ORDER NO. 20-465
ENTERED Dec 04 2020

## BEFORE THE PUBLIC UTILITY COMMISSION

#### **OF OREGON**

**UM 2108** 

In the Matter of

PACIFICORP, dba PACIFIC POWER

**ORDER** 

Application for Rehearing or Reconsideration of Community Renewable Energy Association, Oregon Solar Energy Industries Association, and NewSun Energy LLC; and

Application for Rehearing or Reconsideration of the Renewable Energy Coalition, Oregon Solar Energy Industries Association, and Northwest and Intermountain Power Producers Coalition.

DISPOSITION: STAFF'S RECOMMENDATION ADOPTED WITH MODIFICATION

This order memorializes our decision, made and effective at our December 1, 2020 Regular Public Meeting, to adopt Staff's recommendation with a modification in this matter. We waive the current requirement for Oregon Large Generators to post a financial security deposit for Network Upgrades until 45 days following the receipt of the Cluster System Impact Study.

The Staff Report with the recommendation is attached as Appendix A.

Made, entered, and effective Dec 04 2020

Megan W. Decker Chair **Letha Tawney**Commissioner

Mark R. Thompson

Commissioner

A party may request rehearing or reconsideration of this order under ORS 756.561. A request for rehearing or reconsideration must be filed with the Commission within 60 days of the date of service of this order. The request must comply with the requirements in OAR 860-001-0720. A copy of the request must also be served on each party to the proceedings as provided in OAR 860-001-0180(2). A party may appeal this order by filing a petition for review with the Circuit Court for Marion County in compliance with ORS 183.484.

ITEM NO. RA4

# PUBLIC UTILITY COMMISSION OF OREGON STAFF REPORT PUBLIC MEETING DATE: December 1, 2020

REGULAR X CONSENT EFFECTIVE DATE December 1, 2020

**DATE:** November 23, 2020

**TO:** Public Utility Commission

FROM: Stephanie Andrus and Caroline Moore

THROUGH: Bryan Conway and JP Batmale SIGNED

**SUBJECT:** PACIFIC POWER:

(Docket No. UM 2108)

Application for Rehearing or Reconsideration of Community Renewable Energy Association, Oregon Solar Energy Industries Association, and

NewSun Energy LLC.

Application for Rehearing or Reconsideration of the Renewable Energy Coalition, Oregon Solar Energy Industries Association, and Northwest and

Intermountain Power Producers Coalition.

#### **STAFF RECOMMENDATION:**

Grant the Application for reconsideration filed by Community Renewable Energy Association, Oregon Solar Industries Association, and Northwest and Intermountain Power Producers Coalition with respect to the network upgrade security deposit requirement for the Transition Cluster Study as proposed by Staff and otherwise deny the request for reconsideration or rehearing.

Deny the Application for rehearing or reconsideration filed by the Renewable Energy Coalition, Oregon Solar Energy Industries Association, and Northwest and Intermountain Power Producers Coalition.

#### **DISCUSSION:**

#### Issue

Whether the Oregon Public Utility Commission (Commission) should approve applications for reconsideration or rehearing of its order approving PacifiCorp's Queue Reform Proposal on the grounds it contains insufficient findings of fact and also violates

the Public Utility Regulatory Policies Act (PURPA), Oregon law, and PacifiCorp's own tariff.

Whether the Commission should modify its order to allow interconnection customers more time after receiving a cluster study to post a security deposit for the estimated cost of identified Network Upgrades.

## Applicable Rule or Law

Oregon Revised Statute (ORS) 756.581 provides:

- (1) After an order has been made by the Public Utility Commission in any proceeding, any party thereto may apply for rehearing or reconsideration thereof within 60 days from the date of service of such order. The commission may grant such a rehearing or reconsideration if sufficient reason therefor is made to appear.
- (2) No such application shall excuse any party against whom an order has been made by the commission from complying therewith, nor operate in any manner to stay or postpone the enforcement thereof without the special order of the commission.
- (3) If a rehearing is granted, the proceedings thereupon shall conform as nearly as possible to the proceedings in an original hearing, except as the commission otherwise may direct. If in the judgment of the commission, after such rehearing and the consideration of all facts, including those arising since the former hearing, the original order is in any respect unjust or unwarranted, the commission may reverse, change or modify the same accordingly. Any order made after such rehearing, reversing, changing or modifying the original determination is subject to the same provisions as an original order.

Oregon Administrative Rule (OAR) 860-001-0720(2) requires that an application for rehearing or reconsideration specify,

- (a) the portion of the challenged order that the applicant contends is erroneous or incomplete;
- (b) the portion of the record, laws, rules, or policy relied upon to support the application;
- (c) the change in the order that the Commission is requested to make;
- (d) how the applicant's requested change in the order will alter the outcome; and

(e) one or more of the grounds for rehearing or reconsideration in section (3) of this rule.

Section (3) of the rule provides that the Commission may grant an application for rehearing or reconsideration if the applicant shows that there is:

- (a) New evidence that is essential to the decision and that was unavailable and not reasonably discoverable before issuance of the order;
- (b) A change in the law or policy since the date the order was issued relating to an issue essential to the decision;
- (c) An error of law or fact in the order that is essential to the decision; or
- (d) Good cause for further examination of an issue essential to the decision.

Under OAR 860-001-0720, an application for reconsideration or rehearing is deemed denied if the Commission has not issued an order granting the application by the 60<sup>th</sup> day after filing. If the application is granted, the Commission may affirm, modify, or rescind its prior order or take other appropriate action.

#### Analysis

This memorandum addresses two applications for rehearing or reconsideration of Commission Order No. 20-268. This order approved PacifiCorp's request to use a first-ready, first-served method to process interconnection requests that relies on "Cluster" interconnection Studies rather than the first-in-line, first-served method PacifiCorp previously used that relies on serial interconnection studies.<sup>1</sup>

One application is filed jointly by Community Renewable Energy Association (CREA), Oregon Solar Energy Industries Association (OSEIA), and NewSun Energy, LLC (NewSun) (jointly, the "Community Renewable and Solar Advocates" or "CRSA"),<sup>2</sup> and the other is filed jointly by the Renewable Energy Coalition (REC), Northwest &

<sup>&</sup>lt;sup>1</sup> In the Matter of PacifiCorp d/b/a Pacific Power Application for an Order Approving Queue Reform Proposal, Docket No. UM 2108, Order No. 20-268.

<sup>&</sup>lt;sup>2</sup> See Docket No. UM 2108, Application for Rehearing or Reconsideration of Community Renewable Energy Association, Oregon Solar Energy Industries Association, and NewSun Energy LLC (hereinto referred to as "CRSA Application"), October 12, 2020.

Intermountain Power Producers Coalition (NIPPC), and Oregon Solar Energy Industries Association (OSEIA) (jointly, the "Interconnection Customer Coalition" or "ICC").<sup>3</sup>

ICC and CRSA make several legal and policy arguments, which Staff spent considerable time reviewing. Staff reiterates its previously stated position that nearly all of these issues are out of scope for UM 2108 and will be more quickly and transparently addressed in other, existing dockets.

The remainder of this Staff memorandum provides background for these requests and responds to ICC and CRSA's arguments.

## Background

After an informal stakeholder process in 2019, PacifiCorp submitted a Queue Reform Proposal (QRP) with the Federal Energy Regulatory Commission (FERC) on January 31, 2020.<sup>4</sup> The FERC process involved several rounds of notices and responsive pleadings, with involvement from Oregon stakeholders.<sup>5</sup> On April 12, 2020, FERC approved PacifiCorp's proposal and deficiency letter response, subject to conditions.<sup>6</sup>

Following FERC approval, PacifiCorp submitted an application to include Oregonjurisdictional interconnection requests in its QRP.

#### Commission Order No. 20-268

On August 12, 2020, the Commission issued Order No. 20-268 approving PacifiCorp's interconnection QRP for Oregon-jurisdictional interconnections. Now, interconnection customers will interconnect with PacifiCorp on a first-ready, first-served basis rather than the first-in-time, first-served basis PacifiCorp has used historically. The first-ready, first-served interconnection process is facilitated by use of annual Cluster Studies in which the system impact of interconnecting a generator is studied contemporaneously with the impact of interconnecting other electrically and geographically relevant generators. Once the annual cluster studies are completed and total upgrades necessary to interconnect all participating generators are identified, the generators that

<sup>&</sup>lt;sup>3</sup> See Docket No. UM 2108, The Interconnection Customer Coalition's Application for Rehearing or Reconsideration of Order No. 20-268, (hereinto referred to as "ICC Application"), October 12, 2020.

<sup>&</sup>lt;sup>4</sup> See generally FERC Docket No. ER20-924-000, PacifiCorp Tariff Filing, January 31, 2020.

<sup>&</sup>lt;sup>5</sup> The Renewable Energy Coalition (REC), the Community Renewable Energy Association (CREA), the Northwest and Intermountain Power Producers Association (NIPPC), Solar Energy Industries Association (SEIA), Renewable Northwest, and NewSun Energy (NewSun) all applied for, and were granted, intervener status in the FERC proceeding.

<sup>&</sup>lt;sup>6</sup> See FERC Docket No. ER20-924-000, Order No. 171 FERC ¶ 61,112 (May 12, 2020).

<sup>&</sup>lt;sup>7</sup> See Docket No. UM 2018, Commission Order No. 20-268, August 19, 2020.

are prepared to pay their allocated share of any necessary interconnection facilities and Network Upgrades proceed with a Facilities Study and interconnection agreement.

The first-ready, first-served cluster study process adopted by Commission Order No. 20-268 includes modifications to the serial interconnection process:

- Feasibility Studies, which preceded the System Impact Studies (SIS), are no longer offered. Instead PacifiCorp will provide Interconnection Information Studies prior to submitting an interconnection application (upon request).
- Interconnection customers must apply for interconnection before the close of an annual Cluster Request Window.
- Following the Cluster Request Window, PacifiCorp will hold a 30-day Customer Engagement Window. PacifiCorp will post a draft plan for the Cluster Study and hold a scoping meeting that will assist in the estimation of the potential scope of network upgrade costs given the number and size of other interconnection projects in the Cluster.
- Annual Cluster Studies take the place of serial SIS.
- Generator-specific Facilities Studies are performed after the Cluster Studies, followed by the execution of a generator-specific Interconnection Agreement.

# Requirement to post a security deposit for Network Upgrades

PacifiCorp's Queue Reform Proposal requires Large Generators to post a financial security equal to 100 percent of assigned Network Upgrades within 30 days of receiving the Cluster System Impact Study. The requirement is concurrent with the execution of a Facilities Study Agreement, which represents a deeper level of commitment by generators that remain in the interconnection queue. In other words, the security deposit requirement is predicated on the assumption that generators that withdraw after this stage (after the period specifically designated for withdrawing from the queue) will cause greater harm to other generators in their Cluster Area and more severely undermine the Cluster Study process.

To balance the burden on generators with the need to minimize withdrawal and restudy, the Commission Order No. 20-268 modified this requirement, limiting the deposit requirement to the lesser of:

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<sup>&</sup>lt;sup>8</sup> PacifiCorp Oregon Large Generator Interconnection Procedures, Article 8.1.

- 15 percent of the Network Upgrade costs allocated to Interconnection Customer in the most recent Cluster Study Report;
- \$20,000 per megawatt of electrical output of the Large Generating Facility, or the amount of megawatt increase in the generating capacity of each existing Generating Facility as listed by the Interconnection Customer in its Interconnection Request, including any requested modifications thereto; or
- \$7,500,000.

## Requests for reconsideration or rehearing

CRSA argue reconsideration or rehearing of Order No. 20-268 is appropriate because the order (1) "violates law" because it (a) contains no findings of fact on the issue of the power flow studies, and (b) is supported by insufficient evidence and lacks substantial reasoning to ignore evidence of the impact of the flawed power flow studies; and (2) violates the requirement that each QF be provided the right to create a legally enforceable obligation to sell energy and capacity to PacifiCorp on the date of the QF's choosing. CRSA also asserts that even if the Commission does not allow reconsideration or rehearing to correct the two alleged errors of law set forth above, the Commission should modify its order to provide QFs a 60-day period execution of the Power Purchase Agreement (PPA) related to the interconnection request to post the security for network upgrades.<sup>9</sup>

ICC specifies that it is "not seeking rehearing or reconsideration of [Order No. 20-268] in regard to any changes to the interconnection process." Instead the ICC alleges the order is legally flawed because it approves PacifiCorp's practice of requiring that a QF obtain an interconnection study before the QF is eligible for a draft PURPA PPA. Based on this interpretation of Order No. 20-268, ICC alleges the order is:

- (1) inconsistent with PURPA;
- (2) inconsistent with the OPUC's own standard for when a legally enforceable obligation is established and the inconsistency is not explained;
- (3) authorizes PacifiCorp to avoid its obligations under the applicable Commissionapproved Schedule 37; and

<sup>&</sup>lt;sup>9</sup> CRSA Application, pp. 35-36.

<sup>&</sup>lt;sup>10</sup> ICC Application, p. 3.

(4) incorrectly overlooks the Commission's obligations to oversee PacifiCorp's compliance with statutory obligations.

ICC asks that at a minimum, the Commission order PacifiCorp to provide executable PPAs and to execute PPAs without first requiring interconnection studies. <sup>11</sup> In addition, the ICC asks the Commission to address other practical matters associated with PURPA contracting and order that PacifiCorp "allow such QFs the right to terminate the PPA within a limited time after receiving the Cluster Study or Facilities Study, or to amend the scheduled commercial operation date to be consistent with the interconnection timeframe in the Cluster Study[,]" <sup>12</sup> and "allow the scheduled commercial operation date to exceed three years after the PPA's Effective Date where necessary based on PacifiCorp's interconnection study." <sup>13</sup>

ICC also asks that the Commission specify its conclusions of law. ICC argues these conclusions of law are necessary because "[w]hen an administrative agency order does not specify the findings of fact or conclusions of law, Oregon courts may remand or void the decision." <sup>14</sup>

## Staff Response

As described above, CRSA and ICC present a range of legal arguments for reconsideration or rehearing and make several other requests, which are summarized in the list below.

Legal Arguments for Rehearing and Reconsideration:

- (1) Order contains no findings of fact and ignores evidence related to PacifiCorp's power flow studies; and
- (2) Order is inconsistent with PURPA and the Commission's implementation of PURPA.

## Requests:

- (1) Modify PacifiCorp's PURPA contracting policies; and
- (2) Require PacifiCorp allow QFs 60 days to post security for Network Upgrades.

<sup>&</sup>lt;sup>11</sup> ICC Application, p. 32.

<sup>&</sup>lt;sup>12</sup> ICC Application, p. 33.

<sup>&</sup>lt;sup>13</sup> ICC Application, p. 34.

<sup>&</sup>lt;sup>14</sup> ICC Application, pp. 1-2.

Staff's analysis addresses the arguments first, then responds to the additional requests.

#### **Argument #1: Findings of Fact**

CRSA claims Order No. 20-268 is legally flawed because it does not contain adequate findings of fact or substantial reason to justify the Commission's decision. CRSA relies on a misinterpretation of an agency's responsibility in issuing an order in other than a contested case. As the Oregon Supreme Court explained in its 2000 decision in *Norden v. Water Resources Department*, "nothing in the APA directs an agency in other than a contested case proceeding to make a record or to make findings of fact before issuing its order." The Oregon Supreme Court reiterated its holding in a 2004 holding "[u]nder *Norden*, an agency's failure to incorporate findings of fact or conclusions of law into an order in other than a contested case to explain the basis for the order is not a violation of any law." 16

CRSA relies on ORS 756.558 for its argument the Commission was obligated to make findings of fact. ORS 756.518 specifies that ORS 756.558 is one of many statutes (ORS 756.500 – .610) that "apply to and govern all hearings" before the Commission. ORS 756.558 requires the Commission enter findings of fact and conclusions of law "at the conclusion of taking evidence." CRSA's reliance on ORS 756.558 is misplaced because Order No. 20-268 was not issued after a hearing but after a Public Meeting. The Commission conducts open meetings under the Public Meetings Law codified at ORS 192.610 et seq. This law establishes Oregon's policy that decisions of governing bodies be made through an open process. The law generally requires that (1) the meetings and decisions of public bodies be open to the public; (2) the public has notice of the meetings; and (3) the meetings are accessible to persons wishing to attend.

That ORS 756.558 does not apply to decisions made in a Public Meeting is evident from an examination of the other statutes applicable to "hearings" under ORS 756.518. The other statutes address matters associated with contested case hearings such as requirements for "party" status (ORS 756.525), self-incrimination during testimony (ORS 756.549), taking testimony of any person by deposition upon oral examination or written interrogatories" (ORS 757.538), administering oaths (ORS 756.555), and "taking evidence" (ORS 756.558). If ORS 756.558 applies to orders issued after Public Meetings, the Commission must interpret that all the statutes applicable to hearings under ORS 756.510 apply to public meetings. Under these statutes, participants in public meetings would have right to conduct discovery, subpoena witnesses, offer

<sup>&</sup>lt;sup>15</sup> Norden v. Water Resources Dept., 329 Or. 641, 647 (2000).

<sup>&</sup>lt;sup>16</sup> Kucera v. Bradbury, 337 Or. 384, 406, (2004).

<sup>&</sup>lt;sup>17</sup> One notable exception is ORS 756.561 governing rehearing or reconsideration of an order issued in "any proceeding." However, ORS 756.518 allows for such exceptions to the limited by specifying that ORS 756.500 - .610 apply to and govern all hearings "except as otherwise provided."

testimony, and cross-examine other participants before the Commission could issue an order resolving any matter.

The conclusion that ORS 756.558 does not apply to orders issued after Public Meetings is consistent with Oregon appellate court opinions regarding scope of a circuit court's review of an order in other than contested case under ORS 183.484. Although ORS 183.484 contemplates a record for review in all circumstances and findings of fact based on that record when the circuit court reverses the agency, nothing in the APA directs an agency in other than a contested case proceeding to make a record or to make findings of fact before issuing its order. <sup>18</sup>

The Oregon Supreme Court has explained that "[c]ircuit courts are record-making, fact-finding courts[,] and that "the reference in ORS 183.484 to the "record" is to the record that is made before the circuit court and that the reference to "findings of fact" in ORS 183.484(5) is to the findings that the circuit court makes based on the evidence in that record when it reverses the agency." <sup>19</sup>

In a proceeding under ORS 183.484 for review of an order other than contested case, review is not limited to the record on which the agency based its decision. Instead, "ORS 183.484 affords the parties the opportunity to develop a record like the one that parties are entitled to develop at an earlier stage in a contested case proceeding."<sup>20</sup>

Once that record has been developed, the circuit court then reviews to determine "whether the evidence would permit a reasonable person to make the determination that the agency made in a particular case."<sup>21</sup> "[I]n a case in which expert opinions have been offered on both sides of an issue, it is usually clear that a factfinder has found one or the other more persuasive and substantial evidence and reason will exist to support the findings, without further explanation."<sup>22</sup>

To the extent CRSA argues the Commission erred by failing to address NewSun's power flow study arguments before reaching its conclusion on PacifiCorp's Queue Reform Proposal, the argument is meritless. The issue before the Commission in UM 2108 was whether Oregon-jurisdictional generator interconnection requests will be processed in the first-ready, first-served Cluster Study process already approved for FERC-jurisdictional interconnections. The Commission was not required to study and

<sup>&</sup>lt;sup>18</sup> See Oregon Env. Council., 307 Or. At 37, 761 P.2d 1322) (APA says little about "that large body of agency actions" that are orders in other than contested cases).

<sup>&</sup>lt;sup>19</sup> Norden v. State ex rel. Water Resources Dept., supra, 329 Or at 647.

<sup>&</sup>lt;sup>21</sup> Cervantes v. Department of Human Services, 295 Or. App. 691, 694-95 (2019), quoting Norden v. Water Resources Dept. 329 Or. at 649.

<sup>&</sup>lt;sup>22</sup> See Noble v. Oregon Water Resources Department, 264 Or.App. 110, 123, 330 P.3d 688 (2014).

reject other decisions that already approved PacifiCorp's proposal.<sup>23</sup> Nor was the Commission required to consider whether PacifiCorp's power flow study methodology—which PacifiCorp did not propose to change in its transition to a cluster process—should be modified. In fact, this is precisely what FERC concluded when NewSun asked FERC to direct PacifiCorp to change how it conducts its power flow studies:

[W]e find that [FERC] was not required to direct PacifiCorp to improve its network models, as PacifiCorp did not propose OATT revisions addressing its network models. Under FPA section 205, the Commission is limited to considering whether the proposal before it is just and reasonable and not unduly discriminatory or preferential, including whether a proposed deviation is consistent with or superior to the pro forma OATT, not whether an alternative approach might also be just and reasonable.<sup>24</sup>

# **Argument #2: Consistency with PURPA**

CRSA and ICC make multiple assertions that the Commission's order violates PURPA because it prevents qualifying facilities from creating a legally enforceable obligation to sell energy and capacity to PacifiCorp on the date of the QF's choosing. They argue this because PacifiCorp's PURPA contracting practices require QFs to obtain a completed System Impact Study (now referred to as a Cluster System Impact Study) before they are eligible to receive a draft power purchase agreement. The coalitions' assertions are wholly without merit because the Commission made no determination regarding PacifiCorp's PURPA contracting process.

In its order, the Commission approved modifications to PacifiCorp's interconnection procedures as outlined in PacifiCorp's Queue Reform Proposal, with some modifications. PacifiCorp's implementation of PURPA was not at issue in PacifiCorp's application. By approving PacifiCorp's application to change how PacifiCorp process requests for interconnection, the Commission neither approved nor disapproved PacifiCorp's practice of requiring that QF's obtain a completed System Impact Study as a condition of eligibility for a draft power purchase agreement (PPA). Accordingly, the coalitions' assertions that Order

<sup>&</sup>lt;sup>23</sup> See Docket No. UM 2108, Staff Report for the August 11, 2020 Public Meeting, August 3. 2020, p. 12. <sup>24</sup> In re PacifiCorp, 173 FERC 61,016,P 20 (Order Denying Clarification and Addressing Arguments Raised on Rehearing), citing Cal. Indep. Sys. Operator Corp., 128 FERC par. 61, 265, at P 21 (2009) ("[T]he issue before the Commission is whether the [California Independent System Operator, Inc.'s] proposal is just and reasonable and not whether the proposal is more or less reasonable than other alternatives").

No. 20-268 is flawed because the Commission approved PacifiCorp's PURPA contracting process is factually incorrect and meritless.

Staff acknowledges that Staff analyzed stakeholders' concerns with the intersection of PacifiCorp's PURPA contracting process and Queue Reform Proposal in its Public Meeting Memorandum. Staff did so to address the stakeholders' claims that PacifiCorp's proposal should be rejected because of its alleged adverse impact on QFs, not to make arguments to the Commission on whether the Commission should approve or disapprove PacifiCorp's PURPA contracting practice. The coalitions should not be allowed to bootstrap their arguments made in this docket regarding adoption of PacifiCorp's Queue Reform Proposal into allegations the Commission's order adopting PacifiCorp's Queue Reform Proposal related to interconnection violates PURPA or Oregon law regarding PURPA implementation. Whether PacifiCorp appropriately requires QFs to obtain a completed interconnection study prior to eligibility for a draft PPA was not at issue in the underlying Public Meeting process and should not be at issue now.

## Request #1 Modify PacifiCorp's PURPA contracting policies

Even if the QFs' complaints about PacifiCorp's PURPA contracting policies have merit, Staff does not think it would have been appropriate to address these PURPA claims in this docket concerning PacifiCorp's interconnection process.<sup>25</sup> Instead, they are properly addressed in Docket No. UM 2000 or AR 631, or a Complaint under ORS 756.500 brought against PacifiCorp.

#### **Request #2: Security for Network Upgrades**

While the Commission reduced the requirement for Oregon large generators to post a financial security for Network Upgrades, CRSA argues that the requirement is likely to result in withdrawals and undermine the Cluster Study process. CRSA argues that, if Network Upgrade costs for a QF generator are very high, it is not possible to secure that level of financing without a PPA.<sup>26</sup>

The Commission clearly understood the QFs' concerns with the deposit, but also considered the interests of all generators in an efficient interconnection process when imposing the security deposit requirement. The Commission's resolution of this issue is not a legal error. However, there may be good cause to reconsider this requirement for purposes of the Transition Cluster Study.

<sup>&</sup>lt;sup>25</sup> CRSA Application, p. 33.

On November 4, 2020, PacifiCorp posted its Transition Cluster interconnection queue and Transition Cluster Areas. When the Commission approved PacifiCorp's Queue Reform Proposal, there were over 50 Oregon generators in queue, totaling more than 5,000 MW. Staff's review indicates that the Transition Cluster Areas containing Oregon generators contain only 17 projects, all of which are QFs.<sup>27</sup> With a cleared-out queue and the opportunity for cost sharing, the remaining QF generators may not face overly burdensome Network Upgrades. Conversely, if certain Oregon QFs face high Network Upgrade costs in the Transition Cluster, only these QFs, likely represented by CRSA, will be impacted by withdrawals. These outcomes will not be known until after the Cluster Study System Impact results are issued in the first and second quarter of 2021.

Under these circumstances, Staff concludes there may be good cause to change the security deposit requirement for the Transition Cluster. This will allow the Commission to better understand the extent to which QFs that receive additional time to post a security will withdrawal and harm other participants in their Cluster Area. Accordingly, Staff recommends that the Commission waive the current requirement for Oregon Large Generators to post a financial security deposit for Network Upgrades until 90 days following the receipt of the Cluster System Impact Study. Staff proposes to monitor the extent to which this change from 30 days to 90 days results in late-stage withdrawals and can make a recommendation to continue this practice or revert to the Commission's original direction.

#### Conclusion

CRSA and ICC have not shown that the Commission's order was legally flawed or that there is good cause to reconsider the Commission's order. Because it will only impact the QFs likely represented by CRSA, Staff finds that there may be good cause to waive the security deposit requirement for Oregon Large Generators for the Transition Cluster.

#### PROPOSED COMMISSION MOTION:

Grant the application for reconsideration filed by Community Renewable Energy Association, Oregon Solar Industries Association, and Northwest and Intermountain Power Producers Coalition with respect to the Network Upgrade security deposit requirement for the Transition Cluster Study as proposed by Staff and otherwise deny the request for reconsideration or rehearing.

<sup>&</sup>lt;sup>27</sup> With the exception of a single 60 MW California solar plus storage project near the California-Oregon border that may not be a QF.

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Deny the Application for rehearing or reconsideration filed by the Renewable Energy Coalition, Oregon Solar Energy Industries Association, and Northwest and Intermountain Power Producers Coalition.

UM 2108 Request for Rehearing or Reconsideration