

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
PROPOSED INTERCONNECTION
SOLUTIONS

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 July 31 Workshop. The stakeholders identified a number of additional solutions to address issues related to interconnection barriers for community solar projects (“CSP”) (which are also barriers for non-CSP projects). The QF Trade Associations submit these comments responding to those identified solutions, modify their recommendations on avoiding discriminatory treatment in favor of QFs participating in the CSP against non-CSP QFs, and identify an additional potential solution to solve some of the interconnection and transmission problems in portions of PacifiCorp’s service territory. We look forward to continued participation on resolving interconnection problems for all non-utility owned generation, including CSP projects.

II. COMMENTS

A. **The QF Trade Associations Revise Their Position on Discriminatory Treatment Between CSP QFs and other QFs**

The QF Trade Associations remain concerned about unlawful discriminatory treatment between CSP facilities (which will be QFs) and non-CSP QFs. The QF Trade Association's previous comments supported Staff's recommended proposals to allow projects to interconnect using Energy Resource Interconnection Service rather than Network Interconnection Service and cost sharing among interconnection customers. The QF Trade Associations, however, argued that such proposals should be applied to all QFs, and not just CSP QFs, and that the failure to do so would result in unlawful discrimination. While the QF Trade Associations still believe that Staff's changes should be applied to all QFs, the QF Trade Associations are willing to not oppose the Commission making revisions on a pilot basis to the small generator interconnection rules while maintaining the existing policies for larger generators.

The Commission has adopted rules for small generator interconnections and policies for certain large generator interconnections, which have slightly different provisions regarding cost responsibility for network transmission upgrades. For example, 3 megawatts ("MWs") is the size threshold for whether a utility can require an interconnection customer to pay for certain remote monitoring.¹ However, the QF Trade Associations believe that the Commission cannot lawfully discriminate against similarly-situated small generators, and that the law requires the Commission to make any changed

¹ OAR 860-082-0070(3)(a).

rules apply to all projects 3 MW and lower and not just CSP projects. The Commission should thus apply the proposed solutions for CSP projects to all QFs 3 MW and lower, even though it may not apply those solutions to larger QF projects.

B. Many Good Ideas Were Generated to Address CSP Project Interconnection Problems

PacifiCorp, Portland General Electric Company and Idaho Power Company (the “Joint Utilities”), the Bonneville Environmental Fund, Oregon Solar Energy Industries Association, the Coalition for Community Solar Access, and Spark Northwest have all made thoughtful and creative proposals that may make small, but important improvements to the interconnection problems facing CPS projects. These solutions meet Staff’s criteria for adopting the most fair and functional solutions, which are whether the solution is feasible to implement before the end of 2019 and whether the solution will have a large impact on reducing interconnection costs. The QF Trade Associations specifically support:

- 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; and

- Spark Northwest’s proposal to identify zones on utilities’ systems where interconnections can be processed more efficiently, and done through a streamlined process.

The QF Trade Associations recognize that some of the details of these proposals will need to be worked out, and that parties may raise other proposals or issues as well, and look forward to further discussion at the upcoming workshop. The associations also note that it will be important to establish the criteria by which any pilot program is evaluated to determine success.

C. Many Network Transmission Upgrades Are Completely Unnecessary If PacifiCorp Uses Its Network Transmission with BPA

The QF Trade Associations propose an additional solution that may resolve many of the transmission network (but not distribution) interconnection issues with PacifiCorp: 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.

PacifiCorp uses a large amount of BPA network transmission, which has no incremental cost for each new generating resource, as its cost is tied to the amount of load served by the transmission. This means that there would be no or very low incremental cost to PacifiCorp. The QF Trade Associations believe that PacifiCorp can use this already contracted-for transmission to address some of the interconnection issues facing small scale renewable energy projects in its service territory, including CSP facilities.

One of the largest interconnection-related problems on PacifiCorp’s system is that it has “load pockets”. These are areas in which there is limited PacifiCorp loads, and the interconnection of additional generation will result in surplus generation (i.e., more

generation than load).² Load pockets are generally not electrically-limited because there are usually sufficient available physical transmission facilities, typically on BPA’s system. Instead, they are generally limited by contract path transmission rights.

PacifiCorp’s *current* approach to interconnections in its generation surplus areas or load pocket areas is one of two options: 1) PacifiCorp will purchase new and incremental BPA long-term firm point-to-point transmission; and/or 2) PacifiCorp will build redundant and electrically-unnecessary network interconnections on its system. However, PacifiCorp historically has added qualifying facilities to its existing BPA contracts as designated network resources³ and likely can add new network resources on its BPA transmission contracts. PacifiCorp has also used its existing BPA network transmission to transmit power out of load pockets for its utility-owned generation. Yet in recent years PacifiCorp appears to have begun refusing to allow for use of BPA network transmission to resolve load pocket issues that PacifiCorp finds to exist for non-

² The QF Trade Associations use this term in the way used by PacifiCorp previously (*See, e.g. In re Public Utility Commission of Oregon, Investigation Into Qualifying Facility Contracting and Pricing*, Order No. 14-058 at 17 (Feb. 24, 2014)), although they note that such situations could also be characterized as surplus generation areas.

³ *In re the Pub. Util. Comm’n of Or. Investigation Into Qualifying Facility Contracting and Pricing*, Docket No. UM 1610, Objection to PacifiCorp’s Filing of the Community Renewable Energy Association and Renewable Energy Coalition, Attachment 1 at 6-7 (July 29, 2019) (Responding to CREA data request 15.4 asking Pacificorp to “identify all network resources that have been designated under PacifiCorp’s network integration transmission agreement with BPA in the past five years,” PacifiCorp lists QFs: Chopin Wind, LLC, City of Astoria, Evergreen BioPower, LLC, Farm Power Misty Meadow, LLC, and Farmers Irrigation District) (available at: <https://edocs.puc.state.or.us/efdocs/HAE/um1610hae93623.pdf>) .

utility generators. The Commission has never addressed whether PacifiCorp's change in policy is reasonable.

The QF Trade Associations propose that the Commission resolve many of the interconnection issues on PacifiCorp's system by requiring the Company to simply place these facilities on its existing BPA network transmission contracts. PacifiCorp already has the right to wheel its generation out of these areas on BPA's system, and this solution would resolve the interconnection problems facing many QFs in PacifiCorp's service territory.

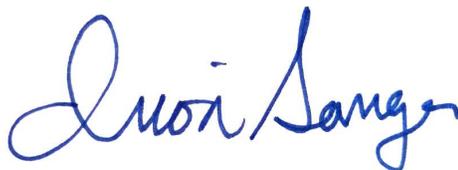
As part of any CSP pilot program, the QF Trade Associations recommend that the Commission and Staff consider the option of requiring PacifiCorp to use its existing BPA network transmission rights rather than impose unnecessary transmission upgrade costs or long-term point-to-point transmission costs on small projects. Since other small renewable projects have been facing these issues for years, it would be inequitable and discriminatory to only extend this solution to other similarly-situated CSP projects, which are only recently facing these interconnection problems.

III. CONCLUSION

The QF Trade Associations appreciate the opportunity to propose additional solutions to resolve interconnection issues that CSP facilities, as well as other small renewable energy projects have been facing for years, and hopes that the Commission finds these to be constructive and reasonable to implement.

Dated this 22nd day of August 2019.

Respectfully submitted,



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