

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

UM 1930

In the Matter of

PUBLIC UTILITY COMMISSION OF
OREGON,

Community Solar Implementation.

COMMENTS OF THE NORTHWEST
AND INTERMOUNTAIN POWER
PRODUCERS COALITION, THE
RENEWABLE ENERGY
COALITION, AND THE
COMMUNITY RENEWABLE
ENERGY ASSOCIATION ON
PACIFICORP INTERCONNECTIONS

I. INTRODUCTION

The Northwest & Intermountain Power Producers Coalition (“NIPPC”), the Renewable Energy Coalition (the “Coalition”), and the Community Renewable Energy Association (“CREA”) (collectively the “QF Trade Associations”) submit these comments following the Commission’s August 26, 2019 Workshop. Specifically, the QF Trade Associations were asked for additional information regarding their proposal detailed in their August 22, 2019 comments in this docket. That proposal is that PacifiCorp should use its existing Bonneville Power Administration (“BPA”) network transmission service to wheel the net output of projects to its load, rather than constructing otherwise unnecessary network transmission upgrades.

In addition to the use of PacifiCorp’s BPA transmission, the QF Trade Associations remain supportive of other proposals made previously in this docket including:

- Staff’s proposal to allow projects to interconnect using Energy Resource Interconnection Service rather than Network Resource Interconnection Service;

- Staff’s proposal to allow cost sharing among customers;
- Bonneville Environmental Foundation’s proposal to cap overruns on cost estimates on interconnection by 25% of the original estimate, which requires more diligence on the part of the utility doing the study;
- Oregon Solar Energy Industries Association’s and the Coalition for Community Solar Access’s proposal to use pre-emptive rather than post-upgrade cost-sharing for distribution system upgrades;
- The Joint Utilities’ proposal for expedited treatment of interconnections for projects that do not exceed a certain portion of the daytime minimum load or peak load in an area. The QF Trade Associations’ support for this proposal is conditioned upon finding a way to ensure that this effort does not detract from the resources needed to ensure that the utilities process interconnection requests for non-CSP interconnections appropriately, such as hiring additional staff to undertake this effort;
- Spark Northwest’s proposal to identify zones on utilities’ systems where interconnections can be processed more efficiently, and done through a streamlined process; and
- The Joint QF Trade Associations proposal to apply any revisions to the small generator interconnection rules to all qualifying facilities (“QFs”) with a nameplate capacity of 3 megawatts or smaller, not just for QFs that enter the Community Solar Program.

Specifically regarding the BPA proposal, PacifiCorp has the ability to use its existing BPA transmission assets instead of constructing unnecessary network upgrades and has done so in the past. PacifiCorp has never explained why it refuses to do so now. The QF Trade Associations provide additional detail; however, the onus should be on PacifiCorp to explain why it should not use its BPA network transmission to resolve certain interconnection issues associated with community solar and other QFs.

There are a wide range of interconnection-related issues and problems facing small generators, only one of which will be addressed by PacifiCorp using its BPA network transmission for QFs. The QF Trade Associations’ proposal specifically

addresses when PacifiCorp elects to use and not to use its existing BPA transmission to move generation. In our earlier filed comments, we explained that PacifiCorp has chosen not to use its BPA transmission to move generation out of a generation surplus area (which PacifiCorp calls “load pockets”), but instead requires QFs to either: 1) pay for the construction of new network transmission on PacifiCorp’s transmission system associated with network interconnection service; or 2) purchase BPA point-to-point transmission. In some circumstances, PacifiCorp can simply add those QFs as designated network resources under its BPA network transmission agreement at no cost (because service is priced based upon load), which results in avoiding any new network transmission construction on PacifiCorp’s system or the purchase of BPA point-to-point transmission. Essentially, PacifiCorp already has a contract to wheel the power on BPA’s system, and there is no need for PacifiCorp to build a new transmission line or pay BPA another fee to use the same transmission service for which it already has rights.

II. COMMENTS

A. PacifiCorp Should Use BPA Network Transmission for Certain CSPs and Other Small QFs

The Commission should require that PacifiCorp utilize its existing BPA network transmission rights to avoid unnecessarily inflated transmission costs to integrate community solar and QF projects. Specifically, the Commission should ensure that PacifiCorp may not assign to the community solar project (“CSP”) or QFs costly network upgrades to PacifiCorp’s transmission system or costly point-to-point transmission on a third party’s system (most likely, BPA), until after PacifiCorp’s merchant arm, referred to as Energy Supply Management (“PacifiCorp ESM”) has received notification that the QF

cannot be designated as a network resource under either of PacifiCorp ESM's network service agreements, including its network service agreement with BPA.

PacifiCorp uses a Network Integration Transmission Services Agreement with BPA to integrate a large amount of generation, which has no incremental cost for each new generating resource, as its cost is tied to the amount of monthly load served using that service.¹ PacifiCorp has provided a list of several Oregon QFs that are already designated as network resources under its BPA network agreement. The QF Trade Associations have attached PacifiCorp's discovery responses in UM 1610 regarding BPA network transmission hereto, including the admission that BPA network transmission

¹ FERC explained in Order No. 888:

Network service permits a transmission customer to integrate and economically dispatch its resources to serve its load in a manner comparable to the way that the transmission provider uses the transmission system to integrate its generating resources to serve its native load. Because network service is load based, it is reasonable to allocate costs on the basis of load for purposes of pricing network service. This method is familiar to all utilities, is based on readily available data, and will quickly advance the industry on the path to non-discrimination.

Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, Order No. 888, 61 Fed. Reg. 21540, 21,599 (May 10, 1996).

Prior to Order No. 888, monopoly utilities had refused to allow third parties to use their systems with a network service and instead discriminated against comparable use to their third-party competitors by requiring the third parties to separately pay a charge for each resource and load pairing – similar to PacifiCorp's proposed use of point-to-point transmission for load pocket QFs. See *Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities, Recovery of Stranded Costs by Public Utilities and Transmitting Utilities; Proposed Rulemaking and Supplemental Notice of Proposed Rulemaking*, 60 Fed. Reg. 17,662, 17,677 (April 7, 1995).

imposes no incremental costs and the admission that PacifiCorp has used BPA network transmission to move Oregon QFs' generation between load pockets.² In UM 1610, PacifiCorp further conceded it regularly uses the BPA network transmission to “transmit PacifiCorp-owned generation out of load pockets.”³ If the QF can be designated as a network resource under the BPA agreement, then there would be no need to obtain more expensive third-party point-to-point transmission service for the QF's generation or to make extensive upgrades to PacifiCorp's transmission system. This further limits the narrow circumstances where the small renewable generator would legitimately be assigned incremental third-party transmission costs to PacifiCorp or the costs of network upgrades to PacifiCorp's system, and this current practice of using BPA network transmission for QF power should not be casually eliminated.

To date, PacifiCorp has not provided any basis to ignore the use of BPA network transmission, which it admittedly already uses for certain QFs that would otherwise be located in load pockets. Accordingly, the Commission should not approve any rule or policy that could serve to bar CSPs and other QFs from use of that solution.

B. The QF Trade Associations' Recommendation Addresses Interconnection Problems

PacifiCorp has attempted to dodge the issue here by claiming that use of BPA network transmission addresses a *transmission* problem and not an *interconnection* problem, but PacifiCorp's objection is unfounded. When a utility seeks to interconnect a new generation resource, it can do so as an Energy Resource Interconnection Service

² See Attachment 1 at pp. 2, 5-7.

³ *Id.* at 3-4; see also *id.* at 1.

(“ERIS”) or a Network Resource Interconnection Service (“NRIS”). While not required by the Public Utility Regulatory Policies Act (“PURPA”), the Oregon utilities in practice require QFs to pay for NRIS rather than ERIS when they interconnect QF generation facilities. ERIS allows the interconnection customer to place their power on the utility’s system, but does not guarantee that the generation can be delivered to a specific location or to the utility’s load. To ensure delivery to a specific location or load, either point-to-point or network transmission must be obtained. An NRIS study for an interconnection to PacifiCorp’s system can identify network level transmission upgrades to PacifiCorp’s system necessary for the interconnection customer’s facility to be designated as a network resource on PacifiCorp’s system.

Building these network level transmission upgrades on PacifiCorp’s system are not the only way in which the power can get to load. Other options include purchasing or using transmission from a third-party transmission provider. The NRIS study for interconnection to PacifiCorp’s system can also identify potential uses of third-party transmission that could avoid costly network upgrades to PacifiCorp’s transmission system. In past QF interconnection studies, PacifiCorp has identified a third-party transmission alternative for QF interconnection customers to consider in QF interconnection service request studies. Thus, in the interconnection process, PacifiCorp previously has offered that those QFs pay for the purchase of (or they themselves purchase) third-party transmission (*e.g.*, BPA transmission) instead of constructing expensive new network facilities on PacifiCorp’s system. To our knowledge, PacifiCorp had only previously advised QFs that they could eliminate costly network upgrades by

procuring BPA point-to-point transmission, and we are not aware of any instances where it advised QFs in an NRIS study that BPA network transmission may solve the problem.

However, the QF Trade Associations' understanding is that PacifiCorp has completely discontinued the practice of referring to third-party transmission options in its NRIS Studies, and is now requiring these QFs to pay for more expensive network upgrades to PacifiCorp's system without providing any other options in its NRIS studies. Thus, for the purposes of interconnection processes, the Commission should require that PacifiCorp's NRIS studies and agreements also allow the CSPs or other QFs to avoid the identified network upgrades to PacifiCorp's system if the facility can be designated as a network resource under PacifiCorp ESM's network transmission agreement with BPA, or if some other third-party transmission solution eliminates or reduces the costs of network upgrades to PacifiCorp's transmission system.

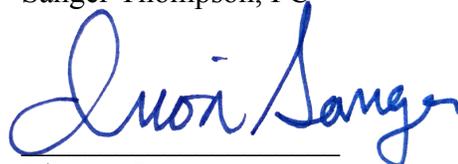
III. CONCLUSION

The QF Trade Associations appreciate the opportunity for further comments and look forward to continued participation in this case.

Dated this 13th day of September 2019.

Respectfully submitted,

Sanger Thompson, PC

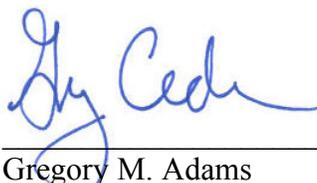


Irion A. Sanger
Marie P. Barlow
1041 SE 58th Place
Portland, OR 97215
Telephone: 503-756-7533

Fax: 503-334-2235
irion@sanger-law.com
marie@sanger-law.com

Of Attorneys for Northwest and Intermountain
Power Producers Coalition, and the Renewable
Energy Coalition

RICHARDSON ADAMS, PLLC



Gregory M. Adams
OSB No. 101779
515 N. 27th Street
Boise, Idaho 83702
Telephone: (208) 938-2236
Fax: (208) 938-7904
greg@richardsonadams.com

Of Attorneys for the Community Renewable
Energy Association