

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 2111

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Investigation Into Interconnection
Process and Policies

JOINT ANSWERS TO STAFF'S
QUESTIONS ON BEHALF OF THE
COMMUNITY RENEWABLE
ENERGY ASSOCIATION,
RENEWABLE ENERGY
COALITION, AND NORTHWEST &
INTERMOUNTAIN POWER
PRODUCERS COALITION

I. INTRODUCTION

The Community Renewable Energy Association (“CREA”), the Renewable Energy Coalition (the “Coalition”), and the Northwest & Intermountain Power Producers Coalition (“NIPPC”) (collectively the “Interconnection Trade Associations”) respectfully submit these answers in response to the Oregon Public Utility Commission (the “Commission”) Staff’s questions.¹ The Interconnection Trade Associations appreciate the Commission’s commitment to investigating how to improve the interconnection process for generators in Oregon.

¹ Staff Announcement at 2-3 (Mar. 11, 2022).

II. ANSWERS

Staff proposed several questions to in order to “help focus the issues and prioritization more fully.”² Below are the Interconnection Trade Associations’ responses to those questions.

A. Staff’s Proposed Group 1 Issues Related to Projects Driven by State Policy

Staff’s first question is:

1. Given Staff’s concerns with interconnection issues being a roadblock to the projects driven by state policy (including incentives and grants), are Staff’s proposed Group 1 issues the three most effective issues for these specific generators to cost-effectively interconnect? If not, which three issues are and why?³

The Interconnection Trade Associations believe our three top issues are the most important for all projects, including the projects driven by state policy, in order to most efficiently and cost effectively interconnect. The three top issues are: 1) an interconnection customer’s option to build (or hire third parties to build) interconnection facilities and network upgrades; 2) an interconnection customer’s opportunities to hire third parties to perform interconnection studies; and 3) a process through which an interconnection customer may challenge utility cost estimates and propose alternatives.

B. Action Most Effective at Reducing Interconnection Costs in Short-Run

Staff’s second question is:

² Staff Announcement at 2.

³ Staff Announcement at 2.

2. Which of the following actions would be most effective at reducing interconnection costs in the next twelve months and why (select one)?
- a. Improving the analysis and other utility practices that identifies the upgrades and associated costs,
 - b. Providing transparency about current utility analysis, data, assumptions, prices, and other practices
 - c. Improving tools that allow interconnection customers the ability to contest cost estimates, and prevent them from changing?⁴

The Interconnection Trade Associations believe “c. Improving tools that allow interconnection customers the ability to contest cost estimates, and prevent them from changing” would be the most effective short-term action to reduce interconnection costs because it gives the interconnection customer the ability to challenge and verify utility studies and estimates.

C. Overlap Between Discussions with Hosting Capacity Analysis and Distribution System Planning

Staff’s third question is:

3. What is the best way to address the overlap between Hosting Capacity Analysis (HCA) discussions occurring in Distribution System Planning (DSP) and Staff’s proposal for Group 1, which is to modernize the screens and other thresholds used in the interconnection study process which are used to identify the need for further study and/or major upgrades *and* modernize the upgrades that the studies identify. For example, Staff’s original proposal is for DSP forums to continue to work on mapping/data transparency under current utility practices as well as the planning use case *if* DSP parties choose to dedicate DSP resources to continuing that work. Once Group 1 issues are resolved,

⁴ Staff Announcement at 2.

those policies should be incorporated into transparency/mapping efforts under DSP and parties can explore in UM 2111 whether to use the interconnection use case HCA and maps as part of the interconnection process.⁵

The Interconnection Trade Associations have no comment on this question at this time.

D. Deprioritize Storage and Advanced Inverter Issues to Accelerate Group 3 or Group 4 Issues

Staff's fourth question is:

4. Do you support the Interconnection Trade Association suggestion that storage and advanced inverter issues should be deprioritized to accelerate discussion of Group 3 (or Group 4) issues? If so, please explain how the Group 3 (or Group 4) issues are better positioned to address root cause issues for broad generator types, will best enable the community and resiliency projects driven by state policy (including grants and incentives) and will best maximize decarbonization value through enabling smarter, flexible resources?⁶

The Interconnection Trade Associations support moving storage and advanced inverter issues to a stakeholder led process in order to allow Staff to accelerate discussion of Group 3 and Group 4 issues, specifically the Interconnection Trade Associations top three issues. The ability to hire third party contractors to conduct studies and construct facilities and establishing a process to challenge utility cost estimates and propose alternatives will benefit all projects in Oregon, including community and resiliency

⁵ Staff Announcement at 2 (emphasis in original).

⁶ Staff Announcement at 2.

projects driven by state policy. The Interconnection Trade Associations also support deprioritizing: “Modernizing and right-sizing the upgrade options considered when an upgrade is needed.”

In Oregon, there have been numerous issues with interconnection, including but not limited to major delays in the interconnection process, excessive interconnection costs, errors in interconnection studies, and lack of ability to vet utility decisions regarding interconnection. All of these issues have caused significant issues between interconnection customers and the utilities. Improvements to the interconnection process will increase the certainty and predictability of project development in Oregon, as well as ease concerns about utility obstruction and lessen the tensions between utilities and interconnection customers.

Addressing these important issues first will increase certainty and predictability of project development in Oregon, ensure interconnection customers can effectively challenge utility costs estimates, and reduce Commission workload and utility complaints.⁷ Without the ability to hire third parties to construct facilities and conduct studies, or a process to challenge utility cost estimates and propose alternatives, minor changes like the IEEE standard will not be as impactful. If minor changes like the IEEE standard are addressed first, then there will still be these root interconnection issues that

⁷ These issues are the focus of several complaints before the Commission. *See* Joint Comments on Behalf of CREA, the Coalition, and NIPPC at 4-5 (Feb. 24, 2022).

delay the process and limit development. Thus, issues from Groups 3 and 4 should be prioritized.

E. Working Group Process

Staff’s fifth question is “5. How should the working group process and what can the working group do to facilitate resolution of contested issues?”⁸

The Interconnection Trade Associations believe working groups should identify which issues can be resolved through a collaborative working group process and which cannot. Also, the working group process can be a tool to identify the differences in legal, policy, and factual positions of the various stakeholders. Issues that stakeholders are not likely to come to an agreement on that will not benefit from the working group should be parsed off for the Commission to resolve them in this proceeding. The Commission should not wait until any issues in a working group are resolved until addressing issues that have no stakeholder consensus. Both processes can happen simultaneously.

F. Interconnection Rules Based On Interconnection Point Instead of Size and Policy

Staff’s sixth question is “6. Do you support IREC’s suggestion to switch from organizing our interconnection rules based on size and policy (e.g., Net Metering, SGIP, LGIP) to point of interconnection (distribution or transmission).”⁹

⁸ Staff Announcement at 3.

⁹ Staff Announcement at 3.

The Interconnection Trade Associations do not yet have a position on IREC's suggestion, but look forward to engaging with Staff and the stakeholders to understand the potential benefits associated with IREC's suggestion. The Interconnection Trade Associations note that it may be appropriate to switch for only certain sizes or types of interconnections, but not all interconnections. For example, it might be appropriate for larger interconnection customers that are interconnected at a transmission voltage to be treated different, but maintain the current tiers (Net Metering, SGIP, and LGIP) for distribution interconnections.

G. Topics from Groups 1 and 4 that Could Be Addressed without a Staff-Led Process

Staff's seventh questions is:

7. Which topics under the umbrella of Group 1 or Group 4 could be addressed without a Staff-led process? Is there another way to accelerate Group 3 or Group 4 issues without diverting resources from Group 1?¹⁰

The Interconnection Trade Associations believe the following issues from Group 4 have the potential to be addressed without a Staff-led process: 1) whether to adopt rules for 10-20 MW Oregon jurisdictional generators (Rule Structure); and 2) Remedies for utility and generator violations of rules/processes, reasonable, non-discriminatory, good faith actions (Interconnection Process). However, if stakeholders were unable to

¹⁰ Staff Announcement at 3.

reach an agreement, then the issues should be litigated, and the Commission issue an order resolving any disagreements.

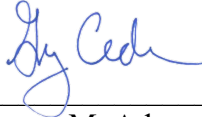
III. CONCLUSION

The Interconnection Trade Associations still recommend reorganizing the issues in Group 1 to address higher-priority issues for interconnection customers.

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Respectfully submitted,

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