



January 16, 2020

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

RE: Docket No. UM1930-Comments on DRAFT Proposal for Community Solar Interconnection

To Whom it May Concern:

Sunthurst Energy, LLC (“Sunthurst”) appreciates Staff’s and other stakeholders’ work in refining Docket No. UM 1930, and the opportunity to comment on Staff’s January 13, 2020 memo.

Staff’s recommendation to adopt the Utilities’ Implementation Plan based on its parsed language is disappointing. If implemented, the Plan will solidify changes that were not supported by industry stakeholders’ comments and likely thwart a robust CSP that the legislators and ratepayers expected. Several improvements to the proposed Plan are warranted.

The bridge implementation plan rules are needed because nothing is in place and the program is launching in less than one week. But the rules are not equitable. Despite the CSP being codified in 2016, PUC is now jamming a ‘bridge plan to interconnection’ for several reasons: a) the management of this docket timeline was held up to sync with RVOS that proved a poor fit; b) PacifiCorp stopped processing CSP interconnection requests starting in July 2018; and c) CSP interconnection issues couldn’t be resolved in 12 months, apparently. The resulting cost of the indefinite delays to developers—including rents, payrolls, and opportunity costs—is very large, and beyond what anyone expected.

Because of the high costs of indefinite delays, stakeholders were eager to implement improvements to the interconnection process—*provided that* the improvements benefitted all CSPs equitably. Along with OSIEA/CCSA and others, Sunthurst stated that a foundational premise for any CSP separate queue was to not prejudice qualifying CSP that had seniority in the existing transmission interconnection queue. Nobody said “3 MW CSPs need not apply”; rather the stakeholders embraced a path intended to be inclusive of all CSPs. The bridge implementation plan is not inclusive. It does not provide a viable path for large (up to 3 MW) CSPs to interconnect in a definite time at a reasonable cost. And by the time those issues finally are resolved, small CSPs are likely to have subscribed to the full Tier 1 CSP allotment.

The proposed rules will keep stranded 16 of 18 pending large (up to 3 MW) CSP projects in the PacifiCorp traditional queue.¹ An equitable solution would expedite CSP-qualifying project interconnections while respecting the CSP’s position obtained in the existing traditional queue. Staff’s proposed rules, including the MDL feeder proxy, abandon projects that cannot pass the MDL feeder proxy screening—virtually all of the 2-3MW projects. Staff stated in endorsing these rules (page 10), they are *hopeful* some relief to backlogged projects will occur. All this time and effort to create a robust CSP program and at best we’re left with *hope* these rules will result in timely CSP interconnection study by the utilities?

¹ This is the number of CSP-sized projects in the PacifiCorp transmission queue that are not eligible for the simplified process because they exceed the MDL proxy test, or where PacifiCorp has not disclosed feeder data necessary to make a determination. See PacifiCorp transmission data from UM 2001.

Adopting these bridge plan rules creates a dilemma for 3 MW, traditional queued CSP projects. Under the staff report and bridge implementation plan, a developer who has not received a study verifying cost on OASIS's traditional queue can elect to reduce the project size to UM2001 MDL feeder proxy limits to obtain some interconnection cost information. However, in doing so, the project drastically reduces the amount of system upgrade costs it can afford (due to its reduced output) and forfeits its position in the traditional queue for its 3 MW project. Alternatively, the developer can maintain his 3 MW project position without any assurance when it will be processed or what rules will be applied.² In addition to the cost of further indefinite delays, the developer is now exposed to the risk that all of the Tier 1 CSP allotment will be subscribed before his interconnection study can be completed. This may occur even though the 3 MW project was first in line under SB 1547's implementation process and first in line with its transmission service request.

Were PacifiCorp to process pending interconnection requests in a timely fashion with reasonable criteria, the stranded 3MW projects would have a chance to be successful. In prior studies in 2015-16, QFs (including CSP-sized requests) were allowed where they exceeded the MDL on a feeder circuit when the local area, defined as the area pocket, had excess demand relative to generation. Costs of interconnection for 3 MW CSPs were often surmountable. This should continue to be the case, but only if PacifiCorp resumes timely processing of interconnection requests. Staff fails to recognize that, in helping the smallest CSPs with the proposed bridge implementation plan, it is harming larger CSPs that were in the queue prior to many small CSPs and prior to PacifiCorp arbitrarily suspending its interconnection study process.

Also, last fall, PUC Staff encouraged utilities to investigate and consider less expensive requirements for CSPs, such as taking into account existing relay trip circuit protections and energy storage as factors when determining eligibility criteria for the CSP queue. Cost sharing was also recommended and stated as desired for several reasons and supported by stakeholder groups. These helpful recommendations are thwarted in the proposed bridge implementation plan rules. Below, we commented in our Oct 7, docket comments (and was supported by industry stakeholders):

“Interconnection recommendation #2: Begin developing models for cost-sharing between generators. Absolutely, UM1930 is a rare and timely opportunity to encourage cost-sharing opportunities. As rightly stated, this information would be very beneficial to Staff and PUC for consideration on UM2000 and UM2001.

Furthermore, the Joint Utilities expressed willingness to study two projects jointly to facilitate cost sharing, provided that the projects must be located near each other and enter the CSP interconnection queue at the same time. The spirit of the Joint Utilities was also expressed in Joint Utilities' CSP Interconnection Proposal, August 16, 2019, p. 3.

Staff remains committed to these goals; however it supports a plan that allows these goals to be deferred to the point where they will not benefit persons seeking a portion of the Tier 1 allotment.

In sum, the CSP queue, coupled with the utilities' bridge plans, cull out 3 MW traditional queue projects by size, and leave unresolved Staff's other desired interconnection solutions. The resulting treatment of larger CSP

² At UM 1930 Workshop #1, stakeholders were told interconnection parties were being contacted with updates when they could expect their study to be completed. No direct contact or specific dates were received, only a filing stating that it interconnection requests could take up to 2 additional years to complete.

projects in the traditional interconnection queue is unfairly harsh compared to the treatment of 360kW projects and non-profit CSPs which are receiving flexibility in project support, financial waivers, and streamlined reviews. This result is not contemplated in SB 1547 nor the Legislature's stated goals in ORS 758.515(2)(a).³

There needs to be an accommodation for the 3 MW CSP projects in the traditional queue that were initiated in reliance upon SB 1547 and the Commission's subsequent encouragement. SB1547 memorialized a CSP program for projects up to 3 MW-ac. Developers invested precious time and treasure to ensure 3 MW projects would be ready when the Commission implemented SB 1547's CSP. Four years later, the CSP process is finally ready to launch, but unfortunately in a way that will leave the largest, most senior, projects behind.

Sincerely,



Sunthurst Energy, LLC

³ It is the goal of Oregon to:

- (a) Promote the development of a diverse array of permanently sustainable energy resources using the public and private sectors to the highest degree possible.

Project Development Timeline

Community Solar Program Example Timeline

