



July 24, 2019

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”) develops and installs residential, commercial, and utility scale photovoltaic generating facilities in Oregon. Sunthurst has several interconnection requests for Community Solar Projects (“CSPs”) currently pending with PacifiCorp that may be affected by Docket No. UM 1930 and Docket No. UM 2000. Staff’s June 19, 2019 Draft Proposal for Community Solar Interconnection (“Proposal”) is a seminal work that, for the first time documents the multiple features of the investor-owned utilities’ interconnection process that impede development of non-utility owned community renewable energy--as well as the abysmal result of those features: **only 3 out of 74 requests from projects under 10 MW on PacifiCorp’s system culminated in an executed interconnection agreement, from 2016 to present.** Sunthurst thanks the Commission for the opportunity to comment on Staff’s June 19, 2019 Draft Proposal for Community Solar Interconnection, and provides the following suggestions how the process may be improved.

Costs of Interconnection are too high; Projects already in the queue should be eligible for relief.

Staff’s benchmarking of PacifiCorp’s interconnection costs against those of other utilities confirms that PacifiCorp’s costs are grossly excessive. Excessive costs arise both from excessive scope and from exorbitant unit costs. As one example, PacifiCorp recently required a 3MW QF interconnection applicant (#992) to install microwave telemetry, at an estimated cost of \$1.4 Million. Such an expensive requirement renders a small project financially unviable, and is at PacifiCorp’s discretion under OAR 860-082-0070. A re-examination of the rules regarding telemetry and regarding how a delivery point is selected and who builds and pays for line extensions between a facility and the existing system could substantially reduce costs and timelines for interconnection construction. In the mean time, telemetry for 3MW CSPs should be waived, and CSPs should be allowed to quickly appeal the utility’s selection of a delivery point location to the Commission. To maintain a level playing field among CSPs, any changes to cost and scope of interconnections should be made available to CSPs that have already begun, but not completed, the interconnection process, without triggering a loss of queue priority or additional costs to the CSP.

Most System Upgrade Costs should not be borne by CSPs. Staff’s Proposal notes that state SGIP rules applicable to CSPs are intended to limit a public utility’s ability to require one small generator to pay for system upgrades that primarily benefit the utility or other small generator facilities. And yet the utilities’ current rules do exactly that. The criteria for determining upgrades trigger expensive upgrades when they are only necessary under extreme conditions and ignore benefits of distribution level distributed generation such as reduced line loss and reduced heat load on substation transformers. Quick reform of rules that may implicate system reliability may not be possible in 2019, but reallocation of cost responsibility for such charges is possible. As Staff’s Proposal points out, FERC’s interconnection standards compel such a result in the context of FERC-jurisdictional interconnections. Unless and until utilities pay for upgrades benefitting the transmission system as a whole, CSPs are unlikely to be economically viable. Sunthurst agrees with Staff’s conclusion that imposing all system

upgrade costs on CSPs is "particularly burdensome" and applauds Staff's efforts to implement alternatives in 2019.

Cost of Third-Party Transmission Should not be borne by CSPs. The Commission's recent decision, in Docket No. UM 1610¹, requiring QFs delivering to PacifiCorp load pockets to reimburse PacifiCorp's cost to acquire third party transmission out of the load pocket, should not apply to CSPs.² CSPs are different from small QFs in Docket 1610 in several respects. Their capacity is capped at 3MW; whereas small QFs are capped at 10 MW. And under Staff's proposal, CSPs would not require network resource status. Both differences justify exempting CSPs from third party transmission charges. Alternatively, if the Commission does not want to exempt CSPs from third-party transmission charges, it would be equitable to exempt (grandfather) from such charges those CSPs that entered the queue before the Commission issued Order 19-172 and could not have factored such charges into their project economics. If CSPs are forced to purchase PTP transmission they likely will not be viable anywhere on PacifiCorp's system. We explored this service and its \$28,472/mW/Yr or an additional 14% of gross revenue over the 300% PAC charges for IX over other Western US utilities (on average).

Fairness Requires recognition of Queue Seniority.

As Staff works to implement a fair and functional process for pre-certification before the end of 2019, seniority of current project's interconnection request should be of paramount importance. In the event of scarcity, priority for pre-certification should be given to projects based upon the vintage of their interconnection request (assuming that their interconnect request has not been withdrawn). Seniority is a good policy for several reasons. First, seniority is an accepted principle in the current interconnection process upon which Sunthurst and other developers have relied. They should not be required to re-run a race to the pre-certification window that they already won. Second, by recognizing seniority, the Commission will instill faith in developers who took a large financial risk to participate in a program that the Commission declared a high priority, and to remain committed when implementation timelines faltered. Any allocation method other than seniority could hamper the Commission's ability to garner interest and attract private investment in future policy initiatives.

Sunthurst appreciates Staff's active role in diagnosing and treating the many issues with interconnection preventing effective implementation of the State's community solar policy initiative, and asks that Staff please consider its suggestions as it moves forward.

Thanks for you work and support to resolve long-standing concerns to ensure the CSP is viable.

Sincerely,

Sunthurst Energy, LLC

¹ Order No. 19-172 (May 13, 2019).

² PacifiCorp estimates the cost of BPA PTP transmission at about \$33,000/MW-year. See Appendix A to its July 12 compliance filing in Docket UM 1610. (<https://edocs.puc.state.or.us/efdocs/HAD/um1610had15338.pdf>). If the Commission applied Order No. 19-172 to CSPs, Sunthurst's 3MW CSPs would pay approximately \$99,000 per year to PacifiCorp, and PacifiCorp would enjoy the use of the 3 MW for any purpose. This, in effect, is similar to making the QF pay for all system upgrade costs even when they primarily benefit the system as a whole--something Staff's Proposal seeks to abolish.

PacifiCorp Transmission Rates

Rates as of December 1, 2015
(effective June 1, 2015) *

Service Increment	Class	Period	Unit	Schedule							
				1	2	3	3A	5	6	7	8
				Scheduling, System Control and Dispatch Service (SC) *	Reactive Supply and Voltage Control from Generation or Other Sources Service (RV)	Regulation and Frequency Response Service (RF)	Generator Regulation and Frequency Response Service (GR)	Operating Reserve-Spinning Reserve Service (SP)	Operating Reserve-Supplemental Reserve Service (SU)	LTF and STF Point To Point Transmission Service (Firm) *	Non-Firm Point To Point Transmission Service (NF) *
Effective date				June 1, 2015	May 1, 2013	March 1, 2013	March 1, 2013	June 1, 2013	June 1, 2013	June 1, 2015	June 1, 2015
Hourly	Firm	On peak	\$/MWh	0.17	0.132	0.697	0.697	0.39	0.34	6.84	n/a
Hourly	Firm	Off peak	\$/MWh	0.08	0.063	0.332	0.332	‡	‡	3.26	n/a
Hourly	Non-firm	On peak	\$/MWh	0.17	0.132	0.697	0.697	‡	‡	n/a	6.84
Hourly	Non-firm	Off peak	\$/MWh	0.08	0.063	0.332	0.332	‡	‡	n/a	3.26
Daily	Firm	On peak	\$/MW-day	2.71	2.115	11.154	11.154	‡	‡	109.51	n/a
Daily	Firm	Off peak	\$/MW-day	1.94	1.511	7.967	7.967	‡	‡	78.22	n/a
Daily	Non-firm	On peak	\$/MW-day	2.71	2.115	11.154	11.154	‡	‡	n/a	109.51
Daily	Non-firm	Off peak	\$/MW-day	1.94	1.511	7.967	7.967	‡	‡	n/a	78.22
Weekly	Firm	On peak	\$/MW-week	13.56	10.577	55.769	55.769	‡	‡	547.55	n/a
Weekly	Non-firm	On peak	\$/MW-week	13.56	10.577	55.769	55.769	‡	‡	n/a	547.55
Monthly	Firm	On peak	\$/MW-month	58.77	45.833	241.667	241.667	‡	‡	2,372.70	n/a
Monthly	Non-firm	On peak	\$/MW-month	58.77	45.833	241.667	241.667	‡	‡	n/a	2,372.70
Yearly	Firm	On peak	\$/MW-year	705.29	550.000	2,900.000	2,900.000	‡	‡	28,472.34	n/a

‡ This is an energy-based charge billed in dollars per Megawatt-hour (\$/MWh)

* Rates for Schedules 1, 7, and 8 have been rounded to the nearest cent. Billing for these schedules (along with NITS) at the updated rates listed here begins December 1, 2015, but the rates are effective June 1, 2015.