

UM 2000 Questions

Introduction and Purpose

On January 31, 2019 the Commission held a workshop to discuss the potential for changes in the implementation of PURPA in Oregon. As part of that meeting the Commission requested responses to three questions:

- (1) What are the key characteristics of successful future PURPA implementation in Oregon?
- (2) What are the top two PURPA implementation issues the Commission should address?
- (3) Should the Commission make interim changes to PURPA implementation while it undertakes a broader review?

At the February 14, 2019 Public Meeting the Commission opened an investigation into PURPA Implementation. As part of that investigation Staff is gathering information for an upcoming public workshop, scheduled for April 5. Responses to the questions below will help in developing the scoping of the investigation.

Staff would like to develop a comprehensive list of issues as part of the investigation scope. Within the list Staff plans on identifying items that may be fast-tracked versus those that may take more time to study. In responses provided feel free to identify which items may be appropriate for a more expedited process and which are not. In addition, please identify any a party believes could be settled in short order.

As part of the discussion Staff would like to ensure all stakeholders have a common understanding of practices currently in place, with discussion starting with this shared framework. As such, some of the questions below ask for information on current practices which may be in utility schedules, contracts, or websites. In response to these questions utilities may direct parties to the appropriate sections of existing documents, or webpage as opposed to recreating them in their responses.

In the questions below, Set A is directed to the utilities. These are factual questions, included to create reference materials on how the process currently works. The intent is to establish a common baseline to inform consideration of the current PURPA implementation in Oregon for all parties.

Questions included in Set B are directed at all stakeholders. These questions are generally designed to explore ways to improve PURPA implementation in Oregon.

Set A

Current utility practices.

1. Please provide a high-level description of modeling used to set avoided cost prices, including:
 - a. A description of variables included
 - b. Modeling methodology including software used

2. Please explain the process that a QF goes through when requesting an energy sales agreement with a utility. For this process include the following information, and note any differences between applications for standard rates, standard contracts, or non-standard contracts.
 - a. List any software programs that aid in the application process
 - b. Provide a complete timeline, with breakdowns for each step of the process
 - c. Provide a complete list of informational requirements from the QF
 - d. Provide a list of data/information issues that could impede the contracting process
3. Please describe the interconnection process that a QF is currently required to follow. With this description please note any differences between QFs and any other projects requesting interconnection and explain the rationale behind any such differences.
 - a. List the point of contact in the utility.
 - b. Provide a timeline that an interconnection request follows. Please include all relevant steps from submission request to actual connection.
 - c. Provide a complete list of informational requirements from the QF.
 - d. Provide a list of data/information issues that could impede the interconnection process.
 - e. Provide a description if and/or how this process interacts with requesting an energy sales agreement.
4. Please provide a list of any utility resources that could help inform QF developers as to locations that would benefit from, or face challenges to development.
5. How do utilities treat QFs with storage currently for PURPA purposes?
 - a. How is the capacity determined for such a project
 - b. Would a renewable generator collocated with storage be eligible for renewable avoided cost pricing? Please explain.
6. When can existing QF projects renew their QF contracts? Can a renewal occur prior to the expiration of the current contract? If so, how long before expiration of the current contract can a QF enter into a new contract?
7. Please explain transmission requirements for new QFs. Please explain any differences for existing versus new QFs related to transmission requirements.
8. How are QF contracts treated in long-term planning processes? Are the assumptions consistent for IRP planning as those used in other internal planning processes? Are existing QF contracts assumed to renew or not renew at the end of a contract? Please explain.

Set B

General Questions

9. Should the current standard pricing methodology be retained? If not, what should the methodology be? Please describe in detail, and provide examples of where the proposed methodology may currently be in use. If not, in this description include the following:
 - a. How proposal meets customer indifference standard
 - b. How proposal meets need for transparency
 - c. Ability to update avoided costs on a regular basis without the need for an extended regulatory process.
10. Should separate price streams be offered for a nonrenewable and a renewable avoided resource? If yes, please explain why and provide a description of the proposed avoided cost pricing methodology. In this description include the following:
 - a. How proposal meets customer indifference standard
 - b. How proposal meets need for transparency
 - c. Ability to update avoided costs on a regular basis without the need for an extended regulatory process.
11. Should documents and models used in the standard pricing and contracting practices be changed to be consistent for all utilities?
 - a. Should standard PPAs be modified such that the bulk of the document is the same for each utility? Please explain.
 - b. Should the spreadsheet models used to calculate standard prices be modified so that inputs and outputs are easily found and compared?
 - c. If standard contracts become homogenized across utilities with less flexibility, how could the OPUC be involved in non-standard contract development and negotiation?
12. Please provide any ideas related to generally improving the efficiency of the regulatory process associated with updating avoided cost prices
13. Please explain an optimal process for a QF requesting an energy sales agreement with a utility. For this process please note any differences between applications for standard rates, standard contracts, or non-standard contracts.
14. Please describe an optimal interconnection process for a QF requesting interconnection.
15. How should storage be treated under PURPA implementation? Please discuss treatment for stand-alone storage, storage collocated with non-renewable generation, and storage collocated with renewable generation. Provide the applicable avoided cost pricing approaches for the listed possibilities.

16. How should existing projects be treated under PURPA implementation? Please address the following, in addition to any other relevant topics.
 - a. Renewals
 - b. Pricing (including capacity treatment)
17. Should the existing dispute resolution process be continued? If not, how should it be changed?
18. Please share your recommendations to reduce the volume of litigation regarding complaints.
19. What existing resources (educational, etc.) do you know of that could benefit the Commission and other stakeholders during or prior to the investigation?
20. What is the best process for the Commission to educate, inform and engage itself and its stakeholders around the questions related to PURPA implementation?
21. Given recent utility practice of acquiring resources on an economic basis, outside of need, should the Commission change the current practice of using IRP resource acquisition to define resource sufficiency/deficiency (thereby defining payments for capacity)?
 - a. If yes, how should the Commission determine eligibility and pricing for capacity payments?
22. When in the process of contracting should a legally enforceable obligation (LEO) be obtained?
23. Currently, a QF can have a LEO or executed contract, fail to achieve commercial operation, and as a practical matter not be required to pay a penalty to the utility because the utility's costs to replace the QF's power do not exceed the costs the utility would have incurred under the contract. Would imposing a different type of penalty for non-performance once a LEO is obtained or a contract executed be appropriate? Please explain.
24. What is required for a QF project to receive financing?
25. Assuming a two-phase process, what issues do you believe could be fast-tracked within Phase 1?
26. Assuming a two-phase process, what issues do you believe need additional time for analysis? (i.e. should be addressed in Phase 2)
27. Please share one to two specific suggestions you would make to change how the cost of network upgrades are assigned and socialized? Describe why your suggestion is reasonable in terms of how the cost would allocated?
28. Please provide any additional comments or concerns that you would like to see addressed in this investigation.