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Solar Parties Comments in Response to Utilities Proposed Tariffs 3-11-2020

The Oregon Solar Energy Industries Association (OSEIA) and Coalition for Community Solar Access (CCSA) (hereto after referred to as “Solar Parties”) provide these comments in response to the proposed interconnection (and associated procedures and agreements) and purchase agreement tariffs filed by the three utilities: Portland General Electric (PGE)¹; PacifiCorp²; and Idaho Power Company³ (IPC).

Most notably, the Solar Parties endorse the comments filed by the Renewable Energy Coalition (Coalition) on February 19⁴ in response to the utilities draft purchase agreements, as well as the Coalition comments filed on March 10⁵ in response to the utilities proposed interconnection agreements (and associated documents). The Solar Parties defer to the legal expertise of the Coalition in its review and input of these technical tariffs. In addition, the Solar Parties reiterate their support for the issues raised by a number of organizations (including OSEIA and CCSA) on February 24⁶, in response to the draft purchase agreement contracts filed by the utilities on February 7⁷.

That said, the Solar Parties do have several general comments and recommendations to make regarding the proposed tariffs. In addition, the Solar Parties have supplemental input regarding concerns and considerations on the treatment of projects with potential deliverability-related network upgrades.

General Comments & Recommendations

As with the Coalition, the Solar Parties primary comment and recommendation with the utilities proposed tariffs are that they should be closely modeled after the existing standard PURPA contracts (in the case of the proposed purchase agreements) and existing small generator interconnection rules (for the community solar program interconnection agreements). Any deviations from these existing documents and processes should only be designed to accommodate community solar program-specific

¹ PGE’s proposed tariffs. <https://edocs.puc.state.or.us/efdocs/HAD/um1930had17226.pdf>

² PacifiCorp’s proposed tariffs. <https://edocs.puc.state.or.us/efdocs/HAD/um1930had154744.pdf>

³ Idaho Power’s proposed tariffs. <https://edocs.puc.state.or.us/efdocs/HAD/um1930had165329.pdf>

⁴ Coalition comments (2/19/2020). <https://edocs.puc.state.or.us/efdocs/HAC/um1930hac142414.pdf>

⁵ Coalition comments (3/10/2020). <https://edocs.puc.state.or.us/efdocs/HAC/um1930hac174454.pdf>

⁶ OSEIA, Renewable NW, CCSA, Verde, Bonneville Environmental Foundation, and Spark NW comments (2/24/2020). <https://edocs.puc.state.or.us/efdocs/HAC/um1930hac1777.pdf>

⁷ Staff memo which included draft purchase agreements from individual utilities (2/7/2020). <https://edocs.puc.state.or.us/efdocs/HAH/um1930hah16181.pdf>

needs. Existing small generator interconnection rules and PURPA standard contract documents are well-vetted and understood in Oregon. While these rules may not be perfect and even subject to potential changes through efforts in different dockets, the community solar program is not an appropriate time or place to introduce or debate new elements unrelated to community solar. This is particularly true given the program began accepting applications on January 21 and we are now in a rush to finalize the remaining aspects so that projects can confidently move forward with pre-certification. The aim should be toward simplicity and transparency, with an eye toward not making unnecessary changes that fuel confusion or increase costs and financeability risks.

Unfortunately, the Coalition's comments demonstrate the utilities have not taken the path of least resistance with their proposed tariffs and have instead introduced new terms and conditions that are inconsistent with what's typically used for small qualifying facilities in the State. Some of the proposed changes result in greater restrictions and obligations relative to standard agreements and potentially undermine project owner and investor confidence in the program.

Further, the utilities did not provide redlined versions of existing agreements with explanations of proposed changes. The lack of clarity creates additional concern for the Solar Parties that other issues may be missed or overlooked during this rapid review period.

As such, the Solar Parties support the Coalition's request for the utilities to file redlined versions of the proposed tariffs. In addition, the Solar Parties would recommend that this incremental utility filing include responses to the Coalition comments submitted on March 10.

Per communication from Staff, the Solar Parties are supportive of a workshop taking place the week of March 16 to allow the utilities and stakeholders to vet remaining disputes over tariff terms, conditions, and processes. This might be the most efficient means for Staff to hear positions and responses from all parties. To further support the efficiency of a workshop, the Solar Parties again recommend that the utilities provide redlined versions of standard documents with their proposed changes so that Staff and stakeholders can most clearly see the deviations that are being made on otherwise tested and understood agreements and studies.

Concerns with Process for Network (Deliverability) Upgrades

The Solar Parties are highly appreciative of the effort by Staff, the utilities, and other stakeholders to produce interconnection solutions that were ultimately adopted by the Commission for the community solar program. It is encouraging and exciting to see active projects being submitted into the community solar queue in PacifiCorp's territory, though the Solar Parties also recognize this is a pilot approach that needs to be tested before we have clear conclusions on its success.

That said, while the Solar Parties are hopeful that right-sizing projects to not exceed minimum daytime load (MDL) on specific feeders will avoid deliverability upgrade needs, industry experience over the past few years has (justifiably) fueled a healthy skepticism of how this solution may play out in practice in PacifiCorp territory. Specifically, the Solar Parties are concerned with the potential for projects triggering notices through the transmission service request (TSR) that require deliverability network upgrades and the uncertainty with regards to who (if anyone) will cover those costs. Further, not knowing definitively whether this is an issue until after signing a purchase agreement (as proposed by PacifiCorp) potentially

creates significant risks for a project (and the program) moving through the post- pre-certification process.

For example, what if a project were to: 1) obtain a completed energy resource (ER) system impact study (SIS) (which includes an “informational” network resource (NR) study that does not anticipate deliverability needs); 2) then moves forward with becoming pre-certified in the program; 3) followed by obtaining subscribers; 4) followed by obtaining an interconnection agreement and then executed purchase agreement; 5) only to then learn through a TSR that the project has triggered major network upgrade needs of which the Commission is unwilling to allow ratepayers to cover. This would mean that the project manager had spent significant capital and resources in completing the interconnection process and obtaining subscribers only to find out several months after being pre-certified that the project is no longer viable. The result would not only be a major financial hit for the project manager but also a bad experience for customers and black eye for the program.

The Solar Parties understand that this is a pilot that involves lesson learning through experience, however as a pilot it should also have some protection for first movers. The Solar Parties recommend considering “backstops” to provide increased confidence for the most qualified projects moving through the process. For example, if no or minimal network upgrades are identified during the “informational” network resource system impact study, then the project should be relieved of any potential deliverability network upgrade costs that might be identified during the TSR. If upgrades are identified during the study process, the Commission must review and approve of the upgrades identified and cost recovery mechanism ahead of the actual TSR. Both of these approaches would provide greater confidence for projects considering pursuing pre-certification and would ensure there are no major hurdles introduced by a TSR months after pre-certification that could drastically disrupt project development and subscriber engagement.

The Solar Parties are interested in exploring additional scenarios and potential solutions with the utilities and Staff regarding the network upgrade issue along with other components included in the tariffs during an upcoming workshop.

Respectfully submitted,

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