

April 22, 2020

VIA EMAIL

Attn: Service List UM 1930

Re: Reply to Staff Proposal regarding Interconnection Study Review Services

PacifiCorp, d/b/a Pacific Power (PacifiCorp) provides these comments in response to the Public Utility Commission of Oregon (Commission) Staff’s “Draft proposal: Interconnection Study Review Services” (herein referred to as the “Staff Proposal”). The Staff Proposal is based on the Request for Information (RFI) issued by Staff for third-party expert interconnection study review services (also referred to herein as “third-party review services”) available to prospective Community Solar Program (CSP) generators. The Staff Proposal presents the RFI results; the services and terms that Staff developed based on its goals and the information received from the RFI; two proposed tiers of review services; eligibility for the review services; and RFP evaluation criteria. Staff seeks feedback to seven enumerated questions. PacifiCorp provides brief comments to some of the enumerated questions. Additionally, PacifiCorp respectfully seeks clarifications regarding the potential third-party review services. In general, while PacifiCorp questions the need for third-party review services, to adhere to the legislative task of minimizing cost-shifting to non-participants,¹ it is paramount that public utility customers not pay for the costs of third-party review services.

I. Non-participating public utility customers should not pay for costs of third-party review services.

ORS 757.386(2)(a) directs the Commission to establish a [Community Solar] program that provides electric customers with the opportunity to share the costs and benefits of solar generation. Section (2)(b) directs the Commission to adopt rules that, among other items, minimizes the shifting of costs from the program to ratepayers who do not own or subscribe to a community solar project.² As noted in the Staff Proposal, Order No. 19-392 authorized the Staff to issue a RFI for third-party review services. However, Order No. 19-392 also required ratepayer protection regarding third-party review services. In particular, Order No. 19-392 stated:

Ratepayer protection: Staff finds that more analysis and a better understanding of third-party costs is required to understand whether *the benefits of third-party review will exceed the costs*, and whether the costs can be borne by CSP Project Managers or ratepayers.³ (emphasis added)

¹ See e.g., Order No. 19-392 at 2.

² Order No. 19-392, Appendix A at 1.

³ *Id.*, Appendix A at 15.

It is unclear if the Staff Proposal will lead to a weighing of benefits versus the costs of third-party review services. However, it is clear that the benefits of the third-party review services are solely for CSP developers, the CSP Program Administrator, and/or Program Managers (PM). Non-participant customers will not benefit from third-party reviews of CSP studies.

The Staff Proposal addresses the issue of payment for these costs. For example:

- In dollars, how much can a PM contribute to a standard review? Does that amount vary based on the type of PM, such as a community-based organization or private developer?⁴
- Should non-community-based organizations pay less than 100 percent of the cost of the standard review? If so, why?⁵
- Cost sharing: Projects must commit to covering some or all of the costs of the services.

The standard review will require some amount of cost share between the PM and CSP start-up funds. The cost share level will be informed by the bids received in the RFP and stakeholder input on this draft proposal.⁶

It appears from these statements that sharing of costs could occur between the CSP developer and/or the PM. However, it is unclear whether the Staff Proposal intends for the public utility customers to bear any of the costs. To that end, PacifiCorp: (1) strongly opposes non-participant customers paying for these costs, and (2) believes adhering to the legislative task of minimizing the shifting of costs necessitates customers not paying for third-party services.

II. Third party review services can take place within existing interconnection timeframes.

Staff requested comments on whether standard [review] services should be modified to better align with interconnection processes and timelines.⁷ Staff asked whether there is flexibility in the timelines for CSP generators.⁸ If the question is whether the existing time frames are sufficient to allow for third-party review services, the answer is “yes.”

The two studies at issue are the System Impact Study and the Facilities Study. Under the approved PacifiCorp CSP Interconnection Procedures, PacifiCorp must provide a CSP Interconnection Applicant (Applicant) with an executable facilities study agreement within five

⁴ Staff Proposal at 6.

⁵ *Id.* at 6.

⁶ *Id.* at 5.

⁷ *Id.* at 6.

⁸ *Id.* at 6. PacifiCorp interprets the question as referring to the standard review services that are explained beginning on page 3 of the Staff Proposal.

Business Days of completing the System Impact Study.⁹ The Applicant then has 15 Business Days to execute the facilities study agreement.¹⁰ Similarly, PacifiCorp is required to provide an executable interconnection agreement within five business days after an approved Application.¹¹ The Applicant then has 15 Business Days to execute the interconnection agreement.¹² Based on PacifiCorp's experience, third-party review studies can readily take place during these 15-day periods. This is especially true given the studies are only at a distribution-level.

In addition, following the issuance of a System Impact Study, PacifiCorp sets up a meeting with the developer to review the results. This provides an opportunity for questions to be asked regarding the System Impact Study results. It is important to note that because there are rarely additional requirements identified in the Facilities Study above what was identified in the System Impact Study, there is a lower likelihood of disputes regarding the Facilities Study.

Based on the above, there is sufficient time within the existing timeframes to allow third-party review services to take place. However, in the event that a developer believes it needs additional time, then the CSP Interconnection Procedures also provides for dispute procedures.¹³

III. Other comments and questions regarding the Staff Proposal.

In addition to the costs of third-party review services, PacifiCorp offers the following comments for the Staff and Commission's consideration:

- The Staff Proposal states, "The RFP will seek a fixed price per standard review. Standard services will be capped at 25 hours."¹⁴

Is the 25 hours intended to be for each Tier 1 review or for Tier 1 reviews in total during the 12 month contract?

- For all three items under "Tasks" for the Tier 1 review.¹⁵

The bidder should be allowed to offer additional/replacement items that it believes will be needed for the review based on their experience.

- Under "3. Report to Commission" it states, "If the consultant does not receive at least 10 requests to review studies within the 12 month contract—including at least

⁹ CSP Interconnection Procedures at Section (I)(7).

¹⁰ *Id.* at Section (I)(7)(c).

¹¹ *Id.* at Section (D)(5)(e).

¹² *Id.*

¹³ CSP Interconnection Procedures at Section L.

¹⁴ Staff Proposal at 3.

¹⁵ *Id.* at 3 and 4.

one study from PGE and PAC—the Commission may request that the consultant review a sample of publicly posted CSP studies and report to the Commission in an audit-like capacity.”¹⁶

To clarify, if no requests for review are received, does Staff nonetheless intend to expend money on review services? If there are no requests for reviews, it may indicate a lack of a need for reviews as there are no disputes regarding the studies.

- Under “Tier 2 Enhanced Review”.¹⁷

It is unclear whether there will be a cap on the hours associated with this type review.

IV. Questions regarding potential third-party review services.

PacifiCorp offers the following questions regarding the implementation of third-party review services.

- The Commission should consider whether to authorize third-party review services only if there is first a dispute raised regarding the CSP interconnection studies. Under this approach, the Commission would be assured there is a potential need for such services.
- If third-party review occurs and the reviewer recommends alternative technologies or other solutions, who has the final say in whether the alternative technologies have to be implemented? Will there be a process developed where such disputes can be brought before the Commission for a final determination?
- If public utilities are required to implement technologies recommended by a third-party reviewer, who is liable if damages result from the alternative technologies?
- If public utilities are required to implement technologies that are not currently being used by the public utility, who pays for the operation and maintenance costs of the new equipment or facilities?

PacifiCorp respectfully recommends that questions such as the ones listed above be fully considered prior to the Commission authorizing third-party review services for CSP projects. PacifiCorp appreciates the opportunity to provide these comments.

¹⁶ *Id.* at 4.

¹⁷ *Id.* at 5.

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Respectfully submitted this 22nd day of April, 2020.



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