



January 4, 2022

Via Email

Chair Megan Decker  
Commissioner Letha Tawney  
Commissioner Mark Thompson  
Oregon Public Utility Commission  
201 High Street SE, Suite 100  
Salem, OR 97301

RE: Interconnection Issues in UM 2111

Dear Commissioners:

The Renewable Energy Coalition (the “Coalition”), the Community Renewable Energy Association (“CREA”), Oregon Solar + Storage Industries Association (“OSSIA”), and the Northwest & Intermountain Power Producers Coalition (“NIPPC”) (collectively the “Interconnection Trade Associations”) are submitting this letter to request that the Oregon Public Utility Commission (“OPUC” or the “Commission”) initiate the interconnection discussion in Docket No. UM 2111 and provide a list of top priority issues to address in a timely manner. Further, this letter seeks that the Commission Staff seek clarification from Portland General Electric Company (“PGE”) regarding the stakeholder process to develop its independent System Impact Study Business Practice (“iSIS Business Practice”).<sup>1</sup> The Interconnection Trade Associations appreciate the Commission’s recognition of the importance of interconnection issues, and we hope to constructively engage in interconnection proceedings in the near term.

**A. Interconnection Is an Important Issue in Oregon and Needs to Be Addressed Now**

Interconnection is an important step in developing energy projects. Without a fair, transparent, and functional process for interconnecting to a utility, interconnection customers are unable to progress in the development process. Thus, interconnection can also be a major impediment to developing energy projects. In Oregon, there have been numerous issues with interconnection, including but not limited to major delays in the interconnection process,

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<sup>1</sup> See generally, *in re Renewable Energy Coalition, Community Renewable Energy Coalition, and Oregon Solar + Storage Industries Association Petition for a Declaratory Ruling*, Docket No. DR 57, Petition, Attachment A (Oct. 5, 2021).

excessive interconnection costs, errors in interconnection studies, and lack of ability to vet utility decisions regarding interconnection. All of these issues have caused significant issues between interconnection customers and the utilities. There have been numerous contested cases involving interconnection in the last few years.<sup>2</sup> Interconnection issues are a primary impediment to some independent power producers signing contracts to sell energy to PacifiCorp and PGE.<sup>3</sup> Improvements to the interconnection process will increase the certainty and predictability of project development in Oregon, as well as ease concerns about utility obstruction and lessen the tensions between utilities and interconnection customers.

The Interconnection Trade Associations have been raising various interconnection issues since 2019 in UM 2000 and UM 2001. The Commission has opened and is addressing the issue of network interconnection costs in UM 2032, and certain interconnected related contracting issues in AR 631. However, it has been three years since these issues were first raised. There

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<sup>2</sup> See, e.g., *Pac. Nw. Solar, LLC (Amity Project) v. PGE*, Docket No. UM 1902, Complaint at 1-3 (Oct. 9, 2017); *Butler Solar, LLC v. PGE*, Docket No. UM 1903, Complaint at 1-3 (Oct. 9, 2017); *Pac. Nw. Solar, LLC (Duus Project) v. PGE*, Docket No. UM 1904, Complaint at 1-3 (Oct. 9, 2017); *Pac. Nw. Solar, LLC (Stringtown Project) v. PGE*, Docket No. UM 1907, Complaint at 1-3 (Oct. 9, 2017); *Pac. Nw. Solar, LLC (Starlight Project) v. PGE*, Docket No. UM 1906, Complaint at 1-3 (Oct. 9, 2017); *Dunn Rd. Solar v. PGE*, Docket No. UM 1963, Complaint at 1-3 (July 26, 2018); *Sandy River Solar, LLC v. PGE*, Docket No. UM 1967, Complaint at 1-5 (Aug. 24, 2018); *Madras PV1, LLC v. PGE*, Docket No. UM 2009, Complaint at 1-3 (Apr. 22, 2019) and Madras Solar's Response to PGE's Motion to Strike at 6 (Nov. 26, 2019); *Waconda Solar, LLC v. PGE*, Docket No. UM 1971, First Amended Complaint at 1-4 (July 31, 2019); *St. Louis Solar, LLC v. PGE*, Docket No. UM 2057, Complaint at 1-4 (Feb. 3, 2020); *Zena Solar, LLC v. PGE*, Docket No. UM 2074, Complaint at 1-5 (Mar. 27, 2020); *Sunthurst Energy, LLC v. PacifiCorp*, Docket No. UM 2118, Complaint at 1 (Sept. 29, 2020); *Dalreed Solar LLC v. PacifiCorp*, Docket No. UM 2125, Complaint at 1-8 (Nov. 3, 2020); *Zena Solar, LLC v. PGE*, Docket No. UM 2164, Complaint at 1-15 (May 24, 2021). There have also been at least two requests by Interconnection Customers for waivers of the interconnection rules in order to avoid or mitigate prohibitively expensive interconnection costs. *In Re Carnes Creek Solar, LLC, Petition for Waiver of OAR 860-082-0025(1)(c)*, Docket No. UM 1631, Petition for Waiver for Carnes Creek Solar, LLC at 1-2 (Apr. 23, 2020); *In Re Marquam Creek Solar, LLC, Petition for Waiver of OAR 860-082-0025(1)(c)*, Docket No. UM 1631, Marquam Creek Solar, LLC, Petition for Waiver of OAR 860-082-0025(1)(c) at 1-2 (Jan. 25, 2021). See also *Waconda Solar, LLC v. PGE*, Docket No. UM 1971, Waconda Solar Response to PGE Modified Second Motion for Summary Judgment at Attachment B (Summary of Qualifying Facility Complaints Brought Against PGE Before the Oregon Public Utility Commission (November 22, 2021) (Listing and summarizing 16 interconnection related complaints against PGE and four interconnection related complaints against PacifiCorp).

<sup>3</sup> See footnote 2 regarding the various interconnection complaints against PacifiCorp and PGE.

has not been any resolution of any issues, and no schedule to address the majority of the interconnection matters.

The Interconnection Trade Associations appreciate the Commission recognizing the importance of interconnection matters and opening UM 2111 in June 2020 to address interconnection issues. This is an important first step to fixing the various problems related to interconnection in Oregon. However, it is vital UM 2111 move forward immediately and begin addressing the various interconnection-related issues.

It is even more important to now take up these various interconnection-related issues. Oregon's landmark House Bill 2021 ("HB 2021") enacted this year will require additional clean energy resources. A major feature of HB 2021 is it sets a 100 percent clean energy standard by 2040.<sup>4</sup> In addition, HB 2021 also supports "community-based renewable energy" which are those projects that would "interconnect to utility distribution or transmission assets" and provide other benefits to communities.<sup>5</sup> This will require extensive investments in clean energy by the various Oregon utilities. Currently, it may be difficult for many of these resources to be built in Oregon because of the various interconnection issues raised. The Coalition and NIPPC are multi-state trade associations and support regional renewable energy development; however, it is important that Oregon not be placed at an unfair disadvantage that prevents Oregon from obtaining local economic and environmental benefits of Oregon-sited clean energy resources. Finally, the Commission's HB 2021 implementation plan does not currently include any space for resolution of UM 2111 or interconnection issues.<sup>6</sup> Thus, the Interconnection Trade Associations urge the Commission to reconsider its approach and to immediately move forward with UM 2111.

The Interconnection Trade Associations recommend these top priority interconnection issues be addressed first in UM 2111<sup>7</sup>:

- Whether utilities must be reasonable, non-discriminatory and act in good faith in the interconnection process
- The appropriate circumstances under which an interconnection customer should have an opportunity to hire third parties to perform interconnection studies
- The appropriate circumstances under which an interconnection customer should be provided an option to build (or hire third parties to build)

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<sup>4</sup> 2021 Or Laws ch 508, §§ 1, 3.

<sup>5</sup> *Id.* at §1(2).

<sup>6</sup> See HB 2021 Gantt Chart and Summary, available at <https://www.oregon.gov/puc/Pages/Legislative-Activities.aspx>.

<sup>7</sup> OSSIA represents all facets of the solar industry, including net metering customers and has a broader list of priority issues. OSSIA supports these priorities and supports resolving them in a timely way in 2022. OSSIA will also be submitting comments later in the proceeding that will include other priorities and therefore may have a different ranking of overall priorities for UM 2111.

- The appropriate process through which an interconnection customer may challenge utility cost estimates and propose alternatives
- The appropriate rules to apply to PGE's and Idaho Power's interconnections sized between 10 and 20 MW
- Providing appropriate process and remedies for utility violations of the rules (e.g., providing extension of commercial operation date for delays)
- What changes to the facility constitute a material change that would require the QF to restart the interconnection process and/or request a new PPA and the right to upgrade after PPA execution

**B. The Interconnection Trade Associations Were Unaware and Did Not Participate in a Stakeholder Process to Develop PGE's iSIS Business Practice**

At the OPUC Public Meeting on November 30, 2021, PGE's counsel discussed PGE's iSIS Business Practice. PGE counsel stated the iSIS Business Practice "is a process that we developed in conversation with some of the interconnection customer stakeholders" and "[i]t's a process that we thought was responsive to some of the concerns we have been hearing from interconnection stakeholders."<sup>8</sup> It appears PGE is claiming a stakeholder process was used to develop its iSIS Business Practice.

The four trade associations submitting this letter are the main organizations that represent state-jurisdictional interconnection customers, and we did not participate in any stakeholder process. Further, the Interconnection Trade Associations were not invited to a stakeholder process by PGE and are unaware of any stakeholder process. PGE should have reached out to each of the Interconnection Trade Associations to be involved in a stakeholder process to develop the iSIS Business Practice because independent System Impact Studies directly affect our members.

The Coalition, CREA, OSSIA, and NIPPC would have welcomed the opportunity to be involved in a stakeholder process to develop standards PGE follows regarding independent System Impact Studies. Independent System Impact Studies represent a tangible opportunity for interconnection customers to review studies and collaborate with utilities on interconnection matters to identify new and more efficient ways to interconnect. Therefore, the Interconnection Trade Associations should be included in any stakeholder process to ensure that these benefits can be realized.

We ask the Commission to seek an explanation from PGE about the conversations, if any, it held with the interconnection stakeholders and to direct PGE to reach out to the

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<sup>8</sup> OPUC November 30, 2021 Public Meeting at 1:14:09 ([https://oregonpuc.granicus.com/MediaPlayer.php?view\\_id=2&clip\\_id=867](https://oregonpuc.granicus.com/MediaPlayer.php?view_id=2&clip_id=867)).

interconnection trade associations in the future if it plans to make any changes to its iSIS Business Practice or other interconnection processes.

In summary, the Interconnection Trade Associations appreciate the Commission's recognition of the importance of interconnection issues, and we look forward to engaging in Oregon interconnection dockets to improve the interconnection process.



Angela Crowley-Koch  
Executive Director  
Oregon Solar + Storage Association



John Lowe  
Executive Director  
Renewable Energy Coalition



Spencer Gray  
Executive Director  
Northwest & Intermountain Power  
Producers Coalition



Mike McArthur  
Executive Director  
Community Renewable Energy Association