

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

PacifiCorp

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Docket No. ER20-924-000

**MOTION TO INTERVENT AND COMMENTS OF
RWE RENEWABLES AMERICAS, LLC**

Pursuant to Rules 212 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission,¹ RWE Renewables Americas, LLC, f/k/a E.ON Climate & Renewables North America (“RWERA”) hereby moves to intervene in the above-captioned proceeding and submits the following comments addressing the PacifiCorp’s interconnection queue reform proposal.

I. COMMUNICATIONS

Communications with respect to this matter should be addressed to:

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II. BACKGROUND

On January 31, 2020, PacifiCorp made a filing pursuant to Section 205 of the Federal Power Act, proposing to revise its FERC Electric Tariff, Volume No. 11 (“Tariff”), specifically to revise its Large Generator Interconnection Procedures (“LGIP”) and Small Generator Interconnection Procedures (“SGIP”) which apply to its transmission system in the Western Interconnection (“Tariff Filing”). PacifiCorp

¹ 18 C.F.R. §§ 385.212 and 385.214 (2019).

describes its proposal as a transition from a “first-come, first served” serial approach to a “first-ready, first-served” cluster approach to interconnection management, and its proposals aim to alleviate the substantial and growing backlog of FERC-jurisdictional interconnection requests in its transmission queue.

III. MOTION TO INTERVENE

RWERA is a developer, owner and operator of wholesale electric generation facilities throughout the United States including the Western Interconnection, and plans to develop wind and/or solar generation interconnected to the wholesale transmission system owned and operated by PacifiCorp. RWERA has an interest in ensuring that revisions to Generator Interconnection Procedures of any FERC-jurisdictional transmission provider will achieve their stated objectives of expediting queue administration in an efficient and non-discriminatory manner. As such, RWERA has a direct and substantial interest in the outcome of this proceeding that cannot be protected by any other party.

IV. GENERAL COMMENTS

RWERA generally supports PacifiCorp’s much-needed efforts to improve its interconnection performance by revising its LGIP and SGIP. RWERA appreciates PacifiCorp’s efforts to engage with its stakeholders on issues around interconnection queue reform during the processes in 2019 which led to this filing, but believes that the proposals fall short in several respects. PacifiCorp has the burden of demonstrating that its proposed procedures are “consistent with or superior to” the Commission’s *pro forma* generator interconnection procedures in Order Nos. 2003 and 2006.²

At a high level, we support implementing commercial readiness requirements which will require applicants in PacifiCorp’s queue to demonstrate meaningful investment in the viability of their generation projects, or have “skin in the game.”

² *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 68 Fed. Reg. 49,845 (Aug. 19, 2003), FERC Stats. & Regs. ¶ 31,146, P 825 (2003); *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, 70 Fed. Reg. 34,189, 34,236 (Jun. 13, 2005), FERC Stats. & Regs. ¶ 61,180, P 546 (2005).

However, as discussed in more detail below, the proposed policies would have some unintended negative consequences, and in some ways would not go far enough toward ensuring that PacifiCorp’s interconnection queue process will operate more efficiently and effectively. PacifiCorp frames its proposal as modeled on the interconnection reform packages the Commission has approved for Public Service Company of Colorado (“PSCo”) and Public Service Company of New Mexico (“PNM”),³ but its proposed procedures are not as robust as either of those transmission providers’ procedures.

RWERA is a member of the Interwest Energy Alliance and supports its Initial Response Comments filed contemporaneously in this docket. RWERA writes separately to address three specific aspects of the Tariff Filing, based on the perspective we have gained with experience as an interconnection customer on the transmission systems in a wide variety of RTO/ISO and non-RTO/ISO regions throughout the United States.

V. SPECIFIC CONSIDERATIONS

A. Site Control Requirements

PacifiCorp proposes allowing a \$10,000 deposit in lieu of any Site Control at the time of a new Interconnection Request.⁴ RWERA believes that PacifiCorp’s proposal would permit entities to enter the transmission queue prematurely by neglecting to require the customer to obtain exclusive land rights for the planned facility. A firm requirement of site control, established at the time of an application escalating as a generation developer advances through the interconnection process, is a critical component of ensuring each project demonstrates basic initial viability and then meets increasingly rigorous readiness milestones through the course of the interconnection process.

For any generation project, regardless of the fuel type, acquiring property rights from local landowners is a prerequisite to ensure the project will actually get developed. With no site control requirement, a developer can enter the transmission queue and begin

³ See, e.g., Tariff Filing at p.7.

⁴ Tariff Filing at pp. 16-17 (PacifiCorp Proposed LGIP §38.4.1).

the interconnection study process on a purely speculative basis, using a theoretical tabletop analysis alone, before having done the basic local diligence for a greenfield development project which would reveal its likelihood of completion.

In RWERA’s experience, allowing a developer to provide a deposit in lieu of actual site control is insufficient incentive for the developer to ensure the project is actually viable. In any case, \$10,000 is a negligible component of the multi-million dollar capital costs to develop a wholesale generation project, and therefore would not require a meaningful and substantial commitment from the interconnection customer.

A site control requirement which can be easily circumvented with a small payment would have serious negative consequences for PacifiCorp and its transmission customers. Most important is that if the interconnection queue continues to be congested with generation projects which will never be constructed or commence commercial operations because they are uneconomic or operationally unfeasible, transmission studies are inaccurate. Inaccurate and/or repeated re-studies—even for the earlier stages of the study process—compound the problems facing viable projects with respect to the costs and delays of transmission studies and upgrades.

In approving PSCo’s transmission queue reforms, the Commission endorsed the requirement to demonstrate at the time of interconnection application control of 50% of the site necessary for the generating facility.⁵ Should the Commission decide to leave open the option of a financial deposit in lieu of any initial Site Control, RWERA submits that it should be significantly higher than \$10,000.⁶

B. Modifications to Interconnection Service Type

PacifiCorp proposes subjecting modifications to a customer’s interconnection request—including changes in a project’s requested type of interconnection service—i.e., switching between Energy Resource Interconnection Service (“ERIS”) and Network

⁵ *Public Service Company of Colorado*, 169 FERC ¶ 61,182 at PP 56-58 (2019).

⁶ *Id.* (approving proposal to remove \$10,000 site control deposit option, and noting PSCo’s alternate proposal to require a **\$250,000 deposit** coupled with a letter of intent from a landowner covering at least 50 percent of the interconnection project’s site size).

Resource Interconnection Service (“NRIS”)—to approval under a full Material Modification analysis (“MMA”).⁷ RWERA generally supports efforts to minimize constant re-studies of lower-priority interconnection requests because the assumptions underlying those studies constantly shift as higher-priority requests make post-application changes. Such re-studies contribute significantly to the cascading delays and backlogs in transmission operators’ interconnection queues. However, the need for finality must be balanced against the harm of inflexibility when an Interconnection Customer is locked into its initial application parameters regardless of subsequent study results.

Modifications from *ERIS to NRIS*, i.e. switching to a higher class of service, are responsible for the harms PacifiCorp seeks to minimize with its proposal here. Modifications from *NRIS to ERIS*, i.e. switching to a lower class of service, do not have the same negative impact on lower-priority applicants.

Therefore, RWERA asks the Commission to require PacifiCorp to revise its proposal to give customers an opportunity to change from *NRIS to ERIS* without undergoing an MMA, in the event that a Re-Study of the customer’s project or cluster is required under the Tariff. This would give customers adequate opportunity to consider and respond to study results which identify the cost differential between network upgrades necessary to achieve NRIS vs. more limited network upgrades to achieve ERIS. RWERA proposes that changes from *ERIS to NRIS* (and changes from NRIS to ERIS where no re-study is required) be subject to MMA review as PacifiCorp proposes.

C. Cost Contribution for Small Generators

PacifiCorp proposes to exempt relatively small generators within a study cluster (those less than 1% of total cluster MW) from all responsibility for the costs of Network Upgrades identified by that Cluster Study.⁸ This is a novel provision and deviates from Commission-approved *pro forma* interconnection procedures as well as those recently approved for PNM and PSCo, two queue reforms on which PacifiCorp states it has

⁷ Tariff Filing at p. 29 (PacifiCorp Proposed Tariff § 39.4.3).

⁸ Tariff Filing at p.30 (PacifiCorp Proposed Tariff § 39.2.3).

closely modeled its proposals here. PacifiCorp offers little justification for the 1% exemption other than to “avoid excessively burdening small generators with significant Network Upgrade costs.”⁹

RWERA contends that in some scenarios, a relatively small project can indeed contribute to the need for significant network upgrades, at or above its proportionate nameplate capacity. For example, in a study cluster totaling 3,000 MW, a 25 MW solar project seeking to interconnect to the transmission system at 69 kV could drive the need for costly equipment upgrades on that 69 kV line, upgrades which are solely due to that solar project and not attributable to any other projects in the cluster seeking to interconnect at higher voltages. Under PacifiCorp’s proposal, the 25 MW project would nonetheless be exempt from contributing to upgrade costs whatsoever. This is not a just and reasonable result.

RWERA therefore requests that the Commission require PacifiCorp to allocate Network Upgrade costs based strictly on generator distribution factors as determined by the power analysis in each Steady State Analysis, without an arbitrary minimum size exemption.

VI. CONCLUSION

For the foregoing reasons, RWERA respectfully requests that the Commission: (1) grant RWERA’s motion to intervene in this proceeding and become a party thereto, with right afforded to parties including the right to notice of, and to participate in, all hearings and other proceedings; (2) consider RWERA’s comments and (3) require PacifiCorp to revise its proposed generator interconnection procedures accordingly.

Respectfully submitted,

Paul Varnado
Paul Varnado
Assistant General Counsel

⁹ *Id.*

Jennifer Ayers-Brasher
Jennifer Ayers-Brasher
Sr. Dir., Transmission & Interconnection

Dated: February 21, 2020

CERTIFICATE OF SERVICE

I hereby certify that I have this day electronically served a notice of the foregoing document upon each person designated on the Official Service List compiled by the Secretary in this proceeding.

Dated at Chicago, Illinois, this 21st day of February, 2020.

Paul Varnado
Paul Varnado