BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1967

SANDY RIVER SOLAR, LLC Complainant, vs. PORTLAND GENERAL ELECTRIC COMPANY Defendant.

OPENING TESTIMONY OF

JOHN R. LOWE

ON BEHALF OF

RENEWABLE ENERGY COALITION

February 7, 2019

I. INTRODUCTION

Q. Mr. Lowe, please state your name and business address.

A. My name is John R. Lowe. I am the founder and director of the Renewable Energy Coalition (the "Coalition"). My business address is P.O. Box 25576, Portland, Oregon 97298.

Q. Please describe your background and experience.

A. In 1975, I graduated from Oregon State University with a Bachelor of Science degree.

From 1975 to 2006, I was employed by PacifiCorp. Over most of that 30-year period, my responsibilities were primarily related to PacifiCorp's contracting and policies under the Public Utility Regulatory Policies Act of 1978 ("PURPA") throughout the utility's multi-state service territory, which includes Washington, Oregon, California, Idaho, Wyoming, and Utah. My responsibilities included all contractual matters arising under PURPA and supervision of other matters related to both power purchases and interconnections. In that capacity, I was involved in scores of contract negotiations, helped develop new contract concepts, terms and language, and became familiar with terminology commonly used in the electric utility industry in utility tariffs and written power purchase agreements ("PPA") for purchases from qualifying facilities ("QF").

Since 2009, I have been directing and managing the activities of the Coalition as well as providing consulting services to individual members of the Coalition related to both power purchases and interconnections. My interconnection work at the Coalition has been primarily related to small

generation projects. Generally, when working with PacifiCorp, we have been able to reach a mutually agreeable resolution of the issues, which often resulted in modifications agreed to by the utility.

Q. Could you describe your background and experience related to interconnection of PURPA QFs?

A. There was a significant amount of PURPA activity during the early 1980s, primarily related to small scale hydroelectric and biomass in PacifiCorp's service territory. After this initial burst of development, there was only modest development in PacifiCorp's service territory and almost none in PGE's service territory. PURPA activity increased following the energy crisis in the early 2000s as well as the Commission's seminal PURPA cases in Docket No. UM 1129 (establishing new PURPA policies) and AR 521 and UM 1401 (establishing interconnection rules and policies). This resulted in a modest level of new projects selling power to PacifiCorp and Idaho Power (as well as the closure of large co-generation and biomass projects due to difficulties in those industries and harmful Commission policies). There remained only a very small amount of new projects selling power to PGE. Thus, PacifiCorp and Idaho Power have had nearly forty years of working with and understanding the power purchase and interconnection issues associated with PURPA projects, while PGE has had almost none until the last few years.

The changes in the early 2000s resulted in a need to refocus PacifiCorp's efforts on PURPA, including on the interconnection side. I was on the PPA side, but in 2004 I moved over to help on interconnection. I worked with an ad hoc

team to establish processes and procedures for PacifiCorp's QF interconnection contracting process and facilitating the design, engineering, and interconnection of small power production facilities. I worked on this until I left PacifiCorp in 2006.

In 2007, the AR 521 docket was opened at the Commission to address Oregon's small generator interconnection rules. Due to my past experience working on QF contracting and interconnection, Sorenson Engineering, Inc. ("Sorenson") retained me to advise them and represent them in that proceeding. Sorenson is an engineer, developer, owner, and operator of numerous hydro qualifying facilities. I served as an expert consultant on their behalf and participated in numerous workshops that occurred in the AR 521 process. Sorenson was primarily concerned in this proceeding with two issues: 1)the use of third-party consultants; and 2) the utility's reimbursement of interconnection operations and maintenance ("O&M") expenses over the term of the interconnection agreement. As background, some utilities charged interconnection customers an annual fee for O&M that was equal to a fixed percentage of the up-front interconnection cost, which could be significant. As relevant to the issues in my testimony, Sorenson was primarily concerned with having the third-party option available so that the QF could have some control over the timing of the interconnection in case the utility failed to meet its deadline, and to reduce the costs of the interconnection.

Q. On whose behalf are you appearing in this proceeding?

A. The Coalition.

Q. Please describe the Coalition and its members.

A. The Coalition was established in 2009, and is comprised of over 35 members who own and operate over 50 mostly small renewable energy QFs in Oregon, Idaho, Montana, Washington, Utah, and Wyoming. Several types of entities are members of the Coalition, including irrigation districts, waste management districts, water districts, electric cooperatives, corporations, and individuals. Most are small hydroelectric projects, but the membership includes biomass, geothermal, solid waste, and many solar projects.

Q. Are issues related to interconnection important to the Coalition?

A. Yes. As they were the genesis of the Coalition, they are core to the Coalition's purpose and membership. Interconnection issues are not as complex as the utilities' make them out to be in regulatory proceedings, and can be a significant impediment to the construction of new generation facilities as well as the continued operation of existing facilities.

Q. Please summarize your testimony.

A. The Coalition intervened in this proceeding because it addresses an issue that I thought the Commission had already resolved: that the QF and the utility could mutually agree to allow the QF to construct interconnection facilities, subject to the reasonable approval and supervision by the utility.

Allowing an interconnection customer to hire a third-party is critically important for a number of reasons, some of which I summarize below. First, the utility may be overworked, may have insufficient expertise or experience, or may have insufficient resources to reasonably complete interconnection construction

for QFs. This can result in delays and poorly performed studies and interconnection work. Second, the interconnection customer may wish to control the timing of when the interconnection is completed. Third, the interconnection customer may wish to have greater control over the work product, which can lower costs and increase the quality of the interconnection. It is a rare circumstance when a monopoly can beat the market when exposed to well supervised competition. Fourth, the utility is inherently biased against QFs, and has an economic incentive to put QFs out of business. This conflict of interest is especially important when the utility is taking aggressive steps to undermine its PURPA obligations, as PGE is now.

II. THIRD-PARTY CONTRACTING IN THE INTERCONNECTION PROCESS

Q. In your time at PacifiCorp, did PacifiCorp allow interconnection customers to construct interconnection facilities or system upgrades or hire a third-party consultant to do so?

A. Yes.

Q. What is your understanding as to why PacifiCorp was okay with having applicant-hired third-party consultants work on its system?

A. PacifiCorp didn't mind allowing an applicant to hire a third-party consultant to install and build facilities or order equipment for the interconnection as long as the third party was on PacifiCorp's qualified contractor list, there was a process for PacifiCorp to review and approve the third party's work, and the developer was responsible for both the costs of the third party's work and for the cost of PacifiCorp's review and approval efforts.

Q. Is it your understanding that PacifiCorp still allows the interconnection customer to hire third-party consultants to construct its facilities and system upgrades?

A. Yes.

Q. Turning now to your work on AR 521, was the third-party issue addressed in that proceeding?

A. Yes.

Q. How was the issue of third-party consultants raised AR 521?

A. A number of parties raised the issue and commented on it. The issue was extensively discussed in the workshops, which ultimately led to an agreement that an interconnection customer could retain third-party consultants to construct many of the interconnection facilities, as long as the utility retained the ability to approve the consultant and review the final work product. The understanding was that the utility's consent would not be unreasonably withheld, and I believe that most of the parties would be shocked that a utility would take the position that the rules provided it the unilateral right to simply reject an interconnection customer's ability to hire a third party consultant, regardless of the reasonableness of the request.

The Energy Trust of Oregon ("ETO") noted that the originally proposed rules were silent on the time allowed for construction of the upgrades and that the applicant has no means to ensure the construction of the upgrades occurs in a reasonable timeframe. ETO therefore recommended that the utility and interconnection applicant should identify a mutually agreeable timeline for the construction of the upgrades and the date the system will be able to accommodate the project. Then, if the utility and applicant cannot mutually agree to a timeline,

then the applicant should have the option to have the upgrades contracted to an independent contractor to obtain a more favorable timeline.[1] The Renewable Northwest Project (now Renewable Northwest, or "RNW") also raised the issue noting that one option for "dealing with backlogs of interconnection requests is to draft rules outlining under what situation it would be acceptable for interconnection customers to hire a private third-party contractor licensed to design, construct, and install the requisite system upgrades."[2] Additionally, Sorenson, who I represented in this proceeding, raised the issue of the interconnection customer's option to construct, own and operate interconnection facilities. They asserted that the interconnection customer should be permitted to minimize potential interconnection costs and maximize the financial benefits by having the option to design, construct, operate, maintain, and own interconnection facilities so long as electrical system safety and reliability is not compromised.[3]

Q. After this issue was raised, did other parties comment on it?

A. Yes. PGE "support[ed] the ideas raised by the [ETO] in its November 8, 2007 comments concerning using third-party contractors for interconnection construction," specifically that the ETO "suggested that if the utility and generator cannot agree on timelines to construct necessary facilities or conduct studies for

---

1 *Small Generator Interconnection Rulemaking*, Docket No. AR 521, Energy Trust of Oregon's Comments (Nov. 8, 2007) (attached hereto Exhibit REC/101).

2 *Small Generator Interconnection Rulemaking*, Docket No. AR 521, Renewable Northwest's Comments (Nov. 9, 2007) (attached hereto as Exhibit REC/102).

3 *Small Generator Interconnection Rulemaking*, Docket No. AR 521, Sorenson Engineering, Inc.'s Comments (Nov. 27, 2007) (attached hereto as Exhibit REC/103).

larger Tier 4 facilities, the generator should be able to substitute third parties to carry out the work."[4] PGE, however, proposed additional protections, including a review and screening process by the utility to ensure that the contractor is qualified to perform such work, a process for the utility to review any design work, and to perform an inspection prior to energization, and finally that PGE would need to be compensated for any costs associated with such oversight.[5] The Oregon Department of Energy ("ODOE") also supported ETO's proposal to allow the use of third-party contractors so as to meet stated timelines and not allow unilateral waivers of such timelines, and ODOE noted that it "agrees with PGE's oral comment during the November 13, 2007 Hearing that a review and inspection process by the Public Utility is desirable."[6]

Q. What was the ultimate resolution of the third-party consultant issue in AR 521?

A. The Commission adopted the current version of OAR 860-082-0060(8)(f) which provides that "[a] public utility and an applicant may agree in writing to allow the applicant to hire a third-party consultant to complete the interconnection facilities and system upgrades, subject to public utility oversight and approval." The Commission also provided further guidance in its order noting that "[d]uring the

---

4 *Small Generator Interconnection Rulemaking*, Docket No. AR 521, Portland General Electric Company's Comments (Nov. 27, 2007) (attached hereto as Exhibit REC/104).

5 *Id.*

6 *Small Generator Interconnection Rulemaking*, Docket No. AR 521, Oregon Department of Energy's Comments (Nov. 27, 2007) (attached hereto as Exhibit REC/105).

rulemaking proceedings, the participants agreed that a public utility and an applicant to interconnect a small generator facility could agree to allow the applicant to hire third-party contractors to complete any interconnection facilities and system upgrades required by the interconnection, at the applicant's expense and subject to public utility oversight and approval."[7]

Q. Without providing an interpretation of the specific language in the Oregon small generator interconnection rules, what is your understanding of the intent and purpose of these rules?

A. My understanding is that the rules were intended to allow an interconnection customer to hire and pay for a third party contractor, as long as the public utility retained oversight and the ability to approve the contractor. The idea was that the utility could provide a list of acceptable contractors, or could veto a specific contractor, but not that the utility could unreasonably withhold its approval and decide simply not to allow an interconnection customer to hire any third party contractor.

Q. Has this Commission rule and policy changed since that order in 2009?

A. Not to my knowledge.

Q. To your knowledge, has PGE requested any relief from that rule?

A. No.

III. CURRENT ISSUES WITH INTERCONNECTION PROCESSES

Q. Turning now to PGE's current interconnection processes, are you aware of any issues in that process?

---

[7] *Small Generator Interconnection Rulemaking*, Docket No. AR 521, Order No. 09-196 (Jun. 8, 2009).

A. Yes. Over the past few years, PGE has had some issues with meeting deadlines and providing accurate and complete information, including on its cost estimates.

Q. Please provide some more specific information about PGE's missed deadlines.

PGE has not adhered to the standard interconnection study and processing timelines for many projects. See, for example, the complaints filed in UM 1902 through UM 1907 on behalf of the Amity, Butler, Duus, Firwood, Starlight and Stringtown solar projects; PGE delayed those projects by a minimum of between 115 and 340 days.[8] In another project, PGE did not provide the results of the first study until 12 months after the interconnection application was submitted, and PGE provided no data in the interim. PGE has also held up the progression of the interconnection studies while QF avoided cost rates and PPA contracts were being litigated. PGE has even delayed interconnections by simply failing to respond to inquiries in a timely manner, like, for example, when PGE took 57 days to answer some follow up questions for the Mt. Hope Solar project.[9] In other instances,

---

[8] *Pacific Northwest Solar, LLC (Amity Project) v. PGE*, Docket No. UM 1902, Complaint at ¶ 89 (Oct. 9, 2017) ("at least 205 calendar days"); *Butler Solar, LLC v. PGE*, Docket No. UM 1903, Complaint at ¶ 93 (Oct. 9, 2017) ("at least 230 calendar days"); *Pacific Northwest Solar, LLC (Duus Project) v. PGE,* Docket No. UM 1904, Complaint at ¶ 80 (Oct. 9, 2017) ("at least 230 calendar days"); *Pacific Northwest Solar, LLC (Firwood Project) v. PGE*, Docket No. UM 1905, Complaint at ¶ 68 (Oct. 9, 2017) ("at least 340 calendar days"); *Pacific Northwest Solar, LLC (Starlight Project) v. PGE* , Docket No. UM 1906, Complaint at ¶ 81 (Oct. 9, 2017) ("at least 230 calendar days"); *Pacific Northwest Solar, LLC (Stringtown Project)v. PGE*, Docket No. UM 1907, Complaint at ¶ 78 (Oct. 9, 2017) ("at least 115 calendar days").

[9] *Waconda Solar, LLC v. PGE,* Docket No. UM 1971, PGE's Answer at ¶ 35 (Nov. 1, 2018) ("PGE admits that it required approximately 57 days to process and

PGE failed to respond so often that applicants have felt that they have no other option but to show up at PGE's office and ask to speak to the PGE representative that they've been trying to get a hold of. These delays also created potential delays in the commercial operation date for many projects due to the lengthy upgrade timelines provided by PGE. This delay could affect the term of many QF contracts depending on whether the Commission concludes that the fixed price period beings at execution or the time of the commercial operation date. The delays could result in a project missing its commercial operation date which subjects the QF to damages, or for more than a year, which could result in a QF having its contract terminated. While I am not familiar with the specifics of Sandy River's construction, delays can cause a wide variety of negative impacts, including affecting a project's ability to obtain or the cost of financing, loss of tax credits or land use permits, and increases in the cost of materials or labor, and breaching or paying for damages in other related contracts. Further, there is nothing within PGE's standard small generator interconnection agreement that requires them to meet the dates outlined within that agreement and there is very little recourse that a developer has if those timelines are missed. These dates and timelines are extremely important as developers and project investors make business and investment decisions, relying on these dates to do so. What do you mean by lengthy upgrade timelines?

---

respond to certain questions raised by TLS Capital regarding the Mt. Hope Solar project.")

A. PGE claims they need 36 months to complete the upgrades for many QF projects. Even for some interconnections that required no upgrades, PGE has required the applicant to wait a full year, following a long interconnection study process, before the interconnection can be completed.

Q. Please provide some more specific information about PGE's providing accurate and complete information.

A. PGE often fails to even get basic information correct, and has provided some cost estimates in its studies, only to change that estimate after being questioned about certain requirements and removing those requirements. For example, on the Waconda Solar project, PGE provided a Feasibility Study that stated the existing and proposed generation on a distribution line was higher than the proposed and existing generation on the substation to which that distribution line connects, and PGE gave an incorrect number for the substation transformer rating; PGE admits that it made these incorrect statements.[10] Other projects have been given misinformation or PGE has changed the rules partway through the process, for example by telling a project early in the process that projects 3MW and under will not be subject to communication requirements, then later changing that an indications that communications requirements will include 3MW projects. Also, PGE told applicants that they could reduce the size of projects during the process but not increase the size, only to change that position later. As another example,

---

[10] *Waconda Solar, LLC v. PGE,* Docket No. UM 1971, Complaint at ¶¶ 25, 26, 42, 43 (Sept. 28, 2018); *Waconda Solar, LLC v. PGE,* Docket No. UM 1971, PGE's Answer at ¶¶ 25, 26, 42, 43 & Exhibit F (Nov. 1, 2018).

on the Dunn Rd Solar project, PGE removed a requirement that a recloser be replaced with a new electronic recloser after the applicant went out to the site, took photographs of the existing recloser, and emailed those photographs to PGE showing a date of 2011 along with the spec sheet indicating that the existing recloser was already an electronic recloser.[11] PGE did not deny that it was emailed the photographs and the spec sheet or that PGE responded by indicating that the electronic recloser should not have been included as a requirement, but rather PGE, just attached those emails to its answer as exhibits.[12] It is my understanding that a similar issue occurred in this case, where PGE initially required a recloser then removed that requirement.[13] PGE has also changed its costs assumptions partway through the process, for example, by changing its assumption for fiber costs from $60,000 per mile to $75,000 per mile, or requiring developers to pay for poles to be replaced, even though PGE has stated that they don't actually look at the poles until after an interconnection agreement is executed. In some instances, PGE has not even provided a schedule for payment or an online date in the interconnection agreement. In those instances, the developer had to contact PGE to create a payment and work schedule for the projects. PGE required a 30% payment in December of 2018 and has not yet contacted the developer regarding the point of interconnection design, and PGE

---

[11] *Dunn Rd. Solar, LLC v. PGE,* Docket No. UM 1963, Complaint at ¶¶ 30-34 (Jul. 26, 2018).

[12] *Dunn Rd. Solar, LLC v. PGE,* Docket No. UM 1963, Answer at ¶¶ 30-34, & Exhibits E-H (Aug. 29, 2018).

[13] Complaint at ¶¶ 19&28.

says that it will take a full year to bring those projects online, even though there are no required upgrades. Further, some developers have called PGE to obtain a statement of their interconnection requirements so they can better understand the interconnection design, and PGE's representative have stated that they do not have formal design requirements and that the only way to obtain them is through a phone conversation.

Q. You mentioned that PGE required an approximately 30% payment before the point of interconnection design begins. Can you elaborate on that?

A. Sure. In its interconnection agreements, PGE usually provides a schedule for construction and payment, and the developer is required to pay over 30% of the upgrade costs before PGE contacted the developer to begin the point of interconnection design process. For example, see the Dunn Rd Facility Study attached to PGE's Answer in that case as Exhibit C, showing a "1/3 of Estimated Cost" payment required on the same day that the executed interconnection agreement is due, and the "Balance of Estimated Cost" due before the construction is even scheduled.[14] This causes significant issues. For example, another project had an interconnection cost of $522,500 and an executed

---

[14] *Dunn Rd. Solar, LLC v. PGE,* Docket No. UM 1963, Answer at Exhibit C at 6 (Aug. 29, 2018) ("Executed Interconnection Agreement May 17, 2018; Interconnection Customer provides 1/3 of Estimated Cost May 17, 2018; Engineering Design Starts June 18, 2018; Interconnection Customer Provides Balance of Estimated Cost November 16, 2018; Engineering Design Complete December 17, 2018; PGE Construction Scheduled January 18, 2019; Interconnection Customer Switchgear Installed/Inspected September 16, 2019; Interconnection Facilities Complete October 18, 2019; In-Service Date November 15, 2019.")

interconnection agreement. The developer began making payments according to the schedule. Then the developer of that project heard from another developer that PGE had removed many of the requirements for that project. The developer called PGE to discuss in January 2019. PGE stated that they had known about the change in the requirements since October 2018, and in the meantime, the developer had made a $348,334 interconnection payment in December 2018. PGE is working to refund the developer $377,500. This means that PGE has been sitting on almost $30,000 since October without providing a refund, plus the entirety of the payment the developer made in December.

Q. Wow, what is the ultimate result of these missed deadlines and inaccuracies in the interconnection process?

A. Well, if the project gets delayed long enough or gets a high-enough interconnection cost estimate, it could kill the project. QF developers are making business decisions at each stage of the interconnection process, evaluating whether the project is still viable and whether it is worth it to continue the process. For example, a QF developer may choose its commercial operation date with consideration of its land use permits and other timelines, but if PGE delays long enough, the project's land-use permit may expire and the project becomes no longer viable. Further, with the project mentioned in my previous answer, PGE gave a cost estimate that was $377,500 too high. The developer could have concluded at that stage that the project was uneconomic and given up on it, and the developer may have never found out that PGE gave it an inaccurate estimate.

In essence, PGE succeeds in killing the projects when it delays or gives inaccurate information.

Q. Are there any unique circumstances that the Commission should be aware of regarding the fact that this is a monopoly utility service?

A. Yes. Those of us like myself and the Commission that work in the utility business tend to forget how unusual it is that a customer has only one service provider to perform the work on their system. In an ordinary market, the forces of competition and government regulation drive prices down and maintain high quality of service. There are perfectly good reasons why an essential business like the distribution and transmission of electricity should be owned by a monopoly, including reliability, safety and affordability. However, the Commission should strive to use the forces of competition and customer choice to lower cost and increase service quality, as long as the core principles of safety, reliability, and affordability are met. There is no reason why most interconnection facilities cannot be installed by third parties, which are often the same entities that the utility would hire.

In addition, there is an inherent conflict of interest here. PGE, as a monopoly utility that owns both generation and distribution/transmission, has an incentive to own generation and not to enter into PPAs with QF developers. That has become apparent to anyone paying attention to the Oregon market in that PGE is doing everything in can within (and often outside of) the law to not enter into contracts with QFs, and creatively interpret its contracts to harm QFs. It appears that PGE's hardball and anti-QF policies are rearing their ugly head in the

interconnection process. The Commission should protect customers like Sandy River because PGE can effectively put its competition out of business.

IV. REMEDIES

Q. So, what do you think would be an appropriate remedy for PGE's delays and inaccuracies?

A. I think it would be appropriate for PGE to agree to allow an interconnection customer to hire a third-party consultant to complete the interconnection work. This would hand over some of the work to an outside entity that does not have the incentive to put interconnection applicants out of business. Further, the original justifications for allowing the applicant to hire third-party consultants were to deal with backlogs of interconnection requests, to get projects on-line by the applicant's desired on-line date, and to do so at potentially lower costs. These issues that PGE is facing are exactly the types of issues that the third-party consultant rules were designed to address.

Q. Are you aware of whether PGE has allowed any applicant to hire a third-party consultant?

A. I am not aware of any. It is my understanding that PGE has carte blanche refused to allow any applicant to hire a third-party consultant.

Q. Do you think that is a reasonable approach?

A. No. It is unreasonable for a utility to say "no" in all circumstances. There are always going to be some instances where it is appropriate to allow the applicant to hire a third-party consultant to complete some or all of the interconnection work. The Commission's small generator interconnection rules were drafted, in part, based on a reliance of what PGE said at the time, that it supported the idea of

allowing an applicant to hire a third-party consultant so long as there was utility oversight and approval. Now it is unreasonable for PGE to change its mind later when a complaint is filed against it without first seeking a change to the Commission's policy or some sort of waiver of that rule. Up until this case was filed, the rule and PGE's AR 521 statements appear to be the only statements on the records regarding this issue. A developer, who has read the rules and the statements PGE made in AR 521, would be acting in reliance upon that record in pursuing its interconnection and requesting to hire its own third-party consultants. In my opinion, if PGE wishes to change that record, the proper means for doing so is not through litigation of an individual complaint but rather to seek a waiver of that rule or a formal rulemaking change.

Q. Does this conclude your testimony?

A. Yes.

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1967

SANDY RIVER SOLAR, LLC Complainant, vs. PORTLAND GENERAL ELECTRIC COMPANY Defendant.

EXHIBIT REC/101

SMALL GENERATOR INTERCONNECTION RULEMAKING

ENERGY TRUST OF OREGON'S COMMENTS

February 7, 2019

Energy Trust of Oregon, Inc.
851 SW Sixth Avenue, Suite 1200
Portland, Oregon 97204

Telephone 866 368-7878
Facsimile 503 546-6862
www.energytrust.org

EnergyTrust
of Oregon, Inc.

November 8, 2007

Ted Durrenberger
Oregon Public Utility Commission
Via email

Re: Draft Proposed Small Generator Interconnection Rules

Dear Ted,

Energy Trust appreciates the opportunity to comment on staff's draft small generator interconnection rules. We congratulate the OPUC staff for your work with all the stakeholders to develop these interconnection rules.

Energy Trust has supported numerous small generators as part of its mission to support new clean energy sources for customers of Pacific Power and Portland General Electric. We have found that interconnection procedures and requirements can easily become the most significant impediment to funding and completing projects.

With the passage of SB 838, Energy Trust now has a requirement to focus even more on small generator projects. Open, clear, fast and cost effective interconnections procedures and requirements will be critical to meeting goals for our revised focus. We have to recognize that burdening small generation with processes and costs similar to large projects will not help us reach the community energy goals in SB 838.

We offer the following comments, including suggested improvements for specific sections in the draft rules, as noted below:

860-082-0005 (3)(b)(Scope and Applicability- unilateral timeline waiver)

We request that the Public Utility not be allowed a unilateral waiver from the timelines set forth in the OSGIR and instead propose that the utility provide adequate staff resources or subcontract out the work to a third party. The demand for small generator interconnections will only increase in the future as developers respond to the community energy goals of SB 838 and it is the responsibility of the utility to respond in a timely fashion to interconnection requests.

860-082-0060 (Recordkeeping and Reporting Requirements)

We support the recordkeeping and reporting requirements as a set of valuable tools to add transparency of the process but are suggesting changes to further increase their value.

Knowing whether issues are repetitive allows improvements to be made to the rules. Further, it allows participants to see what solutions worked so the small generators can come in with the right solutions first or at least know what the acceptable solutions cost.

An issue we face today is the process always taking the maximum amount of time for each step, no matter how simple or complex the circumstance. It is also common for a utility to present very expensive upgrade requirements that require additional time to negotiate to a more acceptable solution. Negotiation timelines are not in the rules and can add considerable time to the process. The additional data points will help define whether additional rules are needed or situations are truly unique and separable.

In addition to the data requirements in the draft rules, we recommend adding the follow requirements for Tier 2 through Tier 4 Interconnection Applications:

- Actual facilities costs
- Actual system upgrades and costs
- Estimated telemetry basic configuration
- Actual telemetry basic configuration
- Estimated telemetry cost
- Actual telemetry cost
- Number of days to deliver each agreement
- The number of days to complete each study
- The number of days to complete the facility installation and system upgrades.

Due to the potential confidential nature of this data we suggest that 1) the interconnection customer be asked to waive this data for reporting purposes or 2) if they refuse, report it to the commission on a confidential basis for commission staff review.

With the proposed rules is the need for transparency to ensure non-discriminatory interconnection of small generators. To this end, we recommend a periodic review of interconnection applications with modifications to the small generation interconnection rules as necessary. The rules are inherently flexible due to the technical complexity of interconnection. With this flexibility comes the opportunity of abuse that can be addressed through periodic reporting and reviews of interconnection applications

860-082-0080 (Dispute Resolution)

We agree with the small generator community that a streamed-line arbitrator-based dispute resolution process is better than the more formal OPUC complaint process. OPUC staff has stated that this provision is not necessary and should be removed from the rules. Respectfully, we disagree. We recognize the desire to not reinvent the wheel and staffs and utility familiarity

with today's procedure. However, longer, formal processes are time consuming and expensive. They put a disproportionate cost burden on small projects and can increase above-market costs. The process proposed by the small generator community appears to us faster, clear and cheaper. We appreciate that it remains in the draft rules allowing the topic to be aired in the rulemaking process.

860-082-055 (7) Approval

The proposed rules are silent about the time allowed for the construction of upgrades. The Applicant has no means to ensure the construction of the upgrades occurs in a reasonable timeframe as dictated by the scope of the construction. There needs to be an agreed period.

We suggestion additional language in this section to address this issue. The following points should be included:

1. The Public Utility and the Applicant will identify a mutually agreed timeline for the construction of the upgrades and the date that the system will be able to accommodate the project for witness testing, commissioning and operation.
2. If the Public Utility and the Applicant can not mutually agree to a timeline and cost, the applicant shall have the option to have the upgrades contracted to an independent contractor to obtain a more favorable timeline.

Form 4 (11-2 rev) Interconnection Facilities Study Form Agreement

Item 6 specifies a thirty calendar day study period when no upgrades are required. When upgrades are required, no timeline or guidance is offered. We request there be language to require the Public Utility to provide a timeline when upgrades are necessary. If timelines cannot be mutually agreed to, the Applicant then has the option to arrange for a third party to perform the facilities study as provide in section 860-082-055 (6)(b) of the proposed rules.

Small generators can't be held up if some other utility issue has diverted their internal staff. Certainly not when acceptable alternatives exist. Utilities often use consultants to speed or outsource work on interconnection. Small generators should also have this option to hurdle time constraints.

Again, we thank the OPUC staff for the all the work involved in these small generator interconnection rules. The issues can be difficult, complex and polarized. This proceeding is a very important step to helping small generators connect and provide clean power for Oregon.

Sincerely,

Alan Cowan
Renewable Energy Program Manager

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1967

SANDY RIVER SOLAR, LLC Complainant, vs. PORTLAND GENERAL ELECTRIC COMPANY Defendant.

EXHIBIT REC/102

SMALL GENERATOR INTERCONNECTION RULEMAKING

RENEWABLE NORTHWEST'S COMMENTS

February 7, 2019

Renewable Northwest Project

917 SW Oak
Suite 303
Portland, OR 97205

Phone: 503.223.4544
Fax: 503.223.4554
www.RNP.org

Renewable Northwest Project

November 9, 2007

Public Utility Commission of Oregon
Attn: Filing Center
PO Box 2148
Salem OR 97308-2148

RE: Docket No. AR 521

To the Public Utility Commission of Oregon:

Renewable Northwest Project (RNP) appreciates the opportunity to comment on the OPUC's draft Small Generator Interconnection rules (SGI), AR 521, and applauds the Commission and participating utilities for taking the first steps in promulgating rules that will encourage the non-discriminatory interconnection of small renewable generators.

The benefits of connecting small and distributed renewable electricity generators are many. Small generators distributed throughout a network area decrease the energy losses and costs associated with long-distance transmission, provide local economic benefits through energy savings and energy sales (net metering), increase the diversity and reliability of the entire grid, decrease congestion, decrease security threats, provide environmental benefits, insulate consumers from price shocks, and can provide local emergency services.

Recognizing these benefits, state and federal policy makers have recently passed clear policy directives aimed at reducing regulatory barriers and increasing the number of small generator interconnections. The Energy Policy Act of 2005 requires state regulatory authorities to consider an interconnection standard based on the IEEE 1547 standard and current best practices by August 2007, and FERC issued Order 2006-A to clarify the SGI standards under its jurisdiction. In Oregon, the recent passage of Senate Bill 838 amended ORS 757.612 to direct a portion of the state's public purpose charge to small-scale renewable generation.

Strong policy directives were deemed necessary because past interconnection policies proved an insurmountable barrier for small generators. These regulatory barriers persisted because the incentives were not sufficient for utilities to actively facilitate SGI, for which they do not earn revenue. Policy makers recognized and signaled that new government policies were necessary to correct these adverse incentives. By the very nature of this policy

change, a successful SGI policy requires utilities to increase their attention and resources devoted to accommodating this industry evolution.

A number of states have now adopted SGI rules, offering both positive and negative examples from which to learn. The details of these state interconnection standards are critical in determining the success of the policy goal. As an overarching measure of a state's SGI policy success, the number of completed interconnections is the most telling. New Jersey and California have interconnected over 1,000 and over 10,000 small generators respectively and are obvious models of success. In contrast, the MADRI and NARUC models have produced far fewer interconnections.

RNP offers the following comments and suggestions relevant to OPUC's most current draft SGI rules (Draft 2, 11-1):

1. RNP supports the reference to IEEE-1547 standards and the general direction of the proposed tiered screening process, insurance requirements, third-party arbitration and application fees.

2. 860-082-0080: A single party should be able to unilaterally request third-party arbitration after the outlined informal dispute process fails. OPUC should approve qualified third-party arbitrators and mutual agreement should be required in selecting an arbitrator from this pool. The proposed rule of requiring mutual agreement for pursuing third-party resolution gives no additional ability to customers to pursue expedient and less costly forms of arbitration.

3. Once a customer's interconnection request passes the requisite screen, the public utility should bear the burden and cost of studying and establishing that additional requirements are necessary for reliability and/or safety standards. If these additional requirements prove to be necessary, the costs should be passed on to the interconnection customer.

4. 860-082-0060: The OPUC should periodically review public utility interconnection reports as well as the experiences in other jurisdictions with the goal of improving best practices generally, and the specific goal of expanding the list of specifications falling under the tier 1 definition. Where experience proves less risk is present, interconnection requirements and associated costs should be equally decreased. Specific rules should be added to codify and outline this learning process.

5. 860-082-0035: Interconnection customers should not be required to provide general liability insurance coverage as part of the interconnection agreement. There is no competitive commercially available insurance product specifically designed to insure against the very small risk of a properly interconnected small generator causing a problem on the grid. Interconnection customers are naturally required to carry liability insurance appropriate for the entity's type and size; this insurance does not generally exclude incidents involving electricity generation. The U.S. DOE's "Best Practices for Distributed

Generation" calls for liability insurance to be set "commensurate with levels typically carried by the respective customer class." To date, there are no known liability awards related to the malfunction of interconnected customer-sited renewable-energy systems.

6. 860-082-0005(3)(b). A public utility should not be granted unilateral waivers of the timelines set forth in the OSGIR. The OSGIR sets forth the best practices by which utilities and interconnecting applicants must abide. If utilities find themselves with backlogs of requests, they should take appropriate steps to speed up their process. Additional administrative costs should be prudently recovered.

7. Another option for dealing with backlogs of interconnection requests is to draft rules outlining under what situations it would be acceptable for interconnection customers to hire a private third-party contractor licensed to design, construct, and install the requisite system upgrades.

8. 860-082-0040: The requirements for tier 1 interconnection should be further tiered and appropriately adjusted. Massachusetts, New York and New Jersey have adopted SGI rules that allow certified inverter-based units of 10 KW or less to be interconnected by a licensed electrical contractor to a radial feed with no study or fees and with short-term prior written notice to the public utility.

9. 860-082-0015(2): The proposed application fees appear "reasonable." However, a more flexible approach to setting application fees for first and second tier interconnections is to use a per-kilowatt charge. Massachusetts, Michigan, Indiana and New Jersey currently utilize this approach; Indiana and New Jersey have no application fee for generators smaller than 10 KW.

Summary:

RNP appreciates the hard work OPUC, the public utilities, and interested parties have put into crafting the draft OSGIR. The above comments and suggestions are intended to improve upon the positive foundation laid out in the current draft. Successful SGI rules will ensure future Oregonians enjoy the many benefits of distributed renewable generation. Thank you for the opportunity to participate in this important process.

Sincerely,

Cameron Yourkowski
Renewable Northwest Project

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1967

SANDY RIVER SOLAR, LLC Complainant, vs. PORTLAND GENERAL ELECTRIC COMPANY Defendant.

EXHIBIT REC/103

SMALL GENERATOR INTERCONNECTION RULEMAKING

SORENSON ENGINEERING, INC.'S COMMENTS

February 7, 2019

Peter J. Richardson OSB # 066687
RICHARDSON & O'LEARY PLLC
515 N. 27th Street
PO Box 7218
Boise, Idaho 83700
Telephone: (208) 938-7900
Fax: (208) 938-7904
peter@richrdsonandoleary.com

Attorneys for Sorenson Engineering, Inc.

BEFORE THE

PUBLIC UTILITY COMMISSION OF OREGON

IN THE MATTER OF RULEMAKING TO ADOPT RULES RELATED TO SMALL GENERATOR INTERCONNECTION	CASE NO. AR 521 COMMENTS OF SORENSON ENGINEERING, INC.

COMES NOW, Sorenson Engineering, Inc. ("Sorenson") by and through its attorney of record, Peter J. Richardson, and pursuant to the schedule established by the Administrative Law Judge in the above captioned matter and hereby lodges its Comments to the Commission Staff's proposed rules and forms.

I

INTRODUCTION

Sorenson is an engineering firm with offices located in Idaho Falls, Idaho. It is a successful engineer, developer, owner and operator of numerous small power production facilities. Sorenson Engineering is working with or is in the planning stages of developing similar

projects in Oregon. Sorenson has many years of experience in the subject matter of this proceeding. Sorenson's comments have been prepared with the expert assistance of Mr. John Lowe, who has many years of experience in facilitating the interconnection of small power production facilities to the electric system of investor-owned utilities. Sorenson appreciates the opportunity to comment herein and applauds this Commission's efforts to make the interconnection and operation of small power production facilities in Oregon a transparent, efficient and safe transaction.

II

INTERCONNECTION FACILITIES O&M REIMBURSEMENT

Interconnection costs include both initial costs to study and interconnect a generating project ("Interconnection Customer") as well as ongoing costs to operate and maintain both the project's interconnection equipment and the Public Utility's Interconnection Facilities. The Interconnection Customer is responsible for all these costs. The proposed rule AR-521 ("Rule") emphasizes the process of interconnect study and initial interconnection. The Rule should provide both the Public Utility and the Interconnection Customer with assurances as to the timing, process and responsibilities of the parties in completing the study process and in managing or controlling the cost of such studies. The Rule also addresses interconnection standards and provides an excellent basis by which the interconnection requirements can be determined and the costs therefore controlled. However, the Rule does not adequately address the subject of operation and maintenance (O&M) costs of the Public Utility's Interconnection Facilities usually paid for by the Interconnection Customer in the form of an annual O&M reimbursement.

These annual reimbursements in total over the term of an agreement can be very significant and in most cases dwarf the actual study costs. This is particularly significant for distribution level interconnections where such reimbursement may be as much as 12% of the original total interconnection cost annually. Average system O&M costs for the Public Utility's distribution system in the State of Oregon is the derivation for the O&M percentage applied to distribution interconnections in Oregon.

The Rule and the proposed interconnection agreement is generally vague regarding the Interconnection Customer's obligations regarding O&M reimbursements. The historic method of using average system cost for distribution interconnections should be abandoned in favor of a method utilizing actual costs incurred by the Public Utility. This actual cost approach has several advantages because it: (1) aligns more closely with the underlying cornerstone of ratepayer neutrality, which is elemental to any PURPA transaction; (2) creates consistency between the transmission and distribution interconnection O&M reimbursements where a Public Utility may already be utilizing actual cost for transmission interconnections; (3) creates consistency among the Interconnection Facilities for an Interconnection Customer to the extent that certain elements of such Interconnection Facilities are anticipated to reimburse the Public Utility based upon actual O&M costs. (*See* PacifiCorp initial comments, page 6, Metering . . . "The Interconnection Customer should pay the actual cost of such metering and its maintenance"); (5) minimizes the significance of the actual original interconnection costs, especially when such costs may be disputable; (6) establishes consistent treatment of Interconnection O&M reimbursements among all Public Utilities operating in Oregon; and most importantly (7) it will likely result in a dramatic reduction in O&M reimbursements during the period when most Interconnection Customers are making debt payments usually for ten to

twenty years. This is demonstrated by existing Interconnection Customers who have observed little need on the Public Utility's behalf to incur costs maintaining or replacing their Interconnection Facilities.

(A) SORENSON'S SPECIFIC RECOMMENDATIONS

Rule § 860-082-0010 – Definitions:

Add the following new definition:

"Actual Cost of Interconnection Facility Operation and Maintenance" means the total documentable cost of services provided by the Public Utility associated with maintaining and operating the Public Utility's Interconnection Facilities for a Small Generator Facility.

Rule § 860-082-0030:

Add the following language to the end of the paragraph (3) on Cost Responsibility:

The Interconnection Customer is also responsible for reimbursing the Public Utility for the Actual Cost of Interconnection Facility Operation and Maintenance (O&M) as further described in the Interconnection Agreement.

Form 8: Article; add the following language as a new paragraph

4.7 The Public Utility may bill the Interconnection Customer not more often than annually for the Actual Cost of Interconnection Facility Operation and Maintenance (O&M) for the previous year.

IV

INTERCONNECTION CUSTOMER'S OPTION TO PERFORM STUDIES, DESIGN, CONSTRUCT, OWN AND OPERATE INTERCONNECTION FACILITIES

The Interconnection Customer should be permitted to minimize potential interconnection costs and to maximize the financial benefits of self operation, maintenance, and ownership of

faculties that may otherwise be Interconnection Facilities. Therefore, the Interconnection Customer should have the option -- provided in all circumstances that electrical system safety and reliable operations are not compromised; and provided further that the Interconnection Customer pays all appropriate costs -- to perform interconnection studies or portions thereof. The Interconnection Customer also should have the option to design, construct, own, operate and maintain electrical facilities necessary for the project which otherwise might be designed, constructed, owned, operated and maintained by the Public Utility as Interconnection Facilities. Typical examples would be a line extension to be located on property controlled or owned by the Interconnection Customer or a substation for the Small Generating Facility that has intermingled electrical facilities. The Rule anticipates the Interconnection Customer having the rights described above, but may not go far enough to encourage or facilitate the Interconnection Customer's option. Additionally, there may be circumstances within a Utility where design, construction, operation and maintenance of transmission extensions is a requirement of the Interconnection Customer, and in trying to create some uniformity, it would be appropriate for a distribution Interconnection Customer to have at least the option, but certainly not be foreclosed from the benefits by the Public Utility.

(A) SORENSON'S SPECIFIC RECOMMENDATIONS

Rule 860-082-0030, § (1) Study Costs:

Add the following language to the end of Paragraph (1)

<u>The Interconnection Customer or Applicant shall have the option to perform studies or portions of studies through an agreed-upon third party consultant provided that the Interconnection Customer: (i) pays all appropriate costs incurred by the Public Utility; (ii) waives any timeframes in the Rule associated with that required study; and (iii) holds the Utility harmless.</u>

Rule 860-082-0055

Tier 4 Interconnection, (6) Interconnection Facilities Studies, subparagraph (b). Delete the first sentence and replace it with the following:

The Interconnection Customer shall have the option of having an agreed-upon third party consultant design and estimate the construction costs for the required Interconnection Facilities.

Add to the end of the subparagraph (4) the following language:

The Interconnection Customer must waive the required timeframes associated with the Interconnection Facilities Study, and hold the Utility harmless with regard to its results.

Rule 860-082-0030: Cost Responsibilities, paragraph (3)

Revise this paragraph by adding the following language to the end of the paragraph:

The Interconnection Customer shall have the option to design, construct, own, operate and maintain certain electrical facilities, i.e. line extension, that otherwise may have been designated as Interconnection Facilities, provided such facilities are located on property owned or adequately controlled by the Interconnection Customer, are for the exclusive use of the Interconnection Customer, and the design and construction of such facilities have been reviewed and inspected by the Public Utility (or inspected and certified by a registered professional electrical engineer), and the Interconnection Customer pays all costs. Such facilities will be designated as Interconnection Equipment regardless of the location of the Interconnection Customer's metering.

V

METERING AND MONITORING

PacifiCorp's initial comments on page 6, Section 4 indicate that PacifiCorp believes that the requirement for telephonic access to its metering for the Interconnection Customer is

appropriate. While this is a noble objective and one that utilizes technological advances and efficiencies, it dos not impact safety or reliability of the electrical system and adds an interconnection requirement or standard that could raise the overall Interconnection Facility's costs. Also, for small projects approximately 1,000 kW or less, this requirement could be especially burdensome if both cellular service or hardwire telephone system are unavailable. Many small facilities may not have the sophisticated communications equipment that larger facilities typically have for operational monitoring. The requirement is generally reasonable for those projects afforded low-cost access to cellular service but should not be an absolute requirement if an expensive extension of a hardwire system is the only alternative. The parties should have the flexibility to resolve the meter reading issue as creatively as necessary, provided that the Interconnection Customers pays all the costs. As long as the telephone access requirement is universal, it may cause some existing small projects to shut down operations or potential new projects to not be able to afford moving forward. Sorenson understands that creative alternatives to cellular/hardwire connections are already being utilized for some projects in Oregon.

An Interconnection Customer's obligation to provide and/or pay for a telemetry system should be limited to those circumstances or conditions on a Public Utility's system when the lack of such telemetry system would have negative impacts upon safety, reliability or efficient operations. The proposed 3 MW threshold for Tier 4 interconnections is a significant improvement over PacifiCorp's past threshold of 1 MW. However, the 3 MW threshold is not necessarily the appropriate threshold to be applied to all Public Utilities and may not be the appropriate value for <u>any</u> of the Public Utilities. For example, Sorenson Engineering is aware of at least two hydroelectric projects of 4 MW or greater that have been connected to PacifiCorp's

distribution system for a least fifteen years where the required and installed telemetry has not been maintained and the potential data not utilized by PacifiCorp for a very long time. Each Public Utility should be required to provide the evidence supporting their telemetry needs and requirements. Telemetry data for existing projects connected to distribution systems is irregularly utilized and projects over 5 MW connected to distribution systems are very rare. Therefore, Sorenson recommends that the telemetry requirement for all distribution system interconnections be either eliminated or raised to 5 MW. Additionally and typically, the larger the project the easier to absorb telemetry expenses. The Commission should raise the telemetry threshold to 5 MW until such time that the Public Utilities demonstrate and provide evidence of their actual needs. Alternatively, the Commission should require the Public Utilities to provide evidence of their existing telemetry applications and demonstrate their usefulness. That is the only way to provide resolution of this controversial issue.

(A) SORENSON'S SPECIFIC RECOMMENDATIONS

Rule 860-082-0065: Metering and Monitoring, paragraph (1)

Revise paragraph (1) by adding the following language at the very end:

<u>The Interconnection Customer shall provide for remote or telephonic access of the Public Utility's metering either through cellular, hardwire or other technologically appropriate means except this requirement shall not apply to an Interconnection Customer who is operating or plans to operate a facility of 1,000 kW or less if such Interconnection Customer does not have cellular service available at the time of entering into the Interconnection Agreement.</u>

Rule 860-082-0065

Change the reference to 3 MW to 5 MW throughout this rule.

Respectfully submitted this 27th day of November 2007.

RICHARDSON & O'LEARY PLLC

By _____
Peter J. Richardson
Attorneys for Sorenson Engineering, Inc.

CERTIFICATE OF SERVICE

I certify that I have caused to be servedd the foregoing Sorenson Engineering Comments in OPUC Docket No. AR 521 by electronic mail and first class mail to those who have not waived paper service on the attached service list. Dated this 27th day of November 27, 2007.

Peter Richardson OSB # 066687

eDockets

Docket Summary

Docket No: AR 521 **Docket Name:** SMALL GENERATOR INTERCONNECTION RULEMAKING Print Summary

In the Matter of a Rulemaking to Adopt Rules Related to Small Generator Interconnection. (Staff report for July 24, 2007, Public Meeting [Item No. Reg 1]); filed by Ed Durrenberger.)

Filing Date: 7/24/2007

Case Manager: ED DURRENBERGER **Phone:** (503) 373-1536 **Email:** ed.durrenberger@state.or.us

Law Judge: SARAH WALLACE **Phone:** 503-378-6208

Email Service List (semi-colon delimited) Email Service List (comma delimited)
If you experience problems with the *above* 'Email Service List' links, please try one of these:
Service List Popup (semi-colon delimited) Service List Popup (comma delimited)

ACTIONS | SERVICE LIST | SCHEDULE

W=Waive Paper service **C=Confidential** **HC=Highly Confidential**

Sort by Last Name Sort by Company Name

	CENTRAL ELECTRIC COOPERATIVE INC	
	ALAN GUGGENHEIM MEMBER SERVICES DIRECTOR	PO BOX 846 REDMOND OR 97756 aguggenheim@cec.coop
	COMMUNITY RENEWABLE ENERGY ASSOCIATION	
	PAUL R WOODIN EXECUTIVE DIRECTOR	282 LARGENT LN GOLDENDALE WA 98620-3519 pwoodin@communityrenewables.org
	DEPARTMENT OF JUSTICE	
	MICHAEL T WEIRICH ASSISTANT ATTORNEY GENERAL	REGULATED UTILITY & BUSINESS SECTION 1162 COURT ST NE SALEM OR 97301-4096 michael.weirich@doj.state.or.us
	ENERGY TRUST	
	ALAN COWAN	alan.cowan@energytrust.org
W	**IDAHO POWER COMPANY**	
	RANDY ALLPHIN	PO BOX 70 BOISE ID 83707-0070 rallphin@idahopower.com
	DAVE ANGELL	PO BOX 70 BOISE ID 83707-0070 daveangell@idahopower.com
	SANDRA D HOLMES	PO BOX 70 BOISE ID 83707-0070 sholmes@idahopower.com
	LISA D NORDSTROM ATTORNEY	PO BOX 70 BOISE ID 83707-0070 lnordstrom@idahopower.com

	MICHAEL YOUNGBLOOD SENIOR PRICING ANALYST	PO BOX 70 BOISE ID 83707 myoungblood@idahopower.com
W	**LOVINGER KAUFMANN LLP**	
	JEFFREY S LOVINGER	825 NE MULTNOMAH STE 925 PORTLAND OR 97232-2150 lovinger@lklaw.com
W	**MCDOWELL & RACKNER PC**	
	WENDY MCINDOO	520 SW 6TH AVE STE 830 PORTLAND OR 97204 wendy@mcd-law.com
	LISA F RACKNER ATTORNEY	520 SW SIXTH AVENUE STE 830 PORTLAND OR 97204 lisa@mcd-law.com
W	**MCMINNVILLE WATER AND LIGHT**	
	GAIL SHAW	PO BOX 638 MCMINNVILLE OR 97128 gails@mc-power.com
	MIDDLEFORK IRRIGATION DISTRICT	
	CRAIG DEHART	PO BOX 291 PARKDALE OR 97041 mfidcraig@embarqmail.com
	OR DEPT OF ENERGY - RENEWABLE ENERGY DIV	
	CAREL DEWINKEL SENIOR POLICY ANALYST	625 MARION ST NE SALEM OR 97301-3737 carel.dewinkel@state.or.us
	ORECA	
	DAVID SHAW MANAGER OF REGULATORY AFFAIRS	1750 LIBERTY ST SE SALEM OR 97302-5159 dshaw@oreca.org
W	**PACIFIC POWER & LIGHT**	
	MICHELLE R MISHOE LEGAL COUNSEL	825 NE MULTNOMAH STE 1800 PORTLAND OR 97232 michelle.mishoe@pacificorp.com
W	**PACIFICORP OREGON DOCKETS**	
	OREGON DOCKETS	825 NE MULTNOMAH ST STE 2000 PORTLAND OR 97232 oregondockets@pacificorp.com
	PORTLAND GENERAL ELECTRIC	
	MARK OSBORN	121 SW SALMON ST PORTLAND OR 97204 mark.osborn@pgn.com
	PATRICK HAGER RATES & REGULATORY AFFAIRS	121 SW SALMON ST 1WTC0702 PORTLAND OR 97204 pge.opuc.filings@pgn.com
	PORTLAND GENERAL ELECTRIC COMPANY	
	J RICHARD GEORGE	121 SW SALMON ST 1WTC1301 PORTLAND OR 97204 richard.george@pgn.com
	RICHARDSON & O'LEARY	
	PETER J RICHARDSON	PO BOX 7218

		BOISE ID 83707 peter@richardsonandoleary.com
	ROUSH HYDRO INC	
	TONI ROUSH	366 E WATER STAYTON OR 97383 tmroush@wvi.com
	SORENSON ENGINEERING	
	JOHN LOWE	12050 SW TREMONT ST PORTLAND OR 97225 jravene@comcast.net
W	**SUNEDISON**	
	RICK GILLIAM	590 REDSTONE DR BROOMFIELD CO 80020 rgilliam@sunedison.com
	JOE HENRI	5013 ROBERTS AVE STE B MCCLELLAN CA 95652 jhenri@sunedison.com
	TRIAXIS ENGINEERING	
	DIANE BROAD	1600 SW WESTERN BLVD CORVALLIS OR 97333 dbroad@triaxiseng.com
	VOLTAIR WIND ELECTRIC	
	ROBERT MIGLIORI	24745 NE MOUNTAIN TOP RD NEWBERG OR 97132 windy@freewirebroadband.com

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1967

SANDY RIVER SOLAR, LLC Complainant, vs. PORTLAND GENERAL ELECTRIC COMPANY Defendant.

EXHIBIT REC/104

SMALL GENERATOR INTERCONNECTION RULEMAKING

PORTLAND GENERAL ELECTRIC COMPANY'S COMMENTS

February 7, 2019

Portland General Electric Company
Legal Department
121 SW Salmon Street • Portland, Oregon 97204
(503) 464-7611 • Facsimile (503) 464-2200

Richard George
Assistant General Counsel

November 27, 2007

Via Electronic Filing and U.S. Mail

Oregon Public Utility Commission
Attention: Filing Center
550 Capitol Street NE, #215
PO Box 2148
Salem OR 97308-2148

Re: AR 521

Attention Filing Center:

Enclosed for filing in the captioned dockets are an original and one copy of:

- **COMMENTS OF PORTLAND GENERAL ELECTRIC COMPANY.**

This document is being filed by electronic mail with the Filing Center.

An extra copy of this cover letter is enclosed. Please date stamp the extra copy and return it to me in the envelope provided.

Thank you in advance for your assistance.

Sincerely,

J. RICHARD GEORGE

JRG:smc
Enclosure

cc: Service List-AR 521

CERTIFICATE OF SERVICE

I hereby certify that I have this day caused **COMMENTS OF PORTLAND GENERAL ELECTRIC COMPANY** to be served by electronic mail to those parties whose email addresses appear on the attached service list, and by First Class US Mail, postage prepaid and properly addressed, to those parties on the attached service list who have not waived paper service from OPUC Docket No AR 521.

Dated at Portland, Oregon, this 27th day of November, 2007.

J. RICHARD GEORGE, OSB No. 97469
Assistant General Counsel
Portland General Electric Company
121 SW Salmon Street, 1WTC1301
Portland, Oregon 97204
(503) 464-7611 phone
(503) 464-2200 fax
richard.george@pgn.com

SERVICE LIST

OPUC DOCKET # AR 521

Central Electric Cooperative
Alan Guggenheim
Member Services Director
PO Box 846
Redmond, OR 97756

Community Renewable Energy
Paul R. Woodin
282 Largent Lane
Goldendale, WA 98620-3519

Department of Justice
Michael T. Weirich
Assistant Attorney General
1162 Court Street NE
Salem, OR 97301-4096

McMinville Water and Light
Gail Shaw
PO Box 638
McMinnville, OR 97128

Middlefork Irrigation District
Craig Dehart
PO Box 291
Parkdale, OR 97041

Roush Hydro Inc
Toni Roush
366 E Water
Stayton, OR 97383

ORECCA
David Shaw
Manager of Regulatory Affairs
1750 Liberty Street SE
Alem, OR 97302-5159

Richardson and O'Leary
Peter J. Richardson
PO Box 7218
Bosie, ID 83707

Sorenson Engineering
John Lowe
12050 SW Tremont St.
Portland, OR 97225

Voltair Wind Electric
Robert Migliori
24745 NE Mountaintop Road
Newberg, OR 97132

Oregon Dept of Energy
Carel DeWinkel
625 Marion Street NE
Salem, OR 97301-3737

Triaxis Engineering
Diane Broad
1600 W Western Blvd
Corvallis, OR 97333

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

AR 521

In the Matter of a Rulemaking to Adopt Rules Related to Small Generation Interconnection	Comments of Portland General Electric Company

PGE appreciates the opportunity to provide formal comments on the proposed Oregon Small Generator Interconnection Rules ("Proposed Rules"). As we stated during the hearing on November 13th, we appreciate the collaborative efforts of all the parties involved including the Oregon Public Utility Commission Staff's ("Staff") significant work in organizing stakeholder participation and producing the draft rules.

Largely, the Proposed Rules incorporate changes proposed by PGE that address most of the informal comments and issues PGE has had in the course of their development. PGE has the following additional comments on the rules:

1) Dispute Resolution. PGE supports the proposal offered by the Oregon Department of Energy as Appendix I to its November 27, 2007 comments, which provides for an expedited dispute resolution process before the Commission. PGE does not support binding arbitration or other forms of dispute resolution that would prevent the Commission from being the decision maker concerning disputes. PGE anticipates that disputes, if any arise, may concern the nature and scope of upgrades to be constructed on the utility's system to accommodate the interconnection. In the event PGE is going to be required to compromise or deviate from what it believes is necessary for safety and reliability, it should only do so upon Commission order.

2) Insurance. PGE agrees with and supports comments offered by Pacificorp and others that small generators should be required to obtain reasonable amounts of insurance to cover risks to the system and individuals associated with electrical disturbances created by their generation equipment. PGE believes that the level of insurance necessary should be analyzed in this rulemaking solely from the perspective of the risks associated with interconnection of an operating generator, and not with respect to contractual risks associated with the delivery or sale of electricity. Some parties in comments have referenced that the recent Order No. 07-360 (in docket UM 1129) examined both transactional and electrical risks with respect to small QF facilities and set a precedent that facilities under 200Kw in size should not be required to carry insurance. While the order did reference interconnection risks, PGE notes that the UM 1129 docket specifically addressed developing terms and conditions regarding QF power purchases, not interconnections. *See, e.g.*, Jan. 20, 2004 Staff Report, adopted by the Commission and initiating the docket. The parties did not sufficiently develop the record concerning interconnection safety or risks, and therefore the UM 1129 policies towards insurance required for standard contracts for QFs should not be precedential here.

Likewise, in the AR 521 docket, no party provided dispositive evidence that it is cost prohibitive for a less than 200Kw facility to obtain general liability insurance covering the facility. Some parties did suggest that specialized policies specifically designed for generating facilities might be hard to acquire for small facilities; however, we are not suggesting such specialized policies be required, only that claims regarding facilities be covered, whatever the form of insurance.

Moreover, PGE believes that it is not in the best interests of small generators to be underinsured. In the event of an electrical disturbance, a small generator could be significantly damaged, taking the facility out of service. Without insurance to help small generator's recover or repair the facility, they may be at significant financial risk. Facilities that receive financing for their construction must be able to produce electricity and use proceeds from sales of that electricity to cover debt obligations.

Additionally, if a third party is seriously injured or possibly killed due to a generation facility, the ensuing litigation or claims that may be made against the facility owner place the owner at risk of financial catastrophe. PGE believes that a prudent generator should carry reasonable amounts of insurance covering claims related to the interconnection of its facility.

3) Third-Party Contracting for Construction or Interconnection Studies. While in principle, PGE supports the ideas raised by the Energy Trust of Oregon, Inc. ("ETO") in its November 8, 2007 comments concerning using third-party contractors for interconnection construction, we believe the Proposed Rules would need to include significant additional protections. Specifically, ETO suggested that if the utility and generator cannot agree on timelines to construct necessary facilities or conduct studies for larger Tier 4 facilities, the generator should be able to substitute third parties to carry out the work.

For PGE to allow third-party contractors to work on its system, there would need to be a review process by the utility to ensure that the contractor is qualified to perform

such work. Due to critical system stability and safety risks, any contractor working on our system would need to be screened to ensure they had the experience and knowledge to properly and safely do the work. Also, there would need to be a process for the utility to review any design work, and an inspection prior to energization of any facilities constructed. Similar safeguards would need to apply to any studies performed by third-parties regarding upgrades needed on the utility's system. PGE believes strongly that it would need to be compensated for any costs associated with this oversight.

Dated this 27th day of November, 2007

Respectfully Submitted,

/S/ J. Richard George
Assistant General Counsel
Portland General Electric Company

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1967

SANDY RIVER SOLAR, LLC Complainant, vs. PORTLAND GENERAL ELECTRIC COMPANY Defendant.

EXHIBIT REC/105

SMALL GENERATOR INTERCONNECTION RULEMAKING

OREGON DEPARTMENT OF ENERGY'S COMMENTS

February 7, 2019

HARDY MYERS
Attorney General

PETER D. SHEPHERD
Deputy Attorney General

REC/105
Lowe/1

DEPARTMENT OF JUSTICE
GENERAL COUNSEL DIVISION

November 27, 2007

VIA FACSIMILE AND HAND DELIVERY

Public Utility Commission of Oregon
Attention: Filing Center
550 Capitol Street NE, Suite 215
P.O. Box 2148
Salem, OR 97301-2148
PUC.FilingCenter@state.or.us

Re: *In the Matter of a Rulemaking to Adopt Rules Related to Small Generator Connection*
PUC Docket No.: AR 521
DOJ File No.: 330-030-GN0901-07

Enclosed are an original and one copy of Oregon Department of Energy's Final Comments in the above-captioned matter for filing with the PUC today.

Sincerely,

Mark Schumack for

Janet L. Prewitt
Assistant Attorney General
Natural Resources Section

Enclosures

c: AR 521 Service List

JLP:jrs/GENW0882.DOC

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

AR 521

In the Matter of a Rulemaking to Adopt Rules Related to Small Generator Connection	**OREGON DEPARTMENT OF ENERGY'S FINAL COMMENTS**

The Oregon Department of Energy submits these final comments on the Rules Related to Small Generator Connection.

1. **The use of third party contractors (860-082-0005 (3)(b)).** ODOE supports the Energy Trust of Oregon's proposal to allow the use of third party contractors so as to meet the stated timelines and not allow unilateral waivers of such time lines. ODOE agrees with PGE's oral comment during the November 13, 2007 Hearing (Hearing) that a review and inspection process by the Public Utility is desirable.

2. **Modifications (860-082-0020 (5)):** Diane Broad (TriAxis) stated during the Hearing that the Interconnection Customer doesn't always know what kind of generator will be installed until late in the project development process. This is currently particularly true for wind turbines, in part because of the shortage of turbines. While any such change from the original equipment proposed in good faith may require additional technical studies, a new application should not be required nor should the Interconnection Customer loose its queue position.

3. **Isolation switch (860-082-0020 (9))**: ODOE supports Staff's position that an isolation device should **not** be required for small systems with a total output of 30 amperes or less connected to secondary lines with inverter-based equipment. ODOE supports the use of

Department of Justice
1162 Court Street NE
Salem, OR 97301-4096
(503) 947-4500 / Fax: (503) 378-3802

the meter base for such isolation device. ODOE also supports Staff's proposed rule that a lockable draw-out type circuit breaker with provision for padlocking at the draw-out position can be considered an isolation device.

4. Cost Responsibility (860-082-0030 (4) Interconnection Equipment):

(a) John Lowe suggested during the Hearing that the Interconnection Customer should have the option to own and operate as many of the interconnection facilities as possible provided safety and system reliability are not compromised. Justification for such provision is that it will generally lead to lower cost to the Interconnection Customer. ODOE supports Mr. Lowe's recommendation.

(b) ODOE also supports John Lowe's proposal that the Interconnection Customer should pay the utility's **actual** operating and maintenance cost associated with the interconnection facility. Mr. Lowe explained the justification for such rule in the Hearing. Based on his extensive experience, Mr. Lowe predicts that such rule will dramatically reduce the cost to the Interconnection Customer (at least for the first 10 to 20 years) and he also mentioned that it would avoid having to deal with the utility's basis for the average system cost methodology.

5. Insurance (860-082-0035): ODOE agrees with Staff's proposal to exclude systems of 200 kW or less from the liability insurance requirement. PacifiCorp argues that the discussions under UM1129 were primarily focused on financial risk and not electrocutions, etc. However, as shown in OPUC 1129 Order No. 05-584, bottom page 48, top of page 49, PacifiCorp did use the argument of fire, electrical surges and electrocution:

> "PacifiCorp asserts that indemnity clauses and insurance coverage are complementary and should be mutually included in QF contracts. PacifiCorp states that absent insurance coverage, QFs may lack the financial resources to satisfy indemnity obligations which subjects ratepayers to inappropriate risk.

Department of Justice
1162 Court Street NE
Salem, OR 97301-4096
(503) 947-4500 / Fax: (503) 378-3802

> Observing that the risks of interconnection between a utility and a QF include fire, electrical surges and electrocution, …"

Furthermore, the OPUC in its resolution statement on page 51 concludes:

> "… We also encourage the electric utilities to work, in the coming months, with QFs that have a design capacity of 200 kW or less to determine whether reasonably priced general liability insurance is available. If the utilities find that such insurance is available, parties may raise the issue again in the second phase of this proceeding."

ODOE is not aware of any utility that has come forward to date with such information on reasonable priced general liability insurance.

6. **Record keeping and reporting (860-082-0060):** As stated earlier, annual reporting in an easily accessible format will provide a record that can be used to monitor the effectiveness of these rules. While ODOE approves of Staff's listing of the requirements for such reporting, ODOE supports the Energy Trust of Oregon's justification to require additional information as listed in its November 8, 2007 written comments.

7. **Metering and Monitoring (860-082-0065):**

   (a) Based on Diane Broad (TriAxis) and Paul Woodin's (Community Renewable Energy Association) comments during the Hearing, as well as other comments received by ODOE, the **cost of telemetry** continues to be an important issue for developers of distributed electricity generation. If the rules on telemetry do not protect small business against gold plating by the utilities, the financial impact on these small businesses can be substantial. ODOE therefore objects to PacifiCorp's comments dated November 8, 2007, in which it suggests to add "where practicable" and "generally" (Comments, page 8). This leaves too much flexibility in the control of the utilities. If the Staff's proposed telemetry does not work in a specific location, the burden should be placed on the utility to petition the Commission to get a waiver and to get approval for the utility's proposed

Department of Justice
1162 Court Street NE
Salem, OR 97301-4096
(503) 947-4500 / Fax: (503) 378-3802

telemetry package from the Commission, upon a showing that the package proposed by the utility is necessary to protect the utilities system.

(b) For the same reason as stated above, ODOE objects to PacifiCorp's proposal to allow the Public Utility to require that metering equipment be capable of being interrogated telephonically (Comments, page 7). The burden should be placed on the utility to petition the Commission to get approval for such more expensive metering equipment.

(c) ODOE supports the proposal that the Interconnection Customer should pay the utility's **actual** operating and maintenance cost associated with the metering and telemetry equipment. In its November 8 Comments, PacifiCorp proposed that the Interconnection Customer should pay "the actual cost of such metering and its maintenance" (Comments, page 6). John Lowe, as expressed during the Hearing, also supports such rule.

(d) Sorensen Engineering, in its recommendations to be filed today, argues that the threshold for the requirement for telemetry should be eliminated for all distribution line interconnections or raised from 3 MW to 5 MW. ODOE supports this recommendation.

8. **Dispute resolution (860-082-0080):** In previous comments ODOE has strongly supported the adoption of a dispute resolution mechanism as an alternative to the Commission's complaint process. ODOE does not have any additional comments on the arbitration process contained in the proposed rules. However, ODOE has also requested that the Commission clarify its complaint process so that a small generator can

Department of Justice
1162 Court Street NE
Salem, OR 97301-4096
(503) 947-4500 / Fax: (503) 378-3802

adequately judge the cost of participating in that process. See Oregon Department of Energy Comments on Proposed Rules, page 2. ODOE remains concerned that the Commission's complaint process could have a disproportionate impact on small generating facilities, which generally are "small businesses" as defined in ORS 183.310(10). ODOE believes that the costs of participating in the complaint process, as well as the length of the process, could be a disincentive for the small generators to pursue legitimate interconnection issues. In light of this ODOE requests that the Commission consider adopting a specific complaint process applicable only to small generator interconnections, modeled on the Commission's rules for mediation and arbitration under the Telecommunications Act, OAR 860-016-0050. A draft of proposed rules is attached as Appendix 1.

In summary, ODOE proposes adoption of rules as outlined below. ODOE believes that these proposed changes will likely result in a decrease in the financial impacts of these rules for small businesses that develop distributed renewable energy projects.

- Either party may file a complaint, but only after a good faith attempt to resolve the dispute, and only after notice of intent to file a complaint to defendant at least 10 days before filing complaint.
- The complaint must demonstrate the good faith attempt to resolve the dispute and include a copy of the notice of intent.
- The complaint must include a statement of facts or law supporting position in dispute, including either written testimony or affidavits supporting the facts and citations supporting legal position, and a statement of the specific resolution sought.
- An answer responding to allegations in the complaint must be filed within 10 business days, also including either written testimony and affidavits and any applicable defenses.
- The Complainant can file a reply within 5 business days.

Department of Justice
1162 Court Street NE
Salem, OR 97301-4096
(503) 947-4500 / Fax: (503) 378-3802

- The ALJ holds pre-hearing conference and determines further proceedings, including whether a technical master is needed to resolve the issues; whether to permit additional discovery, and the schedule for the proceeding.
- Additional discovery is available only upon request to the ALJ on a demonstration that the request is relevant to the discovery and that the requesting party cannot obtain the information in any other way.
- Either party can request an expedited schedule.
- Intervention by third parties is discouraged and is allowed only by request to the ALJ.

DATED this 27th day of November 2007.

Respectfully submitted,

HARDY MYERS
Attorney General

0384# 05571

Janet L. Prewitt, #85307
Assistant Attorney General
Of Attorneys for Oregon Department of Energy

Department of Justice
1162 Court Street NE
Salem, OR 97301-4096
(503) 947-4500 / Fax: (503) 378-3802

AR 521 Service List

PACIFICORP OREGON DOCKETS
OREGON DOCKETS
825 NE MULTNOMAH ST
STE 2000
PORTLAND OR 97232
oregondockets@pacificorp.com

RANDY ALLPHIN
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070
rallphin@idahopower.com

DAVE ANGELL
PO BOX 70
BOISE ID 83707-0070
daveangell@idahopower.com

DIANE BROAD
TRIAXIS ENGINEERING
1600 SW WESTERN BLVD
CORVALLIS OR 97333
dbroad@triaxiseng.com

ALAN COWAN
ENERGY TRUST
alan.cowan@energytrust.org

CRAIG DEHART
MIDDLEFORK IRRIGATION DISTRICT PO BOX 291
PARKDALE OR 97041
mfidcraig@embarqmail.com

CAREL DEWINKEL
OREGON DEPARTMENT OF ENERGY - RENEWABLE ENERGY DIVISION
625 MARION ST NE
SALEM OR 97301-3737
carel.dewinkel@state.or.us

J RICHARD GEORGE
PORTLAND GENERAL ELECTRIC COMPANY
121 SW SALMON ST 1WTC1301
PORTLAND OR 97204
richard.george@pgn.com

RICK GILLIAM
SUNEDISON
590 REDSTONE DR
BROOMFIELD CO 80020
rgilliam@sunedison.com

ALAN GUGGENHEIM
CENTRAL ELECTRIC COOPERATIVE INC
PO BOX 846
REDMOND OR 97756
aguggenheim@cec.coop

JOE HENRI
SUNEDISON
5013 ROBERTS AVE STE B
MCCELLAN CA 95652
jhenri@sunedision.com

SANDRA D HOLMES
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070
sholmes@idahopower.com

JEFFREY S LOVINGER
LOVINGER KAUFMANN LLP
825 NE MULTNOMAH STE 925
PORTLAND OR 97232-2150
lovinger@lklaw.com

JOHN LOWE
SORENSON ENGINEERING
jravene@comcast.net

WENDY MCINDOO
MCDOWELL & RACKNER PC
520 SW 6TH AVE STE 830
PORTLAND OR 97204
wendy@mcd-law.com

ROBERT MIGLIORI
VOLTAIR WIND ELECTRIC
24745 NE MOUNTAIN TOP RD
NEWBERG OR 97132
windy@freewirebroadband.com

MICHELLE R MISHOE
PACIFIC POWER & LIGHT
825 NE MULTNOMAH STE 1800
PORTLAND OR 97232
michelle.mishoe@pacificorp.com

LISA D NORDSTROM
IDAHO POWER COMPANY
PO BOX 70
BOISE ID 83707-0070
lnordstrom@idahopower.com

LISA F RACKNER
MCDOWELL & RACKNER PC
520 SW SIXTH AVENUE STE 830
PORTLAND OR 97204
lisa@mcd-law.com

PETER J RICHARDSON
RICHARDSON & O'LEARY
PO BOX 7218
BOISE ID 83707
peter@richardsonandoleary.com

DAVID SHAW
ORECA
1750 LIBERTY ST SE
SALEM OR 97302-5159
dshaw@oreca.org

MICHAEL T WEIRICH
DEPARTMENT OF JUSTICE
REGULATED UTILITY & BUSINESS SECTION
1162 COURT ST NE
SALEM OR 97301-4096
michael.weirich@doj.state.or.us

MICHAEL YOUNGBLOOD
POWER COMPANY
PO BOX 70
BOISE ID 83707
myoungblood@idahopower.com

PATRICK HAGER
PORTLAND GENERAL ELECTRIC
RATES & REGULATORY AFFAIRS
121 SW SALMON ST 1WTC0702
PORTLAND OR 97204
pge.opuc.filings@pgn.com

TONI ROUSH
ROUSH HYDRO INC
366 E WATER
STAYTON OR 97383
tmroush@wvi.com

GAIL SHAW
MCMINNVILLE WATER AND LIGHT
PO BOX 638
MCMINNVILLE OR 97128
gails@mc-power.com

PAUL R WOODIN
COMMUNITY RENEWABLE ENERGY ASSOCIATION
282 LARGENT LN
GOLDENDALE WA 98620-3519
pwoodin@communityrenewables.org

MARK OSBORN
PORTLAND GENERAL ELECTRIC
121 SW SALMON ST
PORTLAND OR 97204
mark.osborn@pgn.com

CERTIFICATE OF SERVICE

I hereby certify that on the 27th day of November, 2007, I copied the foregoing OREGON DEPARTMENT OF ENERGY'S FINAL COMMENTS, electronically to the parties named on the attached service list and by hardcopy via First Class, U.S. Mail for those parties that have not waived paper service.

DATED: This 27th day of November, 2007.

Mark Schumock #05571 for

Janet L. Prewitt, #85307
Assistant Attorney General

Appendix 1 – Proposed Special Complaint Process Rules for Small Generator Interconnection:

(1) The Public Utility, Interconnection Customer or Applicant may file a complaint with the Commission as provided in OAR 860-013-0015 at any time during the negotiation process or for enforcement of an interconnection agreement, subject to the following process:

(a) At least ten days prior to filing a complaint pursuant to these rules with the Commission, complainant must give written notice to defendant and the Commission that complainant intends to file a complaint. The notice must identify the specific issues in dispute. The notice must be served as specified in (c) and (d) below.

(b) The Complaint must contain the following:

(i) A statement of specific facts demonstrating that the complainant conferred with the other party in good faith to resolve the dispute, and that despite those efforts the parties failed to resolve the dispute;

(ii) A copy of a written notice to the other party indicating that the complainant intends to file a complaint to resolve disputed issues or for enforcement of the interconnection agreement, as described in subsection (1)(a);

(iii) If applicable, a copy of the interconnection agreement or the portion of the interconnection agreement that the complainant contends was or is being violated. If a copy of the entire interconnection agreement is provided, complainant must specify provisions at issue;

(iv) A statement of the facts or a statement of the law supporting the complainant's position on the disputed issues or demonstrating the failure to comply with the agreement and stating complainant's entitlement to relief. Statements of facts must be supported by written testimony or one or more affidavits, made by persons competent to testify and having personal knowledge of the relevant facts. Statements of law must be supported by appropriate citations. If exhibits are attached to the affidavits, the affidavits must contain the foundation for the exhibits;

(c) Complainant must serve a copy of the complaint on defendant the same day the complaint is filed with the Commission. Service may be by fax or overnight mail, provided the complaint arrives at defendant's location on the same day the complaint is filed with the Commission. Service by fax must be followed by a hard copy the next day in overnight mail; and

(d) Complainant must serve a copy of the complaint for enforcement on defendant's authorized representative, attorney of record, or designated agent for service of process.

(2) The Defendant may file an answer to the complaint no later that 10 business days after the complaint is filed. The answer must comply with the following:

(a) The answer must contain a statement of specific facts demonstrating that the defendant conferred with complainant in good faith to resolve the dispute, and that despite those efforts the parties failed to resolve the dispute;

(b) The answer must respond to each allegation set forth in the complaint and must set forth all affirmative defenses;

(c) The answer must contain a statement of the facts or a statement of the law supporting defendant's position. Statements of facts must be supported by written testimony or one or more affidavits, made by persons competent to testify and having personal knowledge of the relevant facts. Statements of law must be supported by appropriate citations. If exhibits are attached to the affidavits, the affidavits must contain the foundation for the exhibits;

(d) The answer may designate one additional person to receive copies of other pleadings and documents;

(e) Any allegations raised in the complaint and not addressed in the answer are deemed admitted; and

(f) Defendant shall file with the answer, as a separate document, a response to any motion filed by complainant, and any motion defendant wishes to file that seeks affirmative relief. Nothing in this subsection shall preclude defendant from filing a motion subsequent to the filing of the answer if the motion is based upon facts or circumstances unknown or unavailable to defendant at the time the answer was filed.

(3) Service of the answer. The answer must be served as follows:

(a) Defendant must file a copy of the answer with the Commission within ten business days after service of the complaint for enforcement;

(b) Defendant must deliver a copy of the answer to complainant the same day the answer is filed with the Commission, in the manner set forth in subsections (3)(b) and (3)(c) above;

(c) Defendant must serve a copy of the answer on the complainant's attorney, as listed in the complaint, or the person who signed the complaint, if complainant has no attorney.

(4) The reply. Complainant must file a reply to an answer that contains affirmative defenses within five business days after the answer is filed. The reply must be served in the manner set forth in subsections (1)(c) and (1)(d) above. If the reply contains new facts or legal issues not raised in the complaint, the reply must also comply with

subsection (1)(b)(iv) above. If new legal issues are raised in a reply the defendant may respond to those new issues within 5 days after the reply is filed.

(5) Cross-complaints or counterclaims. A cross-complaint or counterclaim shall be answered within the ten-day time frame allowed for answers to complaints.

(6) Conference. The Commission will conduct a conference regarding each complaint for enforcement of an interconnection agreement.

(a) The Administrative Law Judge (ALJ) will, within five business days after the answer is filed, schedule a conference, to be held as soon thereafter as is practicable. At the discretion of the ALJ, the conference may be conducted by telephone;

(b) Based on the complaint and the answer, all supporting documents filed by the parties, and the parties' oral statements at the conference, the ALJ will determine whether the issues raised in the complaint can be determined on the pleadings and submissions without further proceedings or whether further proceedings are necessary. If further proceedings are necessary, the ALJ will establish a procedural schedule. The procedural schedule may include a mandatory mediation session. Either party may request that a person other than the ALJ preside over the mediation. Nothing in this subsection is intended to prohibit the bifurcation of issues where appropriate;

(c) In determining whether further proceedings are necessary, the ALJ will consider, but is not limited to, the positions of the parties; the need to clarify evidence through the examination of witnesses; the complexity of the issues; the need for prompt resolution; and the completeness of the information presented;

(d) The ALJ may make oral rulings on the record during the conference on all matters relevant to the conduct of the proceeding.

(7) Discovery. A party may file with the complaint or answer a request for discovery, stating the matters to be inquired into and their relationship to matters directly at issue.

(8) Expedited procedure. When warranted by the facts, the complainant or defendant may file a motion requesting that an expedited procedure be used. The moving party shall file a proposed expedited procedural schedule along with its motion. The ALJ will schedule a conference to be held as soon after the motion is filed as is practicable, to determine whether an expedited schedule is warranted. If a determination is made that an expedited procedure is warranted, the ALJ shall establish a procedure that ensures a prompt resolution of the merits of the dispute, consistent with due process and other relevant considerations. The ALJ shall consider, but is not bound by, the moving party's proposed expedited procedural schedule;

(9) Formal discovery procedures will be allowed only to the extent deemed necessary by the ALJ. Parties will be required to cooperate in good faith in voluntary, prompt, and informal exchanges of information relevant to the matter. Unresolved discovery disputes

will be resolved by the ALJ upon request of a party. The arbitrator will order a party to provide information if he/she determines the requesting party has a reasonable need for the requested information and that the request is not overly burdensome.

(10) Only the two negotiating parties will have full party status. The arbitrator may confer with Staff for assistance throughout the arbitration process. If Staff assistance is desired, the arbitrator will notify (by telephone or other means) the parties at least 24 hours before the consultation with Staff. The parties may attend or listen to the consultation and may respond in a manner allowed by the arbitrator.

(11) For disputes that raise primarily technical interconnection issues, and on request of either party or on the ALJ's own motion, the ALJ may designate a technical master to assist in resolution of such disputes. The findings and recommendations of the technical master shall be included in the record of the complaint.