

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

3 UM 2032

4 In the Matter of
5 PUBLIC UTILITY COMMISSION OF
6 OREGON,
7 Investigation into the Treatment of Network
8 Upgrade Costs for Qualifying Facilities.

**STAFF REPLY COMMENTS
ON SCOPE OF DOCKET**

9 **Proposed Issues List**

10 In its Comments filed on April 27, 2020, Staff recommended limiting the initial phase of
11 this docket (Phase 1) to the following questions as Staff recommended to the Commission in
12 July 2019:

- 13 1. Who should be required to pay for Network Upgrades necessary to
14 interconnect the QF to the host utility?
15 2. Should on-system QFs be required to interconnect to the host utility with
16 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?

17 Depending on the Commission's resolution of Issues 1 and 2, Staff noted that a
18 second phase may be necessary to address how to implement the Commission's
19 decisions. If so, Staff recommends a second phase of the docket (Phase II) to address the
20 following issue:

- 21 3. If the answer to Issue No. 1 is that users and beneficiaries of Network
22 Upgrades, (which typically are primarily utility customers), should pay for the
23 Network Upgrades necessary to interconnect the QF to the host utility, how
24 should that policy be implemented? For example, should utility customers,
25 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?

1 The Alliance of Western Energy Customers (AWEC) and the Joint Utilities¹ support
2 Staff’s proposed issues list.² The Northwest and Intermountain Power Producers (NIPPC), the
3 Renewable Energy Coalition (the Coalition), and the Community Renewable Energy Association
4 (CREA) (together the “Industry Associations”) agree the first two issues are appropriate, but
5 believe the third issue should be incorporated into the first stage.³ In addition, the Industry
6 Associations urge the Administrative Law Judge (ALJ) to expand the scope of this docket with
7 three additional issues.⁴

8 Staff continues to recommend limiting the scope of this investigation as proposed in its
9 opening comments. As noted in Staff’s opening comments, this investigation was one of several
10 opened to address issues related to implementation of Public Utility Regulatory Act (PURPA).
11 At issue in this docket is whether and how a generator’s status as a qualifying facility under
12 PURPA should impact the Commission’s decision regarding the allocation of costs to
13 interconnection. The generator’s status as a QF is pertinent to this question because a non-QF
14 generator may purchase both interconnection and transmission service from the host utility while
15 a QF generator only purchases interconnection service. The utility’s merchant function is the
16 transmission customer for purposes of transmitting QF energy.

17 In contrast, the generator’s status as a QF or non-QF has no impact, to Staff’s knowledge,
18 on the resolution of the issues the Industry Associations ask to be included in this docket.⁵
19 Accordingly, the issues are not appropriately included in this docket opened to investigate
20 PURPA implementation issues.

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23 ¹ The Joint Utilities are Idaho Power Company, Portland General Electric Company, and
PacifiCorp.

24 ² See Comments of the Alliance of Western Energy Customers (May 4, 2020) and Joint Utilities’
Comments on Staff’s Amended Proposed Issues List (May 4, 2020).

25 ³ NIPPC, CREA, and the Coalition Comments on Staff Proposed Issues List (May 4, 2020).

26 ⁴ Id.

⁵ Id.

1 The Industry Associations ask that the scope of this docket encompass three
2 additional issues to “address the industry’s concerns over the most egregious and
3 unreasonable utility behaviors in the interconnection process, relate to the network
4 upgrades issues proposed by Staff, and can be considered in isolation from the remaining
5 concerns with the interconnection process.”⁶ While Staff recognizes the Industry
6 Associations’ concern about quick resolution of their issues, the desire for speed does not
7 support inclusion of these general interconnection issues in this PURPA-implementation
8 related docket.

9 In its comments filed on April 27, 2020, Staff recognized the Industry Associations’
10 wish to have its additional issues addressed soon and noted that Staff anticipates recommending
11 that the Commission open a general investigation into interconnection process and policies
12 relatively soon. Staff commits to making this request no later than July 1, 2020⁷ to accommodate
13 the Industry Associations’ interest in moving forward quickly with these issues.

14 Staff also recognizes the Industry Associations’ interest in combining the third issue with
15 the first two in the opening phase of this docket. However, Staff does not think resolving the
16 first two issues will be a lengthy process and does not believe resolving the third issue in a
17 second phase will be harmful.

18 DATED this 11th day of May 2020.

19 Respectfully submitted,

20 ELLEN F. ROSENBLUM
21 Attorney General

22 /s/ *Stephanie Andrus*

23 _____
24 Stephanie Andrus, OSB # 925123
25 Sr. Assistant Attorney General
26 Of Attorneys for Staff of the Public Utility
Commission of Oregon

25 _____
26 ⁶ Id.

⁷ Staff notes that it may not proceed as quickly (i.e., by July 1, 2020), if the ALJ grants the Industry Associations’ request to expand the scope of this docket.