



Community Solar Program Request for Comments

Docket No. UM 1930 – Community Solar Program

May 5, 2021

Staff invites comments on Staff proposals on two separate issues described in this memo. Comments should be emailed to puc.filingcenter@puc.oregon.gov by the following dates:

May 17, 2021 Community Solar Power Purchase Agreement

May 21, 2021 Community Solar Program interconnection queue

Summary

On March 29, 2021, Staff held a workshop to hear the perspectives of utilities, project developers, and other stakeholders on the following two Community Solar Program (CSP or Program) topics. The [workshop notice](#) provided background and considerations for each topic.

- Topic 1. Proposed revisions to Portland General Electric (PGE) and PacifiCorp (PAC) CSP Power Purchase Agreements (PPA) to limit the purchase of start-up test energy to 90 days.
- Topic 2. Criteria for pausing acceptance of new project applications to the CSP interconnection queue.

The workshop was attended by representatives from PGE, PAC, Idaho Power, Renewable Energy Coalition, the CSP Program Administration team, and Staff. At the workshop, Staff presented potential solutions for both topics and invited alternative suggestions. No consensus was reached in the workshop. Staff finds that the potential solutions presented at the workshop remain the best option to advance Program goals and balance stakeholder interests.

The purpose of this memo is to describe Staff's proposed solutions for both topics and ask for written comments from stakeholders. Staff will consider stakeholder comments before making final recommendations to the Commission.

Staff proposal – Topic 1: CSP PPA

Topic 1

Proposed revisions to PGE and PAC CSP PPAs to limit the purchase of start-up test energy to 90 days.

Background

On January 25 and 27, 2021, respectively, PGE and PAC filed proposed revisions to the CSP PPA. The revisions (i) clarified that energy delivered prior to Commercial Operation Date (COD) is

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treated as unsubscribed energy that is paid at the as-available rate, (ii) defined this energy as start-up test energy, and (iii) limited the purchase of start-up test energy to a period of 90 days.

- [PGE's redlined PPA filing](#)
- [PAC's redlined PPA filing](#)

The [Staff report](#) for the Commission's regular public meeting on February 23, 2021, recommended approval of the proposed revisions. Renewable Energy Coalition (REC) submitted [comments](#) opposing the revision that limits the purchase of start-up test energy to 90 days. The item was removed from the agenda and the stakeholder workshop was held.

Proposed solution

Staff's proposal limits the length of time that the utility must purchase start-up test energy to 90 days prior to project certification in the CSP, but removes the time limit once a project becomes certified.

The relevant PPA language appears below. PAC's PPA language is used as the example. PGE's PPA language is substantially the same. Edits in red are the revisions proposed by PAC. Edits in green are additions proposed by Staff.

3.2 Delivery and Purchase of Net Output. Subject to Section 3.1 above and unless otherwise provided in this Agreement, commencing on the Commercial Operation Date, Project Manager will transmit to PacifiCorp all Net Output and PacifiCorp will accept all Net Output delivered to the Point of Delivery. To the extent permitted under applicable laws, regulations (including without limitation the Community Solar Program rules) and other requirements applicable to Seller's Community Solar Program Project, PacifiCorp will accept ~~Net Output~~ Start-up Test Energy delivered to the Point of Delivery as early as ninety (90) days prior to the Scheduled Commercial Operation Date, as long as PacifiCorp has commenced transmission service for the Facility; provided that, in such case, PacifiCorp's obligation to purchase Start-up Test Energy will not exceed a maximum period of ninety (90) days unless the Facility is a Certified Project. If ~~Seller~~ Project Manager desires to begin transmitting ~~Net Output~~ Start-up Test Energy to PacifiCorp at a date earlier than ninety (90) days prior to the Scheduled Commercial Operation Date, PacifiCorp will only be obligated to purchase such Net Output (i) if PacifiCorp is able to modify its network resource designation for the Facility such that the output could be delivered using network transmission service as described in Section 3.1 above at no additional cost or other economic impact to PacifiCorp; and (ii) unless the Facility is a Certified Project, only for a maximum period of ninety (90) days.

Explanation

CSP projects are Qualifying Facilities (QF) with special allowances and requirements tied to Program participation. Section 5.1 of the PPA requires that a project must remain a CSP project

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for the duration of the agreement. The CSP PPA requires that projects be certified in the Program by the Commission as a condition for COD, with the PIM recommending that projects apply for certification six months prior to COD. The Program requires that projects be certified before they begin commercial operation. This requirement for project certification creates uncertainty for the utility, as the certification process is outside the utility's control. Staff argues that it is reasonable that a pre-certified project be allowed to deliver start-up test energy to the utility as it prepares for COD and project certification, but only for a limited time. The CSP PPA already limits the delivery of start-up test energy to begin no earlier than 90 days prior to scheduled COD. The Program and the CSP PPA both establish the expectation that the project will become certified by the Commission before or during that 90-day planned test period.

Next steps

1. Public comments on Staff's CSP PPA proposal must be emailed to puc.filingcenter@puc.oregon.gov no later than May 17, 2021.
2. Staff plans to present its recommendation to the Commission at the June 1, 2021, regular public meeting.
3. If needed, the utilities will file new CSP PPAs in compliance with the Commission decision.

Staff proposal – Topic 2: CSP queue

Topic 2

Criteria for pausing acceptance of new project applications to the CSP interconnection queue.

Background

In [Order No. 19-392](#), issued November 8, 2019, the Commission approved the creation of an interconnection queue exclusively for CSP projects, and also established time-based and capacity-based criteria for pausing acceptance of new interconnection applications to that CSP queue.

Unless the Commission chooses to extend the rule, the utility will accept interconnection applications under the CSP rule for 18 months following the rule's adoption or until the aggregate capacity (MWac) of generators with an executed CSP interconnection agreement that have received pre-certification equals the utility's capacity tier (2.5 percent of 2016 system peak load), whichever comes first. (Order No. 19-392, Appendix A, p. 49.)

The time limit in the Commission order can be imposed as early as May 8, 2021, which is 18 months following the November 8, 2019, issuance of the Order No. 19-392.

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The capacity limit specified in the Commission order has not yet been reached, as indicated in the table below.

	PAC (MW)	PGE (MW)
Aggregate capacity of generators with executed CSP interconnection agreement with pre-certification	14.6	27.8
CSP capacity tier (2.5% peak load)	64.6	93.2

However, the aggregate capacity of projects with pending CSP interconnection applications significantly exceeds the capacity made available in the Program to date, and even further exceeds the general capacity allocation for which those projects are eligible, as shown in the table below.

	PAC (MW)	PGE (MW)
Aggregate capacity of projects that have applied for CSP interconnection	70.3	59.5
CSP capacity allocated to date (50% of tier)	32.3	46.6
General capacity (75% of allocation)	24.2	34.9
Carve-out capacity (25% of allocation)	8.1	11.6

The Program capacity that remains available to new CSP project applications is limited to the “carve-out”, reserved for exclusive use by small and nonprofit-led projects. There is 7.6 MW of carve-out capacity available in PAC territory, and 11.6 MW of carve-out capacity available in PGE territory.

Proposed Solution

Staff’s proposal allows the time-based limit established by Order No. 19-392 to go into effect on June 16, 2021 (earliest date after a Commission decision), but creates an exception for projects eligible for carve-out capacity (projects up to 360 kW-AC or with a nonprofit or public Project Manager). Under Staff’s proposal, carve-out projects can continue to apply for interconnection in the CSP queue until the aggregate capacity of carve-out-eligible projects that have applied for CSP interconnection exceeds 1.5 times the carve-out capacity allocated to date for each utility.

Explanation

The Commission has not yet made a decision on releasing additional Program capacity, and is expected to do so this summer. Projects in the CSP queue awaiting the release of new Program capacity affect the interconnection studies performed for lower-queued projects, including CSP carve-out-eligible projects and net-metered projects. Projects in the CSP queue also incur costs as they proceed through the interconnection process. If those projects fail to secure Program capacity, those sunk costs will be forfeited, since the projects would need to leave the CSP queue to restart the interconnection process as a QF.

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The exception for carve-out-eligible projects is needed to fill that capacity in the Program. Staff suggests a capacity-based limit of 1.5 times the allocated carve-out capacity) to allow for some attrition of carve-out-eligible projects from the CSP queue.

Next Steps

1. Public comments on Staff's CSP queue proposal must be emailed to puc.filingcenter@puc.oregon.gov no later than May 21, 2021.
2. Staff plans to present its recommendation to the Commission at the June 15, 2021, regular public meeting.
3. The Commission will decide whether to reopen the CSP queue to general capacity projects at a future date, likely in conjunction with a decision about releasing any additional capacity into the Program.

Thank you for your participation in UM 1930!