to reduce metering costs for projects smaller than 360 kW, and an enhanced
13 pre-application process to assist CSP developers in locating sites where cost-effective
14 development may be possible.⁶

15 Staff’s original proposal also included a process by which CSP projects could share
16 costs for distribution upgrades.⁷ The Joint Utilities generally supported this proposal because
17 it properly maintained cost responsibility with the CSP projects, rather than shifting costs.⁸

18 Over the course of two workshops in July and August, stakeholders also identified and

⁴ Joint Utilities’ Comments on Draft Community Solar Interconnection Proposal at 23-39.

⁵ Docket UM 1930, Joint Utilities’ CSP Interconnection Proposal at 2 (Aug. 16, 2019). To clarify, Idaho Power will study CSP projects outside of the serial queue order when necessary to prevent study timeline delays. To the extent there is no need to study a CSP project ahead of other interconnection customers, Idaho Power will not do so.

⁶ Joint Utilities’ CSP Interconnection Proposal at 4-5.

⁷ Staff’s Draft Proposal for Community Solar Interconnection at 13.

⁸ Joint Utilities’ Comments on Draft Community Solar Interconnection Proposal at 39-40.

1 discussed a variety of other concerns regarding the process, standards, and validity of the
2 utilities' interconnection studies—many of which were not unique to the CSP.

3 The Staff Report proposes to adopt the cost sharing, simplified metering, and enhanced
4 pre-application proposals that the parties discussed and generally agreed upon in comments
5 and at the workshops.⁹ Staff also proposes to adopt the Joint Utilities' CSP interconnection
6 proposal, but with some significant modifications to the eligibility requirements for the
7 streamlined interconnection process.¹⁰ Finally, Staff offers new proposals to hire a third-party
8 expert to review interconnection studies and to impose reporting requirements regarding
9 PacifiCorp's queue.¹¹

III. DISCUSSION

10 **A. The Joint Utilities have some concerns but do not object to Staff's recommended** 11 **modifications to the Joint Utilities' Proposal for streamlined interconnection.**

12 The Joint Utilities continue to support their original interconnection proposal, which
13 was carefully designed to streamline CSP interconnections while also encouraging efficient
14 and cost-effective siting.¹² The Joint Utilities' proposed eligibility requirements were
15 specifically designed to minimize the risk that deliverability-related interconnection costs
16 would be shifted to retail customers while still providing numerous CSP projects with an
17 opportunity to interconnect.¹³ Therefore, the Joint Utilities' original criteria should be adopted

⁹ Staff Report at 10-16.

¹⁰ Staff Report at 6-10.

¹¹ Staff Report at 14-17.

¹² Joint Utilities' CSP Interconnection Proposal at 1-3.

¹³ Joint Utilities' CSP Interconnection Proposal at 3. As explained in detail in the Reply Comments at page 5, the Joint Utilities' analyses suggest that numerous CSP projects will be able to meet the Joint Utilities' proposed eligibility criteria and use the streamlined interconnection process. PGE has 475 feeders that could accommodate a CSP interconnection and 61 feeders that could accommodate a large CSP project. PacifiCorp has 390 feeders that could accommodate a CSP interconnection and 14 that could accommodate a large CSP project. Idaho Power has six feeders that could accommodate a CSP interconnection and already has a 3-MW CSP project that has nearly completed the interconnection process.

1 unchanged for the initial CSP interconnection pilot. If, as the pilot progresses, it becomes
2 apparent that the Joint Utilities’ criteria are overly conservative or are not adequately allowing
3 CSP interconnection, then the criteria can be re-examined at that time. However, at this phase
4 in the process, it is neither necessary nor wise to significantly revise the utilities’ proposed
5 eligibility criteria.

6 Yet, even with Staff’s proposed modifications to the eligibility requirements, the Joint
7 Utilities’ Proposal provides significantly more customer protections than Staff’s original
8 proposal and also will be more effective at addressing barriers to interconnection.¹⁴ Therefore,
9 the Joint Utilities do not object to adoption of their proposal with the modifications proposed
10 by Staff—although the Commission should be aware that the revised eligibility requirements
11 increase the risk of shifting costs to non-participating customers because they increase the
12 likelihood that CSP generation will flow onto the transmission system. If that occurs, there is
13 a greater risk that the CSP project will trigger the need for deliverability-related upgrades,
14 which will not be identified in the interconnection process because the projects will be studied
15 for ERIS, as opposed to network resource interconnection service (NRIS).

16 **1. Staff’s modifications to the Joint Utilities’ Proposal materially increase the**
17 **risk of improper cost-shifting.**

18 The Joint Utilities’ Proposal was intended to comply with the requirements of both the
19 CSP statute¹⁵ and PURPA¹⁶ by minimizing the risk that deliverability-related network upgrade
20 costs would be paid by retail customers, instead of the CSP developers whose siting and sizing

¹⁴ Joint Utilities’ CSP Interconnection Proposal at 2-3.

¹⁵ ORS 757.386(2)(b)(B).

¹⁶ 16 U.S.C. § 824a-3 (rate for QF purchases may not exceed “the cost to the electric utility of the electric energy which, *but for* the purchase from such cogenerator or small power producer, such utility would generate or purchase from another source.” (emphasis added)); *S. Cal. Edison Co., San Diego Gas & Elec. Co.*, 71 FERC ¶ 61,269 at p. 62,080 (1995) (“The intention [of Congress] was to make ratepayers indifferent as to whether the utility used more traditional sources of power or the newly-encouraged alternatives.”).

1 decisions cause the costs. To that end, the eligibility criteria were specifically designed to
2 identify efficient siting locations where a properly sized CSP project could interconnect and to
3 minimize the risk that the project’s output would flow onto the utility’s transmission system.
4 By minimizing the likelihood of the output flowing onto the transmission system, the Joint
5 Utilities’ Proposal made it unlikely that transmission-level deliverability upgrades would be
6 required.

7 Staff recommends a change to the eligibility criteria used to determine whether a CSP
8 project can take advantage of the streamlined interconnection process.¹⁷ The Joint Utilities
9 recommended that a CSP project would be eligible if it met the following size requirements:
10 (1) for PacifiCorp and PGE, the project capacity must be less than 25 percent of the peak load
11 on a feeder; or (2) for Idaho Power, the project capacity must be less than 50 percent of the
12 associated minimum loads.¹⁸ Staff has modified these size thresholds and instead recommends
13 that a project be eligible for the streamlined interconnection process if its capacity, together
14 with all other interconnected and requested generation in the local area is (1) less than 100
15 percent of the minimum daytime load; or (2) less than 30 percent of the summer peak load, if
16 that metric is used.¹⁹ Staff also recommends that, when applying the size thresholds, the utility
17 consider the ratio of load to generation for all feeders leaving the substation serving the feeder
18 on which the CSP project proposes to interconnect.²⁰

19 When feeder generation exceeds 100 percent of the minimum daytime load, the
20 generation will flow off the feeder and onto the transmission system in some situations. This

¹⁷ Staff Report at 8.

¹⁸ Joint Utilities’ CSP Interconnection Proposal at 2.

¹⁹ Staff Report at 8.

²⁰ Staff Report at 9.

1 can trigger necessary upgrades to the transmission system. If the upgrades are not captured in
2 the interconnection process because the generator receives ERIS (as is proposed for eligible
3 CSP projects), then the upgrades are likely to be borne by customers when the utility makes a
4 transmission service request (TSR) to deliver the generator’s output to load. Staff’s modified
5 criteria make it much more likely that customers will need to pay for upgrades than the more
6 conservative criteria included in the Joint Utilities’ original interconnection proposal.

7 The Joint Utilities are also concerned that Staff’s proposed modifications to the
8 eligibility criteria are being raised very late in the process. The potential impact of Staff’s
9 modified eligibility criteria was not discussed by stakeholders during the workshops. And
10 given the very short window in which to file comments responding to the Staff Report
11 containing the new criteria, the Joint Utilities are not confident that the implications of the
12 revised eligibility criteria have been fully explored.

13 If Staff’s criteria are adopted, the Joint Utilities reserve the right to return to the
14 Commission in the event that a problem arises. For example, if a CSP project meets Staff’s
15 eligibility criteria but nevertheless triggers an upgrade that would require non-participating
16 customers to pay millions of dollars, the Joint Utilities would alert the Commission to this fact
17 and ask the Commission to either approve utility customers in the state of Oregon paying for
18 the upgrade or to take other appropriate action at that time.

19 Finally, Staff encourages the Joint Utilities to continue to refine the screening criteria
20 to account for differences between feeders and to continue to explore whether storage or
21 transfer trip could be included as screening criteria.²¹ The Joint Utilities are willing to continue
22 the conversations on this topic that began at the workshops. As the CSP interconnection pilot

²¹ Staff Report at 9.

1 program is rolled out, the Joint Utilities will be looking for ways to improve the program,
2 including ways in which the eligibility criteria can be revised to most accurately capture
3 projects whose location, design, or equipment minimize the likelihood of the project triggering
4 significant transmission system upgrades. The value of pursuing this novel interconnection
5 approach in a pilot program—rather than rolling it out to all CSP capacity at the same time—
6 is that it provides periodic opportunities to assess impacts and revise approaches as necessary.
7 The Joint Utilities recommend starting with a more conservative approach, reviewing the
8 results, and adjusting later if it becomes necessary.

9 **2. The Joint Utilities do not object to Staff’s proposals for tracking and reporting**
10 **but caution that the data may have limited utility for future dockets.**

11 Staff recommends that each utility submit to the Commission the following:

- 12 • List of CSP projects eligible for the streamlined interconnection process;
- 13 • A copy of each interconnection study performed for eligible CSP projects;
- 14 • Cost of upgrades required for each CSP project, including both the original estimate
15 and final amount. The requested upgrades include all distribution and transmission
16 system upgrades borne by the CSP project and all upgrade costs borne by
17 customers;
- 18 • A timeline of relevant dates for each CSP project, including the date the
19 interconnection request was received, when each study was performed, when each
20 agreement was provided to the project, when each agreement was signed by the
21 project, when upgrades are completed, and the date each CSP project is energized;
- 22 • List of all projects deemed ineligible for the CSP interconnection process and any
23 studies that informed the determination of ineligibility and the study timeline.²²

²² Staff Report at 10.

1 Staff states that, after six months, it will work with each utility to provide an interim report on
2 key findings.²³ After 12 months, Staff will then recommend to the Commission whether to
3 continue or conclude the CSP interconnection process.²⁴

4 The Joint Utilities do not object to the proposal and agree that tracking the cost of any
5 transmission system upgrades triggered by a CSP project (through the TSR process) and paid
6 for by the utility's non-participating customers will be critical for understanding any costs that
7 the CSP interconnection pilot shifts to customers. Because the administrative burden of
8 tracking CSP interconnection information will increase program costs, the Joint Utilities
9 recommend that tracking requirements be narrowly tailored to include only information that
10 provides value to the CSP and is not available elsewhere. The Joint Utilities expect that much
11 of the information Staff proposes to track already will be publicly available, per the
12 Commission's docket UM 2001 data transparency requirements.

13 The Joint Utilities also caution that reliance on the results of this proposed pilot
14 program may be misplaced when addressing broader qualifying facility (QF) interconnection
15 policy decisions, for several reasons. First, the results of the CSP interconnection process will
16 rely on the fact that the projects will be studied outside the traditional serial queue—which can
17 occur only because the Commission has deemed the CSP to be a net metering-like program.
18 Because QFs, in general, are not net metering projects, studying other QFs outside the serial
19 queue order would be extremely problematic, raising serious legal and jurisdictional hurdles
20 that would be difficult to overcome.

²³ Staff Report at 10.

²⁴ Staff Report at 10.

1 Second, the extent of potential cost shifting from CSP projects to retail customers will
2 not necessarily be indicative of the potential for non-CSP QFs to shift costs if they are
3 permitted to receive ERIS. Even with Staff’s modifications to the eligibility requirements,
4 CSP projects receiving ERIS will be efficiently sited in locations where deliverability-related
5 upgrades, although certainly possible, are less likely. Without the incentive for efficient siting
6 built into the CSP interconnection proposal, QFs siting without regard for potential impact to
7 the utility system are unlikely to produce similar results.

8 Finally, the CSP may not yield an adequate sample size of usable data in time for use
9 in other interconnection-related dockets—depending on the timeline and process for such other
10 dockets. The process of conducting studies, entering an interconnection agreement, and then
11 building interconnection facilities and any necessary network or distribution upgrades typically
12 takes several months and often more than one year—although the time required varies
13 depending upon many factors including the magnitude and complexity of the upgrades. The
14 CSP projects that have completed the interconnection process within 12 months are likely to
15 be those with relatively simple interconnections. Thus, the data collected in 12 months may
16 not be representative of the program costs, interconnection timelines, or impacts to customers
17 that could be expected from applying similar policies to all QF interconnections.

18 **B. The Joint Utilities support continued investigation of cost-sharing proposals.**

19 Staff recommends that the Commission begin developing models for cost-sharing
20 between generators.²⁵ The Joint Utilities support cost-sharing among generators, because it
21 does not shift costs caused by CSP projects’ interconnections onto non-participating utility

²⁵ Staff Report at 11.

1 customers.²⁶ The Joint Utilities recommend that their role in a cost-sharing mechanism be
2 limited to the provision of the necessary information to the CSP projects or program
3 administrator (PA). The administrative costs of facilitating any cost-sharing mechanism
4 should be program costs and should not be borne by the Joint Utilities and their non-
5 participating customers.

6 In the interim, Staff recommends that the utilities study CSP projects jointly upon
7 request if the projects are located in the same local area and apply for interconnection at the
8 same time.²⁷ This recommendation is consistent with the Joint Utilities’ Proposal,²⁸ and the
9 Joint Utilities do not object to this recommendation—provided that the burden is on the CSP
10 project or the PA to request such a study. The Joint Utilities recommend a further clarification,
11 however, that two or more projects would be eligible for a joint study (i.e., within the same
12 “local area”) if the projects propose to interconnect to the same feeder and are separated by
13 less than one mile.

14 To facilitate cost sharing efforts, Staff also recommends that the PA work with the
15 utilities to compile system data, information collected through Project Manager registration
16 and pre-certification, and CSP interconnection application information by geographic area.²⁹
17 The Joint Utilities do not object to providing the PA with information regarding CSP
18 interconnection applications received, subject to the consent of the project owners. However,
19 the Joint Utilities reiterate that the burden should be on the CSP developers themselves to

²⁶ Joint Utilities’ Comments on Staff’s Draft Proposal for Community Solar Interconnection at 39-40.

²⁷ Staff Report at 12.

²⁸ Joint Utilities’ CSP Interconnection Proposals at 3.

²⁹ Staff Report at 12.

1 provide adequate information to allow the PA to identify whether joint studies or cost sharing
2 among particular CSP projects could be appropriate.

3 **C. The Joint Utilities support Staff’s simplified metering proposal.**

4 Staff recommends adoption of the Joint Utilities’ simplified metering proposal without
5 change.³⁰ The Joint Utilities support this proposal, which may help reduce interconnection
6 costs for those very small projects for which even minimal interconnection costs present a
7 barrier. The Joint Utilities note that, as discussed at workshops, this proposal does not mean
8 that such generators will be exempt from all interconnection costs. Rather, this proposal will
9 reduce the metering costs, which are costs that all new interconnections typically incur, to a
10 level that may be more manageable for very small CSP projects.

11 **D. Independent third-party review of interconnection studies.**

12 Staff recommends that the Commission explore third-party expert review of utility
13 interconnection studies as an intermediate measure and begin by releasing a request for
14 information for such services.³¹ The Joint Utilities stand behind their interconnection studies
15 and do not think third-party review is likely to alter the study outcomes or facilitate CSP
16 interconnection at reduced cost. However, the Joint Utilities understand that there is a
17 perceived lack of confidence in utility interconnection studies generally and would not object
18 to third-party review of studies if Staff determines that such review is necessary to help aid
19 understanding and decrease confusion and suspicion.

20 As Staff notes, the third-party reviewer proposal was not included in Staff’s initial
21 recommendation and therefore has not been fully developed and discussed.³² The Joint

³⁰ Staff Report at 13.

³¹ Staff Report at 14.

³² Staff Report at 15.

1 Utilities share Staff’s view that further analysis is needed to understand the costs and benefits
2 before proceeding with this approach.³³ Questions remain regarding how the review process
3 would work, when it would occur, how much it would delay the interconnection process, and
4 who would pay for the review. If third-party review is pursued, the cost of such review should
5 be borne by the developers or CSP participants, not ratepayers. It would be inequitable to
6 require ratepayers to fund third-party review for CSP developers challenging the utilities’
7 studies.

8 More broadly, the Joint Utilities are concerned about the efforts to use the CSP to
9 explore a variety of alleged interconnection problems and possible solutions. The Commission
10 already has opened a variety of generic proceedings to explore interconnection and related
11 issues.³⁴ Attempting to fully explore these issues in the context of the CSP not only increases
12 CSP program costs, it also is inconsistent with the expedited timeline and limited process
13 necessary to accommodate the CSP launch date.

14 **E. The Joint Utilities support Staff’s recommendation for an enhanced pre-**
15 **application process.**

16 Staff recommends adoption of the enhanced pre-application process originally
17 proposed by the Joint Utilities to ease the burden on not-for-profit and governmental project
18 developers.³⁵ The Joint Utilities continue to support this recommendation, which is consistent
19 with the Joint Utilities’ Proposal.³⁶

³³ Staff Report at 15.

³⁴ See, e.g., Staff Report at 5.

³⁵ Staff Report at 15-16.

³⁶ Joint Utilities’ CSP Interconnection Proposals at 5.

1 **F. PacifiCorp does not object to the proposed reporting requirements.**

2 Staff’s proposed reporting requirements regarding PacifiCorp’s standard
3 interconnection queue³⁷ appear more appropriate for a different proceeding, given that CSP
4 projects are differently situated from a legal, policy, and jurisdictional perspective. However,
5 despite this concern, PacifiCorp does not object to the reporting requirements regarding its
6 standard interconnection queue.

7 **IV. CONCLUSION**

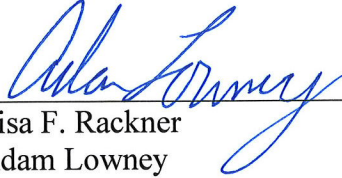
8 When Staff initiated the stakeholder process for CSP interconnection, the Joint Utilities
9 emphasized their support for implementing a fair and functional interconnection process for
10 CSP projects that would allow for a viable CSP, while also meeting the statutory requirement
11 to minimize the CSP’s adverse rate impact on non-participating customers. Throughout this
12 process, the Joint Utilities have worked in good faith with Staff and stakeholders to develop
13 an interconnection proposal that can be implemented in the near term as a limited pilot
14 program, subject to continued study and assessment to ensure that the proposal is working as
15 intended. The Joint Utilities are pleased that Staff’s interconnection recommendation

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³⁷ Staff Report at 16-17.

- 1 generally aligns with the Joint Utilities' Proposal and look forward to the Commission
- 2 approving the process and launching the CSP.

Respectfully submitted this 15th day of October, 2019.



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