

September 11, 2025

VIA ELECTRONIC FILING

Public Utility Commission of Oregon
201 High Street SE, Suite 100
Salem, OR 97301-3398

Attn: Filing Center

Re: Docket AR 674—PacifiCorp’s Comments on Staff’s Straw Proposal

PacifiCorp d/b/a Pacific Power (PacifiCorp or the Company) provides these initial comments on the Public Utility Commission of Oregon (Commission) Staff’s small scale renewables (SSR) rulemaking straw proposal (Straw Proposal).

PacifiCorp appreciates the fast-track nature of the current rulemaking, which contemplates formal amendments to the Commission’s SSR rules by the end of the year. PacifiCorp believes these efforts will greatly inform the ability of Oregon utilities to procure resources to comply with the SSR mandate. The comments below offer initial perspectives on the Straw Proposal, and PacifiCorp will provide more detailed comments after review of Staff’s proposed rule language.

I. Straw Proposal Comments

PacifiCorp’s comments address four issues: Should the SSR mandate remain a generating capacity standard? What criteria should be included in rule to determine SSR eligibility? How should aggregate electrical capacity be calculated? Are there additional compliance criteria that could be appropriate to include in rule?

A. Should the SSR mandate remain a generating capacity standard?

The Straw Proposal notes that “generation types that are RPS-eligible are eligible SSRs . . . SSRs do not need to provide utilities with RECs for retirement for SSR compliance.”¹ The Straw Proposal and initial workshop also concluded that the SSR mandate should remain a generating capacity standard.

For the reasons discussed in the prior SSR rulemaking,² PacifiCorp believes this conclusion is correct: The standard is measured by “aggregate electrical *capacity*,”³ not “*electricity* sold by an electric company to retail electricity consumers” under Oregon’s renewable portfolio standard.⁴

¹ Straw Proposal, at 1.

² *In re OPUC SSR Rulemaking*, Docket No. AR 622, PacifiCorp Response Comments, at 1-3 (Nov. 5, 2021); PacifiCorp Initial Comments, at 1-4 (Feb. 21, 2021).

³ ORS 469A.210(1).

⁴ *E.g.*, ORS 469.052(1)(h).

One measures physical capacity of a generation facility, the other measures delivered electricity. The Commission should retain these features going forward.

However, PacifiCorp requests the Commission amend OAR 860-091-0030(1) to remove the requirement that resources “must be an Oregon Renewable Portfolio Standard-approved generator”. As discussed during the first SSR workshop, the ongoing administrative burdens of registering, and maintaining, a Western Renewable Energy Generation Information System account and RPS-certification with the Oregon Department of Energy may prevent certain entities from developing SSRs.

The Commission could remove this language, and still meet the requirements of ORS 469A.210(2)(a), through other means. The Commission could replace “-approved” in OAR 860-091-0030(1), with “-eligible” or something similar that would limit the burden on SSR developers to receive and maintain RPS certification. Similar to qualifying facility self-certification under FERC regulations,⁵ this could be implemented by requiring SSR projects to self-certify that a resource is RPS-eligible to satisfy the criteria of ORS 469A.210(2)(a).

The Commission could also consider striking OAR 860-091-0030(1) in its entirety, as the statutory standard in ORS 469A.210(2) provides adequate guidance to the regulated public of what types of resources satisfy the SSR standard. Similar to the conditions included in PacifiCorp’s reissued 2025 SSR Request for Proposal,⁶ utilities could establish minimum eligibility requirements that implements the statutory language that SSRs must have “a generating capacity of 20 megawatts or less that generate electricity utilizing a type of energy described in ORS 469A.025.”⁷

While the Company would prefer striking OAR 860-091-0030(1), the Company would support any approach that removes the requirement for SSRs to receive and maintain RPS certification, because it would likely facilitate better results for Oregon customers.

B. SSR Eligibility

The Straw Proposal provides more certainty on what resources do, or do not, qualify as SSRs. Given the significant variety of renewable resource categories that ostensibly could be SSR-eligible in Oregon, PacifiCorp strongly supports efforts to clarify which resources qualify as SSR resources. PacifiCorp responds to several issues in the Straw Proposal, and raises additional resource categories for the Commission’s consideration.

⁵ *E.g.*, 18 C.F.R. § 292.207(a) (discussing process for self-certification); FERC Form 556 available here: <https://www.ferc.gov/media/form-no-556>.

⁶ PacifiCorp’s 2025 SSR RFP, at 5 (discussing eligibility requirements) (available here: https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/suppliers/rfps/2025-orssr-rfp/2025ORSSR_RFP_Main_Document2.pdf).

⁷ ORS 469A.210(2)(a).

i. “Front-of-Meter” or “Behind the Meter” Resource Eligibility

The Straw Proposal notes that “front-of-meter resources incorporated into a microgrid or other resilience project configuration should count for SSR compliance,”⁸ while the First Workshop slide deck indicates that “behind the meter” resources are not SSR eligible.⁹

While resource location is relevant for many purposes (*e.g.*, PURPA storage resources need to be located behind a customer’s meter), PacifiCorp believes these terms are less instructive for SSR eligibility. For example, there are “behind the meter” resources that are SSR eligible (QFs), while others are not (net metered facilities). There are also “front-of-meter” resources that are SSR eligible (utility owned or operated under 20 MW resources that generate electricity from RPS-eligible resources), while others may not be without further Commission clarification (community solar resources).

Instead of determining SSR eligibility based on where a resource is sited, or who owns the resource, similar to above the Commission should clarify that all resources that generate electricity from “RPS-eligible” generation sources, satisfy the 20 MW nameplate capacity threshold, and serve Oregon retail customers, are SSR eligible.

This could be accomplished with a variety of approaches (for example amending OAR 860-091-0030 to specify which resource categories are SSR-eligible), or including guidance in a Commission rulemaking adoption order to that effect. This more general approach would, for example, would ensure SSR-eligibility for qualifying facilities,¹⁰ community-based renewable energy resources (which are distinct resources from SSRs), and community solar resources,¹¹ and would not preclude additional resource categories that may arise in the future from being SSR eligible just based on where they are sited (behind or front-of meter).

ii. Collocated Storage

The Straw Proposal notes that “standalone storage or the storage component of hybrid renewable plus storage systems are not eligible SSRs,”¹² though Staff invited “feedback on the treatment of storage paired with generating resources.”¹³ Under the law, PacifiCorp agrees that standalone storage resources are not SSR eligible because they do not “generate” electricity.¹⁴

⁸ Straw Proposal, at 2.

⁹ First Workshop Staff Slide Deck, at 9.

¹⁰ There appears to be consensus that QFs can be SSR-eligible. *E.g.*, *In re Commission Investigation of PURPA Standard Rates*, Docket No. UM 2000, Staff Phase 1 Proposal Update, at 2 (discussing avoided cost implications for Qualifying Facilities resources that otherwise contribute to utility SSR requirements, and no parties have contested this adder) (Aug. 26, 2024).

¹¹ Staff’s Straw Proposal supports concluding these resources are SSR-eligible. Straw Proposal, at 1. PacifiCorp strongly supports this proposal for the reasons discussed in PacifiCorp’s prior declaratory ruling petition. *In re PacifiCorp SSR Declaratory Ruling*, Docket DR 58, Petition, at 7 (May 2, 2025).

¹² *Id.* at 1.

¹³ First SSR Workshop Slide Deck, Slide 9.

¹⁴ ORS 469A.210(2); PacifiCorp Declaratory Ruling Petition, at 21.

That said, it may be a different question whether the nameplate capacity from collocated storage resources should contribute to SSR-eligibility, because storage resources increase the nameplate capacity of the attached SSR-eligible resource. The Commission could account for this additional nameplate capacity provided by a storage facility, so long as the facility was collocated with an RPS-eligible generation resource, and as long as the cumulative nameplate capacity did not exceed 20 MWs. In this scenario, similar to the 20 MW cap for biomass facilities in ORS 469A.210(2)(b), if a 10 MW storage resource were charged by a 10 MW SSR-eligible resource, the project as a whole would result in 20 MWs of SSR eligibility. This could be accomplished with adding the following language to OAR 860-091-0030 to discuss SSR-eligible resources include: “Up to 20 MWs of the cumulative nameplate capacity of collocated storage and generation resources.”

iii. Microgrids

The Straw Proposal notes that certain front-of-meter “microgrid or other resilience” projects should be SSR-eligible.¹⁵ PacifiCorp does not necessarily disagree. However there are certain resources—like “front-of-meter” third-party owned or operated microgrids enabled by recent Oregon legislation¹⁶—that raise significant jurisdictional and federal preemption issues, in addition to complex grid operator responsibilities, reliability requirements, state utility obligations, and third-party liability issues, among others, that should be reserved for a future microgrid-specific investigation. Given the complexity of these issues and the need to initiate additional microgrid rulemakings to implement HB 2065 and 2066, PacifiCorp recommends the Commission decline to address any microgrid-related issues generally, and any “front-of-meter” microgrid issues specifically, until a later date. This approach would retain the fast-track rulemaking schedule for the current phase of this rulemaking.

iv. Surplus Interconnection Services

The Straw Proposal notes that resources “that are otherwise SSR eligible should count for SSR compliance if they use surplus interconnection.”¹⁷ PacifiCorp strongly supports this recommendation, for the reasons in the Company’s prior declaratory ruling petition.¹⁸ To the point, resources that otherwise satisfy all of Oregon’s SSR requirements, and that are interconnected to PacifiCorp’s system through surplus interconnection services, should qualify as SSR resources.

¹⁵ Straw Proposal, at 2.

¹⁶ *E.g.*, 2025 OR Laws Ch. 471 (House Bill 2065); 2025 OR Laws Ch. 472 (House Bill 2066).

¹⁷ *Id.*

¹⁸ *E.g.*, Petition, at 13, n. 61 (“The FERC notes that SIS “could reduce costs for interconnection customers by increasing the utilization of existing interconnection facilities and network upgrades rather than requiring new ones, improve wholesale market competition by enabling more entities to compete through the more efficient use of surplus existing interconnection capacity, and remove economic barriers to the development of complementary technologies such as electric storage resources that may be able to easily tailor their use of interconnection service to adhere to the limitations of the surplus interconnection service that may exist.”); *Leveraging surplus interconnection could unleash 800 GW of energy the US needs today*, Utility Dive (Feb. 21, 2025) (“Surplus interconnection, which allows new energy projects to plug into existing interconnection infrastructure at plants with low capacity factors, could nearly double the generation in the United States by 2030 and at a fraction of the cost and time of a traditional interconnection process.”) (available here: <https://www.utilitydive.com/news/surplus-interconnection-gridlab-berkeley-report/740262/>).

This conclusion would apply, among other scenarios: (1) if the prior existing resource is SSR compliant or not (e.g., where the prior resource under the existing large generator interconnection agreement is a natural gas plant, or a wind facility greater than 20 MWs, neither of which is SSR compliant), and energy from the SSR resource comingles with energy from the prior existing facility prior to delivery to the transmission grid; (2) if the prior resource under the existing LGIA has any priority over the SSR that results in curtailment of generation from the SSR; or (3) if there are multiple 20 MW SSR SIS compliant resources that exceed the nameplate capacity of the original resource's LGIA.

Given the overlap with FERC requirements, the Commission may prefer to avoid including surplus interconnection language in Commission regulations. Instead, similar to AR 622, the Commission should include guidance in its rulemaking adoption order that SSRs would be eligible to interconnect with surplus interconnection services. This would provide adequate guidance for the regulated public that SSRs are eligible for surplus interconnection, and avoid any confusion that could arise regarding these federal interconnection standards.

If the Commission instead sought to establish this requirement in rule, the Commission could amend the definition of nameplate capacity in OAR 860-091-0010(2) to the following: “Nameplate capacity” means the full-load electrical quantities assigned by the designer to a generator and its prime mover or other piece of electrical equipment, such as transformers and circuit breakers, under standardized conditions, expressed in amperes, kilovoltamperes, kilowatts, volts, or other appropriate units. Nameplate capacity is usually indicated on a nameplate attached to the individual machine or device, and is not impacted or otherwise reduced by state or federal interconnection agreements.”

v. *PURPA Location and Ownership Rules*

The Straw proposal notes that if resources share an interconnection agreement, SSRs would need to satisfy certain PURPA aggregation rules.¹⁹ PacifiCorp would like to explore what PURPA rules are contemplated.

For example, the Commission's current location and ownership requirements for standard rate eligibility for qualifying facilities in OAR 860-029-0045(4)(a)-(d) would limit the pool of SSR-eligible resources. For example: the adoption or application of OAR 860-029-0045(4)(a)-(b) would prohibit two SSRs from being sited within five miles of each other if owned, directly or ostensibly, by the same person or affiliate; OAR 860-029-0045(4)(c) would permit passive investment on SSRs located within five miles under certain specific conditions; and OAR 860-029-0045(4)(d) would exclude certain shared interconnection facilities, among others, from the five mile rule.

Similar requirements exist if the Commission instead incorporated FERC location or ownership rules. FERC created an irrebuttable presumption that QFs that use the same energy and located

¹⁹ Straw Proposal, at 2.

one mile or less from each other, are located at the same site and would trigger PURPA's 80 MW capacity limit,²⁰ while facilities between one and ten miles can rebut this presumption.²¹

Depending on how broadly Staff sought to place SSR compliance under state or federal PURPA location or ownership rules, it could effectively cancel out most of the benefits provided by the use of surplus interconnection—multiple SSR resources that would otherwise pursue surplus interconnection would not satisfy these requirements. This could result in only one SSR resource per SSR developer having the ability to pursue surplus interconnection services at any given location.

The Commission should decline to incorporate either state or federal PURPA regulations, as it would prevent SSR developers from leveraging the ability to develop multiple SSRs at a single location.

First, Oregon customers benefit when resources utilize economies of scale and shared facilities. Allowing multiple SSRs in close proximity is more likely to result in lower resource costs and increase the likelihood that the project(s) will succeed and benefit local communities. Customers benefit when high fixed cost elements—such as roads, operations and maintenance facilities, substation(s)—are spread across more energy capacity. If SSRs do not have proximity or ownership limitations, then multiple SSRs could share high fixed cost elements and reduce unit energy costs.

Second, the law does not require nor support proximity or ownership requirements. In three short sections, the SSR mandate establishes a requirement for 10 percent of a utility's aggregate electrical capacity to include RPS-eligible resources 20 megawatts or less.²² The law is silent regarding any location or ownership constraints like those proposed in Staff's Straw Proposal. As the Commission's role is "not to insert what has been omitted"²³ in ORS 469A.210, the Commission should avoid expanding the plain language of the law.

Third, including some combination of location or ownership constraints would frustrate SSR development. To the point, PacifiCorp's initial 2025 SSR RFP did not result in a single SSR-eligible resource bid. The Commission should avoid creating requirements that would narrow the pool of SSR-eligible resources, given the documented challenges that currently exist for SSR procurement.

If, however, the Commission decides to move forward with location or ownership constraints, PacifiCorp would recommend a measured approach. For example, the Commission could amend OAR 860-091-0030 to include a new subsection similar to the following: "OAR 860-091-0030(x)—The eligible nameplate capacity of multiple resources located within five miles of each other, that are owned or operated by the same person or affiliate, cannot exceed 80 MWs." This would permit SSR developers to propose up to four, 20 MW resources within five miles of each

²⁰ 18 CFR § 292.204(2)(i)(A).

²¹ 18 CFR § 292.204(2)(i)(C).

²² ORS 469A.210(1)-(3).

²³ ORS 174.010.

other, while establishing modest location and ownership requirements that do not frustrate SSR development.

C. Aggregate Electrical Capacity

PacifiCorp strongly supports additional clarity on how to calculate aggregate electrical capacity, and responds to several issues below regarding the treatment of storage resources, demand response and flexible load response, and the calculation of SSR nameplate capacity.

i. Storage Resources

Staff's Straw proposal notes that "community-sited storage resources and grid-connected customer-sited storage resources decrease aggregate electrical capacity by the resources' nameplate capacity."²⁴

PacifiCorp represents this approach is administratively burdensome, and would frustrate storage resource development. If adopted, the Commission would need to define what qualifies as a "community-sited" storage resource, which would become unwieldy. It would be difficult to determine what storage resources are "community-sited-enough," which could require the Commission to identify specific geographic locations that are "communities." Given PacifiCorp's six-state service territory, and that SSR's do not need to be sited in Oregon, the Commission would need to specify which geographic areas in each state are "communities." If the Commission sought to define "communities" based on population, the Commission would need to address claims from rural areas, where population is not a sufficient indicator of what defines a "community." If not based on population, and instead on shared cultural, racial, or socioeconomic values, the Commission would need to determine what demographic information would be relevant, and how developers and utilities could have access to this information to inform storage resource development practices.

These definitional exercises would dampen storage resource development. To avoid this result, consistent with PacifiCorp's Declaratory Ruling Petition,²⁵ the Commission should exclude all storage resources from aggregate electrical capacity.

This would be correct under the law. For example: (1) ORS 469A.210 and Commission regulations are silent regarding any mention of storage resources; (2) "aggregate electrical capacity" discussed in ORS 469A.210(2) must be composed of "electricity generated by" SSR resources, and OAR 860-091-0020(1) defines aggregate electrical capacity as the total nameplate capacity of a utility's "generation resources to serve Oregon load"—yet batteries do not generate electricity; (3) for PacifiCorp specifically, OAR 860-091-0020(2) defines aggregate electrical capacity as the nameplate capacity of PacifiCorp's "system generation allocated to Oregon retail customers"—which is silent on storage resources; and (4) nameplate capacity in OAR 860-91-0010(2) only discusses "an generator and its prime mover or other piece of electrical equipment,"—which again, is focused on generators, and silent on storage resources.

²⁴ *Id.* at 2.

²⁵ Petition, at 19.

This conclusion is also reasonable. First, it results in symmetrical treatment between the denominator and numerator in PacifiCorp's SSR compliance obligation. When calculating the denominator, SSRs must generate electricity from a list of approved sources described in ORS 469A.025.²⁶ This list of resources does not include standalone storage resources. If standalone storage resources cannot be counted when determining the nameplate capacity of qualifying SSRs, it would be reasonable to conclude that storage resources should not be counted in determining PacifiCorp's aggregate electrical capacity. To do otherwise would result in a 10 percent additional SSR compliance obligation for each MW of storage resources allocated to serve Oregon retail load, even though none of these resources contribute to Oregon's SSR mandate.

Second, excluding storage resources from PacifiCorp's SSR compliance obligation will likely result in greater benefits for customers. While storage resources co-located with qualifying SSRs will increase the overall cost of SSR resources compared to standalone SSR resources (because it requires the construction of two resources), co-located storage resources have the potential to greatly increase the benefits that SSR resources can provide to customers (by storing and dispatching excess renewable energy when needed). However, if storage resources are included in PacifiCorp's aggregate electrical capacity (incurring an additional 10 percent SSR compliance obligation for each MW of capacity that serves Oregon retail load), the economic value of qualifying SSRs and co-located storage resources drops significantly. Instead of receiving the benefits of storage resources attached to SSRs, customers would be penalized with an additional 10 percent SSR obligation for each MW of storage resources attached to qualifying SSRs.

This is an important issue. PacifiCorp has recently procured material storage resources, amounting to over 523 MWs of stand-alone nameplate capacity, and an additional 550 MWs of storage resource co-located with solar resources.²⁷ PacifiCorp's 2025 IRP calls for an additional 2,072 MWs of storage resources by 2035.²⁸ A portion of these resources will be allocated to serve Oregon retail customers consistent with PacifiCorp's then-relevant multistate cost allocation methodology. If energy storage systems are included in PacifiCorp's aggregate electricity capacity, this would significantly increase PacifiCorp's SSR compliance obligation.

If the Commission decides to exclude storage resources from aggregate electric capacity, the Commission could amend OAR 860-091-0020 and adopt the following language: "OAR 860-091-0020(x) Aggregate electrical capacity does not include storage resources." The Commission could then consider adding additional resources to this exclusion from the calculation of aggregate electrical capacity if necessary.

²⁶ ORS 469A.210(2)(a).

²⁷ *In re PacifiCorp's 2025 IRP*, at 118, 122 (available here:

https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/energy/integrated-resource-plan/2025-irp/2025_IRP_Vol_1.pdf

²⁸ *Id.* at 7.

ii. Demand Response and Flexible Load Programs

The Straw Proposal notes that “demand response and flexible load programs decrease aggregate electrical capacity by the program capacity.”²⁹ PacifiCorp supports this recommendation, and similar to above, believes this could be accomplished by creating a new sub-section in ORS 860-091-0020(x) that excludes whichever categories the Commission determines would not be relevant for calculating aggregate electrical capacity.

iii. SSR Nameplate Capacity

The Straw Proposal notes that “in order to create a clear compliance target, SSR nameplate capacity should be excluded from aggregate electrical capacity for compliance purposes.”³⁰ PacifiCorp strongly supports this recommendation. Similar to above, this could be accomplished by creating a new sub-section in ORS 860-091-0020(x) that excludes whichever categories the Commission determines would not be relevant for calculating aggregate electrical capacity.

D. Compliance Criteria

The Straw Proposal notes that “in order to create a clear compliance target, aggregate electrical capacity should be measured one year prior to the compliance date for compliance purposes.” For the similar reasons listed in PacifiCorp’s prior declaratory ruling petition, PacifiCorp strongly supports this recommendation.³¹ PacifiCorp believes this can be best accomplished by amending OAR 860-091-0040(3) to state: “The report required in section (1) of this rule must include the following information regarding the electric company’s aggregate electrical capacity that serves Oregon load during the prior reporting year: . . .”

The Commission could also consider how best to account for SSR resources that a utility has procured, but that fail to achieve commercial operation by the planned deadline. PacifiCorp represents that the typical timeline for resources to become operational after executing agreements is 2-4 years. PacifiCorp’s current 2025 SSR RFP is seeking resources with a guaranteed COD by the end of 2029.³² Under the current Straw Proposal, if PacifiCorp contracted for a resource in 2026, and it fails to become operational by end of 2029, PacifiCorp would have 12 months to find a replacement SSR resource to include in its annual SSR report (or for the contracted resource to come online). This extra year provides a beneficial buffer, however it may not be adequate to address the current changes in federal trade and tax policies that may significantly impact the typical 2-4 year development timeline.

Given current SSR procurement challenges, if the Commission wants to address this issue during the current rulemaking proceeding, PacifiCorp can provide draft redline language to inform the Commission’s consideration and discuss during the next SSR workshop.

²⁹ Straw Proposal, at 2.

³⁰ *Id.*

³¹ Petition, at 22.

³² *E.g.*, PacifiCorp 2025 SSR RFP, at 5 (available here: https://www.pacificorp.com/content/dam/pcorp/documents/en/pacificorp/suppliers/rfps/2025-orssr-rfp/2025ORSSR_RFP_Main_Document2.pdf).

II. CONCLUSION

PacifiCorp appreciates the opportunity to provide initial comments on the Straw Proposal and looks forward to additional discussion during the next workshop.

Please contact Amira Streeter at (971) 242-6282 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Meredith". The signature is fluid and cursive, with a prominent initial "R" and "M".

Robert Meredith
Director, Regulation

Pacific Power