

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**UM 1631**

In the Matter of

PORTLAND GENERAL ELECTRIC  
COMPANY,

Application for Partial Waiver of OAR 860-  
039-0030(3) Level 1 Net Metering  
Interconnection Review

**APPLICATION OF PORTLAND  
GENERAL ELECTRIC COMPANY  
(EXPEDITED CONSIDERATION  
REQUESTED)**

Pursuant to OAR 860-021-0005(2), Portland General Electric Company (PGE) hereby submits to the Commission this expedited request for a partial waiver of OAR 860-039-0030(3) on the terms specified in this Application. PGE seeks a partial waiver for the earlier of: (1) January 1, 2025, or (2) until such time as new rules are adopted superseding OAR 860-039-0030(3).

OAR 860-039-0030(3) provides:

Within 10 business days after the public utility notifies a Level 1 applicant that its application is complete, the public utility must notify the applicant that:

- (a) The net metering facility meets all applicable criteria and the interconnection will be approved upon installation of any required meter upgrade, completion of any required inspection of the facility, and execution of an interconnection; or
- (b) The net metering facility has failed to meet one or more of the applicable criteria and the interconnection application is denied.

PGE requests a partial waiver of this rule to allow PGE to interconnect small Net Metering facilities under a Level 1 review that fail to meet one or more of the applicable criteria, but the

Company has determined that the interconnection of facility is consistent with safety, reliability, and power quality.

### **Discussion**

Current OARs 860-039-0035 and 860-039-0040 for Level 2 and Level 3 Net Metering Interconnection Review allow a utility at its discretion to approve and interconnect a net metering system that fails to meet the applicable requirements if the public utility determined that the net metering facility may be interconnected consistent with safety, reliability, and power quality. OAR 860-039-0030 that addresses Level 1 Net Metering Interconnection review does not currently have similar language that allows a utility at its discretion to approve and interconnect a net metering system if it fails to meet the applicable requirements, even though the utility may have determined that the net metering facility may be interconnected consistent with safety, reliability, and power quality. In such circumstances, the current rule requires PGE to deny the interconnection application and the net metering applicant to resubmit the application under Level 2 or Level 3 Interconnection review. This requires a net metering customer to reapply and submit a new net metering application and pay an application fee to PGE. Once the Level 2 or Level 3 application is received, PGE reviews the application again and typically determines that the net metering facility may be interconnected consistent with safety, reliability, and power quality, as permitted under the rules (see OAR 860-039-0035(3)(b)).

PGE's Protection and Planning Teams have conducted a historical analysis of small net metering additions and these teams have concluded that small additions do not often have a material reliability impact on the distribution system. Through this review, PGE's engineering teams have concluded that many feeders could host additional small net metering projects without impacting safety and reliability. Additionally, the Level 1 screens focus on a "circuit's annual peak

load,”<sup>1</sup> rather than a circuit’s Daytime Minimum Load (DML), which would more accurately forecast potential feeder impacts, and the focus on annual peak load further reduces the appropriateness of the mandatory failure and restudy process embedded in the current rules.

Through this waiver request, PGE seeks the flexibility to approve additional small net metering projects it deems safe and reliable at the Level 1 stage of review, saving these from burdens of reapplying and paying an application fee, while continuing to monitor the impacts. PGE currently refreshes the DML calculations twice a year and monitors the effect that small net metering additions have on PGE’s distribution system. If PGE determines through its ongoing monitoring that on specific circuits additional small net metering projects have potential to impact reliability, PGE would deny the application because it has not been shown that the proposed interconnection can be completed consistent with safety, reliability, and power quality under the Level 1 review, and the applicant then could seek additional study through the Level 2 or Level 3 review.

The practical impact of the rule as written is that since 2020, PGE has failed 740 Level 1 small net metering applications because they failed OAR 860-039-0030(3)(b). These customers were required to reapply and submit an application for Level 2 or Level 3 review. In Level 2 or Level 3 review, PGE determined that 721 could be interconnected consistent with safety, reliability, and power quality; the remaining 19 required system upgrades before interconnection could occur. Prior to seeking this partial waiver PGE shared this information and provided these details to Staff via an excel spreadsheet in August 2022. By requesting a partial waiver of OAR

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<sup>1</sup> 860-039-0030(2)(c): If a net metering facility is to be connected to a radial distribution circuit, the aggregate generation capacity connected to the circuit, including that of the net metering facility, will not exceed 10 percent (15 percent for solar electric generation) of the circuit’s total annual peak load, as most recently measured at the substation.

860-039-0030(3), PGE sees an opportunity to improve the customer experience for customers applying to interconnect to PGE's distribution system and create efficiencies for PGE to approve projects that it deems consistent with safety, reliability, and power quality without requiring customers to reapply for interconnection under Level 2 or Level 3 and PGE to perform a restudy review.

UM 2111, Staff's Investigation into Interconnection Process and Policies, is currently underway, with Staff and Stakeholders meeting twice a month. The Interstate Renewable Energy Council (IREC) has been presenting recommendations and model language to Staff and Stakeholders to modernize Oregon's interconnection rules using IREC's *Toolkit and Guidance for the Interconnection of Energy Storage and Solar-Plus-Storage*. The toolkit includes model language for state interconnection rules to reduce the costs and time to safely interconnect energy storage and solar-plus storage systems. IREC's model includes Supplemental Review provisions, which state, "(A)(4): Screens failure: Despite the failure of one or more screens, the Utility, at its sole option, may approve the interconnection provided such approval is consistent with safety and reliability." Staff and Stakeholders are supportive of IREC's model language, however the UM 2111 docket is still in its early stages, and no decisions have come before the Commission nor has a rulemaking docket been initiated.

At the UM 2111 workshop on August 9, 2022, PGE explained that current Level 1 rules do not allow for interconnection if a net metering system fails to meet the applicable requirements in OAR 860-039-0030(2). PGE discussed with Staff and Stakeholders that due to the UM 2111 timeline, in the near-term, PGE would prefer to seek a partial waiver of OAR 860-039-0030(3)(b), to be able to allow for Level 1 interconnections at PGE's discretion if PGE determines that the net metering facility may be interconnected consistent with safety, reliability, and power quality. At

the UM 2111 workshop on September 14, 2022, PGE's proposal for a partial waiver was discussed again, and Staff and Stakeholders appeared to express support for PGE's proposal as an interim measure while UM 2111 continues.

If the partial waiver of OAR 860-039-0030(3) is granted PGE commits to report out in UM 2111 workshops periodically any insights and learnings on the impact this change has to PGE's distribution system to determine the efficacy of the granting of the partial waiver request and ensure there are no impacts to safety and reliability.

### **Request**

For the reasons stated above, PGE respectfully seeks a partial waiver of the requirements of OAR 860-039-0030(3) on the terms specified in this Application. It is a partial waiver because the waiver would apply only to net metering facilities that fail to meet this protection screen requirement, but the Company has determined that the facility may still be interconnected consistent with safety, reliability, and power quality. PGE respectfully seeks an expedited review and Commission decision on this partial waiver by December 31, 2022.

PGE appreciates the work currently being done by Staff in UM 2111. Decisions made in the UM 2111 docket and a future rulemaking docket would likely eliminate the need for this partial waiver in the future.

### **Communications**

Communications regarding this application should be addressed to:

Robert Macfarlane  
Manager, Pricing and Tariffs  
Portland General Electric Company  
121 SW Salmon Street, 1 WTC0306  
Portland, OR 97204  
Phone: 503.464.8954  
Fax: 503.464.7651  
E-mail: [pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com)

David White  
Managing Assistant General Counsel  
Portland General Electric Company  
121 SW Salmon Street, 1WTC1301  
Portland, OR 97204  
Phone: 503.464.7701  
Fax: 503.464.2200  
E-mail: [David.White@pgn.com](mailto:David.White@pgn.com)

**Conclusion**

OAR 860-039-0005(2) allows the Commission to grant waivers of Division 39 rules for good cause shown. PGE respectfully seeks a partial waiver of the specific provisions of OAR 860-039-0030(3). PGE requests this partial waiver to allow PGE to interconnect small Net Metering facilities under a Level 1 review that fail to meet one or more of the applicable criteria, but the Company has determined that the interconnection of facility is consistent with safety, reliability, and power quality. Good cause exists to grant PGE’s request for the partial waiver.

For all the reasons described above, PGE requests that the Commission approve this request for a partial waiver.

DATED this 4<sup>th</sup> day of November, 2022.

*\s\ Robert Macfarlane*

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Robert Macfarlane  
Manager, Pricing and Tariffs  
Portland General Electric Company  
121 SW Salmon St., 1WTC0306  
Portland, OR 97204  
Telephone: 503.464.8954  
Fax: 503.464.7651  
E-Mail: [pge.opuc.filings@pgn.com](mailto:pge.opuc.filings@pgn.com)