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2 **BEFORE THE PUBLIC UTILITY COMMISSION**
3 **OF OREGON**

4 UM 2032

5 In the Matter of

6 PUBLIC UTILITY COMMISSION OF
7 OREGON,

8 Investigation into the Treatment of Network
9 Upgrade Costs for Qualifying Facilities.

STAFF'S PROPOSED
ISSUES LIST

9 **Background**

10 At the July 30, 2019 public meeting, Staff presented its recommendation to open several
11 different investigations regarding the implementation of PURPA, including an investigation into
12 the appropriate cost allocation of interconnection-related Network Upgrades for qualifying
13 facilities (QFs). During the meeting, stakeholders asked the Commission to expand the scope of
14 the investigation into the cost allocation of Network Upgrades to include additional issues such
15 as whether utilities should be required to allow generators to hire third parties to conduct
16 interconnection studies and to build Network Upgrades. After some discussion the Commission
17 ordered:

18 The Administrative Hearings Division shall consider, following a
19 prehearing conference and after considering recommendations from the
20 parties, whether the scope of the investigation into the treatment of
21 network upgrade costs for QFs should be expanded to include a limited
22 number of additional, discrete issues related to interconnection of QFs.¹

23 Staff and parties to Docket No. UM 2032 have conferred regarding the appropriate scope
24 of this docket and have not reached agreement. Instead the parties agreed that on April 27, 2020,
25 Staff will submit a proposed issues list to the Administrative Law Judge and parties will file
26 comments regarding their recommendations for the scope of the investigation on May 4, 2020.

26 _____
¹ *In the Matter of the Oregon Public Utility Commission Request to Adopt a Scope and Process
for the Investigation into PURPA Implementation* (Docket No. UM 2000); Order No. 19-254.

1 Staff anticipates that the ALJ will hold a prehearing conference to consider the scope of the
2 investigation and the procedural schedule on May 18, 2020.

3 **Proposed Issues List**

4 Staff recommends limiting the initial phase of this docket to the following questions as
5 Staff recommended to the Commission in July 2019

- 6 1. Who should be required to pay for Network Upgrades necessary to
7 interconnect the QF to the host utility?
- 8 2. Should on-system QFs be required to interconnect to the host utility with
9 Network Resource Interconnection Service (NRIS) or should QFs have the
option to interconnect with Energy Resource Interconnection Service (ERIS)
or an interconnection service similar to ERIS?
- 10 3. If the answer to Issue No. 1 is that users and beneficiaries of Network
11 Upgrades, (which typically are primarily utility customers), should pay for the
12 Network Upgrades necessary to interconnect the QF to the host utility, how
13 should that policy be implemented? For example, should utility customers,
14 and other beneficiaries and/or users, fund the cost of the Network Upgrades
upfront or should the QF provide the funding for the Network Upgrade subject
to reimbursement from utility customers? Should the QF, utility customers,
and other beneficiaries and users, if any, share the costs of Network
Upgrades?

15 Staff recognizes that the following issues identified by the Renewable Energy Coalition
16 (REC), the Community Renewable Energy Association (CREA), and other intervenors are
17 appropriate to include in a general investigation of interconnection process and policies.

- 18 1. What are the appropriate circumstances under which an Interconnection
19 Customer should be provided an option to build (or hire third parties to build) Network
20 Upgrades?
- 21 2. What are the appropriate circumstances under which an Interconnection
22 Customer should have an opportunity to hire third parties to perform Interconnection
23 Studies?
- 24 3. What is the appropriate process through which an Interconnection Customer
25 may challenge utility cost estimates and propose alternatives?

26

1 4. In what circumstances should identified transmission upgrades should be
2 reviewed using power flow analysis to confirm that the upgrades are necessary and
3 prudently designed and sized.

4 Staff does not recommend investigating the additional issues identified by the QFs
5 in the initial phase of Docket No. UM 2032. Instead, Staff believes the issues identified by
6 the QFs are appropriately addressed in a broader investigation of interconnection issues
7 that is not tied to the timeline to resolve the specific Network Upgrade issues. The
8 questions raised by the QFs are technical and of interest to all interconnection customers
9 subject to the Commission’s jurisdiction, including Community Solar Program projects and
10 net metering customers. Staff does not believe it is appropriate to incorporate these issues
11 into this narrow investigation of how costs of Network Upgrades for QFs should be
12 allocated.

13 Staff anticipates recommending that the Commission open a general investigation into
14 interconnection process and policies relatively soon. However, Staff commits that if the general
15 investigation is not opened prior to the resolution of the issues identified by Staff in this docket,
16 Staff will not object to considering the issues identified by the QFs in a second phase of this
17 docket.

18
19 DATED this 27th day of April 2020.

20 Respectfully submitted,

21 ELLEN F. ROSENBLUM
22 Attorney General

23 */s/ Stephanie Andrus*

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25 Sr. Assistant Attorney General
26 Of Attorneys for Staff of the Public Utility
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