

Public Utility Commission of Oregon  
201 High Street SE  
Salem, OR 97301  
July 24, 2019

**RE: Docket on. UM1930 – Comments on DRAFT Proposal for Community Solar Interconnection**

To Whom it May Concern:

Pine Gate Renewables appreciates the opportunity to submit comments on Staff's proposed interconnection changes for the community solar program. We believe staff has adequately identified the current issues with Oregon utilities' interconnection process as they relate to community solar program implementation. While this proposal is an important step in the right direction, we are concerned with the timing of the interconnection stakeholder process as projects are expected to begin the pre-certification process in November 2019 a mere four months away. To facilitate a speedy process, Changes to the community solar program's interconnection procedures should be made on a pilot basis. Implementation of any changes will need to occur on a very expedited timeframe to give developers the clarity necessary to proceed with development milestones associated with the community solar program. In a typical development environment, interconnection is one of the first matters to be clarified between the developer and the interconnecting utility. The timing of interconnection information is important because it concerns the engineering of a potential project and can trigger unavoidable network upgrade costs which must be fully understood before a project can move forward. This information can typically be found relatively early in a project's development cycle. Once interconnection feasibility is known then zoning and offtake discussions begin.

Due to the interconnection issues in Oregon, for many projects interconnection costs will be one of the last pieces of information discovered. This would cause many projects in the pre-certification queue to have to withdraw and creates unnecessary exposure to zoning and program costs. The community solar program is a good petri dish for a pilot interconnection procedure as it provides a sterile program on which to test changes and it has offers diverse sizing and locations to test new procedures on.

The interconnection cost risk will be mitigated by a variety of factors included in Staff's proposal. First, allowing projects to interconnect as Energy Resources rather than as Network Resources will mitigate load deliverability requirements greatly reducing transmission upgrade costs. All transmission upgrades should be able to be rate based for community solar projects. Allowing projects to interconnect at Energy Resources will reduce the cost burden on Oregon ratepayers for transmission upgrades. Cost sharing of distribution and transmission system upgrades is being pursued in other markets<sup>1</sup> such as New York<sup>2</sup>. Staff's proposal of post-upgrade reimbursements makes sense in principle but was found to not work well in practice in New York. A post upgrade reimbursement approach deters viable projects from proceeding

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<sup>1</sup> <https://www.nrel.gov/dgic/interconnection-insights-2018-08-31.html>

<sup>2</sup>

<http://www3.dps.ny.gov/W/PSCWeb.nsf/ArticlesByTitle/F48A96F91C2A950E85257C45005C8E10?OpenDocument>

with interconnection because as first movers, they carry the full cost burden of any and all upgrades. It offers further complications for developers as interconnection costs change depending on the number of projects interconnecting to a substation. Take an example where 4 projects are interconnecting to a substation that requires \$1,000,000 in upgrades. Project 1 in that queue would need to pay the full \$1MM dollar cost with the expectation that the eventual cost would be \$250,000 once they are reimbursed by the other projects. A project could drop out of the queue at the eleventh hour changing the upgrade cost of all the other projects in the queue. These other projects may be in the final stretch of development and be unable to shoulder these large shifts in unavoidable costs. The pilot should implement a preemptive upgrade program where the utility rather than the developer would be best suited to procure the upfront capital necessary for the upgrades. Once upgrades are completed the project interconnecting reimburses the utility through a pro-rated fee based on the cost of the upgrade, network capacity, and project capacity. While this increases the risk of over building DG capacity, upgrades could be limited to community solar program capacity to reduce the risk of over building.

Many questions still exist with the pilot approach. Many potential community solar projects have already submitted interconnection requests. How would these projects be pulled out of the current queue and placed into the pilot queue? How would projects be able to self-identify as community solar projects without having their offtake allocated in the program? If self-identified CSPs were unable to receive pre-certification, would those projects then be eligible to interconnect under their community solar queue study even though they are no longer community solar projects, or would they need to resubmit into the general utility queue? A separate queue would incentivize all potential solar projects smaller than 3MW to apply as prospective community solar projects to quicken their study timelines and to jump other projects in the queue. To prevent gaming of the new system, stringent requirements will be necessary to prevent non-community solar projects from entering the pilot, which Pine Gate believes are entirely achievable with careful rulemaking.

Pine Gate Renewables will continue to follow the implementation of Staff's proposal closely and is looking forward to continued stakeholder engagement.

Sincerely,

Evan Bixby  
Market Lead  
[ebixby@pgrenewables.com](mailto:ebixby@pgrenewables.com)  
(607)245-6230