

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

PacifiCorp, Revisions to )  
Generator Interconnection Procedures )      Docket No. ER20-924-000

**COMMENTS OF RENEWABLE NORTHWEST**

Pursuant to Rule 213 of the Federal Energy Regulatory Commission’s (“Commission”) Rules of Practice and Procedure<sup>1</sup> and the Commission’s January 31, 2020 Combined Notice of Filings in the above-captioned docket, Renewable Northwest<sup>2</sup> offers these comments and request for approval with modifications required on compliance in response to PacifiCorp’s January 31, 2020 filing under Section 205 of the Federal Power Act (“FPA”) with proposed changes (“Proposal”) to the Generator Interconnection Procedures (“GIP”) in its Open Access Transmission Tariff (“OATT”). Renewable Northwest generally supports PacifiCorp’s Proposal to move from serial processing of interconnection requests to a cluster study approach similar to what has been successfully used by other transmission providers and regions across the country. We highlight a few areas of concern with PacifiCorp’s Proposal that warrant review by the Commission, and which could be adjusted in a limited compliance filing to ensure that the Proposal is just and reasonable and not discriminatory.

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<sup>1</sup> 18 C.F.R. §§ 385.213 (2018). Renewable Northwest filed a doc-less motion to intervene on February 18, 2020,  
<sup>2</sup> Renewable Northwest is a non-profit 501(c)(3) regional advocacy group that works to facilitate the expansion of responsibly developed renewable energy resources in the Northwest. Renewable Northwest’s members include renewable energy project developers and manufacturers, public and consumer interest groups, and others. The common goal of Renewable Northwest’s members is to promote the development of a cost-effective, reliable, and clean energy system for the betterment of the Northwest economy and environment.

## **I. COMMENTS**

### **A. Renewable Northwest Generally Supports PacifiCorp's Proposal, Which Offers Several Important Improvements to the Status Quo**

PacifiCorp has proposed moving from a serial interconnection process that evaluates each individual interconnection customer individually to a cluster study which would evaluate multiple interconnection customers located in the same area of the grid. The cluster study approach has been used in RTO regions for a number of years and is an accepted industry standard. Given that PacifiCorp's interconnection queue has reached over 40GW of interconnection requests, a cluster study is an important change to ensure that interconnection customers can receive information about the costs and timing of their interconnections in a reasonable timeframe. Renewable Northwest members have been dealing with significant delays in the interconnection process that a cluster process would alleviate. Without this reform, numerous generation projects may remain stalled and unable to move forward, because they have not been able to obtain results of interconnection studies that are needed to compete in procurement processes used by utilities and commercial customers. It is especially important that PacifiCorp shift to a cluster study approach soon in order to facilitate participation in PacifiCorp's All-Source Request For Proposals process, which is expected to begin later in 2020, as well as any other procurement processes that may be held in the near future in the region.

Renewable Northwest actively participated in the PacifiCorp stakeholder process discussing potential changes to its interconnection process in 2019. Along with Interwest Energy Alliance, Renewable Northwest jointly submitted several sets of comments in that process. A number of our concerns were addressed through that process and we appreciate PacifiCorp's responses and adjustments based on our input. However, we seek to highlight several continuing concerns with some of the specific tariff language in the Proposal filed in

January. If these aspects are clarified or adjusted on compliance, the Proposal would result in a more workable transition process as well as a prospective process that is not discriminatory.

**B. Adjustments to PacifiCorp’s Proposal Will Ensure that the Transition Cluster Process is Non-Discriminatory**

PacifiCorp has correctly noted stakeholders’ concerns about the need to align its Transition Process with PacifiCorp’s 2020 RFP, because selection in an RFP will be one of the ways to demonstrate commercial readiness to enter the transition cluster.<sup>3</sup> This alignment is particularly important to facilitate participation of new resources and to ensure robust competition in the expected PacifiCorp RFP.

PacifiCorp proposes an October 15, 2020 readiness deadline for the Transition Cluster and states that this date “is reasonable because it was chosen specifically to be responsive to stakeholder requests that PacifiCorp align with the timing of PacifiCorp’s anticipated 2020 RFP.”<sup>4</sup> Yet PacifiCorp’s Proposal does not offer any details regarding the dates of the RFP process and how it will align with the Transition Cluster. In fact, the RFP process has not yet been finalized and the associated dates are uncertain. It is expected that generators participating in this RFP process will be able to use the results from that process, such as being included on the RFP short list of projects, to meet the interconnection process readiness requirements.<sup>5</sup> Renewable Northwest agrees with using RFP results as a possible criterion for establishing readiness in concept, and also notes that there may be other procurement processes in the region

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<sup>3</sup> PacifiCorp Proposal at 5.

<sup>4</sup> *Id.* at 50.

<sup>5</sup> PacifiCorp has indicated to the Oregon Public Utilities Commission that it “would not require an interconnection study as a minimum requirement in the RFP because the results of the transition process applied to projects currently in the queue will not be known before bid submissions are due,” and “[a]fter PacifiCorp’s resource procurement function selects the initial shortlist of bidders (based on IRP modeling), bidders will be notified, at which point they will be able to notify PacifiCorp Transmission that they satisfy the commercial readiness criteria for entry into the transition process cluster study.” Oregon Public Utility Commission, Docket No. LC 70, *PacifiCorp’s Reply Comments* at 26 & 27 (Feb. 5, 2020), available at <https://edocs.puc.state.or.us/efdocs/HAC/lc70hac164426.pdf>.

during 2020 that may be impacted by the success and reasonableness of PacifiCorp's proposed Transition Cluster; however, many of these are not underway or fully defined yet.

Given the uncertainty of these procurement processes, Renewable Northwest does not believe the October 15, 2020 date will necessarily offer enough time and flexibility for utility and other procurement processes in 2020 to proceed in advance of that date. Participants that may be short listed in those processes need sufficient time to be able to show readiness in the PacifiCorp Transition Cluster. We therefore request that the Commission require PacifiCorp to adjust this date and extend it by sixty (60) days to better allow such procurement processes to be defined and proceed under timelines that would allow resources chosen in a short list to meet the required commercial readiness deadline in PacifiCorp's tariff. Such a change is not a significant one to PacifiCorp's proposed process and could easily be addressed in a limited compliance filing.

Next, the January 31, 2020 cutoff date proposed by PacifiCorp for any interconnection customer that wishes to participate in the Transition Cluster Study is arbitrary, and not just and reasonable. That is the same date that PacifiCorp filed its proposed interconnection process changes with the Commission. To our knowledge, at no time did PacifiCorp give stakeholders any notice that this might be the final date to submit an interconnection request. And PacifiCorp has not provided any justification for this date. Absent any notice, the lack of opportunity for interconnection customers to submit an interconnection request and participate in the Transition Cluster is not just and reasonable. Additional interconnection customers should be able to join the Transition Cluster Study if they are able to meet the application, study deposits, site control, and commercial readiness requirements. PacifiCorp is not currently studying new requests, so whether the project was in the queue as of January 31, 2020, or if it joins before the start of the

study work for the Transition Cluster, should not impact the interconnection process for that cluster.

Renewable Northwest requests the Commission require PacifiCorp to adjust the October 15, 2020 cutoff date to a prospective deadline, such that all Interconnection Customers are given some notice regarding the deadline. One possible solution would be to require that interconnection customers be in the PacifiCorp queue within 30 days of the effective date of the Commission's order approving PacifiCorp's proposal. We request that the Commission require PacifiCorp to make this minor change, which will not substantively modify PacifiCorp's proposed process, in a compliance filing.

**C. As Proposed, One Element of the Commercial Readiness Criteria Appears Unduly Discriminatory and Preferential**

PacifiCorp's Proposal includes one option for showing readiness in the Prospective Cluster Study Process that is unjust and discriminatory because it is only allowed for one type of interconnection customer, load-serving entities. Section 38.4.1.(v)(c) states that "For a Generating Facility being developed by a load-serving entity: a site-specific purchase order for generating equipment or statement signed by the Interconnection Customer attesting that the facility will be supplied with generating equipment (e.g. turbines) with a manufacturer's blanket purchase agreement"<sup>6</sup> can be used to meet the required commercial readiness requirement. The commercial readiness criteria are an important part of PacifiCorp's proposal and it is equally important that they be applied in such a way that they do not violate the Commission's non-discrimination requirements. Load-serving entities should not have an avenue to progress through the interconnection process that is not equally available to other interconnection customers. Renewable Northwest requests that the Commission require PacifiCorp to remove

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<sup>6</sup> PacifiCorp Proposal at 157 & 576.

this provision in a compliance filing. Such a change does not invalidate the rest of PacifiCorp's proposed process and still maintains a number of options for commercial readiness that treat all types of interconnection customers consistently.

Renewable Northwest also encourages PacifiCorp to include one additional option for evidence of commercial readiness that would apply to all interconnection customers in the Transition Cluster Study and the Prospective Cluster Study.<sup>7</sup> This option would allow an interconnection customer to show commercial readiness by presenting all discretionary permits or authorizations needed to begin construction on a project (e.g. local zoning, statewide permitting, etc.). Such permits and authorizations are time-consuming and expensive and provide direct evidence of relevant government agencies' respective determinations that the project should be allowed to begin construction. These authorizations are obtained significantly far enough along in the development process to give PacifiCorp confidence that a project is "commercially viable." These authorizations are often attained after entering into a term sheet or contract for a project, which are two options PacifiCorp itself has proposed. Therefore, these authorizations are more significant evidence of "commercial readiness" additional to what has been proposed and should be added as an option for the transition cluster and moving forward.

#### **D. Aspects of Requesting Energy Resource Interconnection Service Should Be Clarified**

PacifiCorp's Proposal indicates that interconnection customers will only be allowed to request Network Resource Interconnection Service ("NRIS") or Energy Resource Interconnection Service ("ERIS") in their application. PacifiCorp's proposed tariff language in Section 38.2 states:

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<sup>7</sup> Renewable Northwest and Interwest Energy Alliance submitted this suggestion in writing on December 9, 2019 during the final opportunity for written comments in PacifiCorp's stakeholder process. However, these comments are not posted on PacifiCorp's OASIS along with earlier stakeholder comments in the process.

“At the time the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described below. An Interconnection Customer may designate only one type of Interconnection Service for each separate Interconnection Service request. The type of Interconnection Service must be finalized upon submission of the appropriate executed Cluster Study Agreement and may not be changed after the start of the Cluster Study process.”<sup>8</sup>

Yet the Commission has indicated in Order 2003-A that this section of the LGIP “provides that an Interconnection Customer that elects to be studied for Network Resource Interconnection Service has the option also to be studied for Energy Resource Interconnection Service and proceed with Network Resource Interconnection Service or a lower level Interconnection Service whereby only certain Network Upgrades will be completed.”<sup>9</sup> And the Commission’s Standard LGIP language in Section 3.2 allows the interconnection customer to request that both NRIS and ERIS service are studied:

“At the time the Interconnection Request is submitted, Interconnection Customer must request either Energy Resource Interconnection Service or Network Resource Interconnection Service, as described; provided, however, any Interconnection Customer requesting Network Resource Interconnection Service may also request that it be concurrently studied for Energy Resource Interconnection Service, up to the point when an Interconnection Facility Study Agreement is executed. Interconnection Customer may then elect to proceed with Network Resource Interconnection Service or to proceed under a lower level of interconnection service to the extent that only certain upgrades will be completed.”<sup>10</sup>

Renewable Northwest is concerned that PacifiCorp’s language in this section does not provide the interconnection customer as much flexibility as the Commission’s pro forma LGIP. Often interconnection customers choose to be studied for both NRIS and ERIS so they have information on the requirements for both types of interconnection service and can make an informed choice on which service best meets their needs. We request the Commission require PacifiCorp to provide an explanation of how their Proposal meets the intent of the Commission's

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<sup>8</sup> PacifiCorp Proposal at 147-148.

<sup>9</sup> Federal Energy Regulatory Commission, Order 2003-A at paragraph 534 (Mar. 5, 2004) (“Order 2003-A”).

<sup>10</sup> Large Generator Interconnection Procedures at pp. 13-14 (last updated Nov. 21, 2019).

Standard LGIP section 3.2 and how interconnection customers can best gain information about any upgrades required for ERIS versus NRIS service for their projects through PacifiCorp's interconnection process so interconnection customers can determine which form of interconnection service they wish to ultimately request.<sup>11</sup>

PacifiCorp should also provide an explanation of how its interconnection queue and study process are coordinated with its transmission service queue and study process. It is important for interconnection customers to understand what upgrades will be considered "senior" and how the timing of upgrades will be determined. The Commission has indicated that interconnection customers should be able to request interconnection service and transmission service at the same time, and that while they are separate services, the queues for the two services must be closely coordinated.<sup>12</sup> ERIS projects that want to deliver outside of PacifiCorp will need transmission service to be commercially viable. Without being able to coordinate an ERIS request with a Transmission Service request, interconnection customers will face significant challenges to contract projects with off-takers in neighboring balancing areas. It is important that such projects understand the coordination between the interconnection and transmission service queues. Therefore, we request the Commission require PacifiCorp to provide details of how they will provide this coordination.

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<sup>11</sup> PacifiCorp has based much of their proposed tariff language and process on what the Commission approved in Public Service of Colorado's ("PSCo") recent filing, as well as Public Service of New Mexico's interconnection reform from a number of years ago. However, PacifiCorp's Proposal is not as flexible even as PSCo's Section 3.2 of its interconnection procedures which offers the interconnection customer the opportunity to make a change in its interconnection service in certain circumstances: "The type of Interconnection Service must be finalized on submission of the executed Definitive System Impact Study Agreement and may only be changed after the start of the Definitive Study Process between Phase 2 and Phase 3 of the Definitive Interconnection Study Process and only if a Cluster must be re-studied in Phase 3 (See Section 7.4) and otherwise may not be changed."

<sup>12</sup> Order 2003-A at paragraphs 535 and 541.

### **E. The Commission Should Require an Informational Filing to Evaluate PacifiCorp's Implementation of Interconnection Queue Reforms**

PacifiCorp's Proposal would result in a paradigm shift in its interconnection process. While Renewable Northwest supports a change to a cluster study process and recognizes the overall benefits it can bring, the devil is in the details, and those details deserve a review to ensure they are functioning well. Other regions of the country have undertaken multiple interconnection reform efforts to continue to refine their cluster study processes to improve the certainty, transparency, and consistency for interconnection customers. Therefore, Renewable Northwest requests that the Commission require PacifiCorp to file an informational report following the first two years of implementation of the new processes. This filing should occur after the transitional process has concluded and the first Prospective Cluster Study has been at least initiated.

## **II. CONCLUSION**

Renewable Northwest requests the Commission move expeditiously to approve PacifiCorp's proposal and revised tariff, conditioned on a compliance filing to make minor changes to the tariff the provisions which have been shown in these comments to be unjust and discriminatory. While we appreciate PacifiCorp's work to address the existing queue backlog and study delays to allow parties to move forward toward interconnection, and we do support moving from a first-served to first-ready cluster study approach, Renewable Northwest believes the few suggested changes included in our comments will ensure open access and competition in the market. These changes do not substantially change the process proposed by PacifiCorp, and thus should be allowed adjustments in a compliance filing.

Respectfully submitted this 21<sup>st</sup> day of February 2020,

/s/ Max Greene \_\_\_\_\_

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**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Portland, OR this 21<sup>st</sup> day of February 2020.

/s/ Max Greene \_\_\_\_\_

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