

**PUBLIC UTILITY COMMISSION OF OREGON
STAFF REPORT
PUBLIC MEETING DATE: July 28, 2020**

REGULAR X **CONSENT** **EFFECTIVE DATE** **N/A**

DATE: July 20, 2020

TO: Public Utility Commission

FROM: Kacia Brockman and Jill Goatcher

THROUGH: Bryan Conway, JP Batmale, and Sarah Hall **SIGNED**

SUBJECT: OREGON PUBLIC UTILITY COMMISSION STAFF:
(Docket No. UM 1930)
Community Solar Program Interconnection Solutions, Six Month Update.

STAFF RECOMMENDATION:

Informational filing – no recommendation.

DISCUSSION:

Issue

This report provides a 6-month, interim status update on key learnings from the simplified interconnection solutions that the Commission adopted for the Community Solar Program (CSP).

Applicable Rule of Law

ORS 757.386(2)(a) directs the Commission to establish a program that provides electric customers of PacifiCorp (PAC), Portland General Electric (PGE), and Idaho Power (IPC) with the opportunity to share the costs and benefits of solar generation.

On June 29, 2017, the Commission adopted formal rules for the CSP under Oregon Administrative Rules (OAR) Division 88 of Chapter 860.

On October 29, 2019, in Order No. 19-392 the Commission adopted the Staff recommendation to implement a streamlined interconnection process for CSP projects

that had been proposed jointly by PAC, PGE, and IPC.¹ That order was the genesis of this interim report and a final report on interconnection in January 2021.

On January 16, 2020, in Order No. 20-038, the Commission adopted Staff's recommendation to approve the utilities' interconnection implementation plans to launch the CSP interconnection queue.

On April 7, 2020, in Order No. 20-122, the Commission approved utilities' tariff filings formalizing their CSP interconnection processes, including pro forma Interconnection Agreements.

Analysis

Summary

The Commission adopted a streamlined interconnection process to help ensure fair and functional interconnection for CSP generators and gather insights for broader interconnection efforts. This report provides a six-month update on the program's experience with the CSP interconnection process adopted by the Commission. The report first explains the CSP interconnection process, then presents results and learnings to date. Next, the report describes several challenges that remain for CSP generators despite their use of the CSP interconnection process and the efforts the program will take over the next six months to monitor and mitigate those challenges. Broadly, Staff has learned that generators still lack certainty in how to site and size projects to avoid prohibitive upgrade costs. Finally, the report provides an update on the selection of a third-party interconnection study reviewer.

Background

On October 29, 2019, the Commission adopted Staff's six recommendations to facilitate a fair and functional interconnection process for CSP generators.² These six interconnection solutions include:

1. Create a streamlined CSP interconnection process (hereinto referred to as CSP queue);³
2. Begin developing models for cost-sharing between CSP generators;⁴
3. Allow CSP generators 360 kW or less to meter on the low side of the transformer;⁵

¹ See Docket No. UM 1930, Order No. 19-392, adopted Oct. 29, 2019 and issued Nov. 8, 2019, at p. 5.

² Docket No. UM 1930, Order No. 19-392 at p. 5.

³ See Docket No. UM 1930, Commission Order No. 19-392, Appendix A at 6.

⁴ *Id.* at 10.

⁵ *Id.* at 13.

4. Issue a Request for Information for a third-party expert interconnection study review services;⁶
5. Provide an enhanced pre-application report for non-profit and public CSP Project Managers;⁷ and
6. Require PAC to provide additional information on the process to address the backlog of interconnection applications.⁸

In recommending these interconnections solutions, Staff committed to provide two reports to the Commission: an interim report presented six months after the launch of the CSP queue on January 20, 2020, to share insights gained to date; and, a final report which will include additional findings and a Staff recommendation for whether the CSP queue should continue. This Staff memorandum serves as the six-month interim report. It was developed in collaboration between Staff, PAC, and the CSP Program Administrator (PA). The final report will be presented to the Commission in January 2021 after 12 months of experience with the CSP queue.

CSP Queue

The CSP queue was one of six solutions designed to address interconnection barriers that small generators—particularly Qualifying Facilities (QFs)—have been experiencing. The interconnection barriers that the six solutions were designed to help address are described at length in Staff’s October 4, 2019, Public Meeting memo.⁹ The goal of addressing these barriers is to help ensure that CSP interconnections are fair and functional, and to generate data for use in the Commission’s broader interconnection-related efforts.¹⁰

The CSP queue was specifically targeted at addressing the following barriers:

- The assignment of network upgrade costs to small generators;
- The assignment of upgrade costs in serial order such that the upgrades are tied to higher queued projects regardless of timeline or feasibility; and
- Interconnection backlogs and timing uncertainty (particularly for PAC due to the aforementioned assignment of upgrade costs in serial queue order).

Potential ancillary benefits of the CSP queue were identified, including:

- Encouraging siting and sizing of generators in a manner that minimizes distribution system upgrade costs; and
- Allowing cost-sharing between generators through the option for joint study.

⁶ *Id.* at 14.

⁷ *Id.* at 15.

⁸ *Id.* at 16.

⁹ See Docket No. UM 1930, Commission Order No. 19-392, Appendix A at 5.

¹⁰ See Oct. 4 Staff Report at Page 5, Page 10.

The utilities opened the CSP queue for interconnection requests in January 2020. Under this process, CSP generators are eligible to participate in the CSP queue if the capacity of the proposed CSP generator, together with all other interconnected and requested generation in the local area, is less than 100 percent of minimum daytime load (MDL). If a measure of MDL is not available for the feeder, utilities will use 30 percent of summer peak load. If projects are not sized according to the MDL limit, they are ineligible for the CSP queue.

Except as noted in the Commission direction and in the interconnection implementation plans, the utilities follow the existing Oregon Small Generator Interconnection Procedures (SGIP). More specifically, the interconnection study for a generator in the CSP queue considers only existing or higher-queued generation within the local area. This local area includes the distribution circuit, substation transformer, and subtransmission line associated with the proposed CSP feeder.¹¹ Because a generator in the CSP queue is sized to reduce the likelihood that it will deliver power to the transmission system, the scope of the utility interconnection study is limited to a scope comparable to the energy resource interconnection service (ERIS), rather than the network energy resource interconnection service (NRIS) requirement for Qualifying Facility (QF) projects in the standard serial queue.

After the utilities established the CSP queues, there was a one week period before the CSP queue opened to all generators where generators that held a position in the standard serial queue could transition from the standard queue to the CSP queue and retain their queue priority that they held in the standard queue.

Key Learnings

Overall, Staff finds that the CSP queue has generated significant insights and overcome major barriers related to the assignment of upgrade costs in serial order and interconnection backlogs, particularly in Pacific Power's (PAC) service area.

Despite these successes, the CSP queue has not yet resulted in functional interconnections for projects that had not already executed an interconnection agreement.¹² This is primarily because the CSP queue does not appear to mitigate prohibitive distribution upgrades in PAC's territory. Further, Staff is still monitoring whether the CSP queue will mitigate network resource upgrade costs associated with exporting to from the distribution system to the transmission system.

¹¹ UM 1930 Joint Utilities' CSP Interconnection Proposals, August 16, 2019, Page 2.
<https://edocs.puc.state.or.us/efdocs/HAH/um1930hah163325.pdf>.

¹² To date, 23 of the 26 CSP projects in PGE service territory had previously executed interconnection agreements, and therefore did not participate in the CSP queue. Because of this, Staff does not currently have insights into how the CSP queue works in PGE service territory.

CSP Queue Activity

The table below provides a snapshot of the CSP queue activity to date. Since the CSP queue opened, 28 generators ranging from 40 kW to 3 MW have submitted interconnection requests for the CSP queue. The utilities have issued 7 CSP interconnection studies, 21 CSP studies are underway, 4 generators have withdrawn after receiving studies, 2 generators have executed new interconnection agreements, and no generators are in service.

Ninety percent of CSP queue projects are in PAC service territory, ten percent are in PGE, and none are in IPC territory. This is due to two reasons. First, PAC was unable to process new small or large interconnection requests received since 2018, and the CSP queue allowed the Company to study CSP projects separately from the standard queue, circumventing this backlog issue. Second, because PGE's and IPC's respective CSP capacity was largely filled by generators that had already been studied in the standard queue and had executed interconnection agreements, CSP generators did not need to use the CSP queue to receive studies. Therefore, this report focuses on the experience in PAC's CSP queue.

Table 1. CSP generator participation in the CSP queue versus the standard queue

	CSP Queue			Standard Queue		
	PAC	PGE	IPC	PAC	PGE	IPC
CSP Generators	25	3	0	2	23	1
Studies Completed	6	1	0	2	23	1
Interconnection Agreements	2	0	0	1	23	0
Projects Withdrawn	4	0	0	0	0	0
Studies Underway	19	2	0	0	0	0

CSP Queue Results to Date

Since the CSP queue launched in January 2020, Staff has gained the following insights into how projects are participating in the CSP queue.

1. Generators are participating in the CSP queue.

The CSP queue has successfully attracted generators to apply for interconnection in both PAC and PGE territory. In PAC territory, some projects transferred from the standard queue where they had been awaiting relief from the backlog, while other new projects applied for interconnection for the first time in the CSP queue. In PGE territory, 3 new generators have applied for the CSP queue.

2. Generators are receiving interconnection studies from PAC.

Prior to the CSP queue, PAC was unable to process new small or large interconnection requests received since 2018 due to an imbalance of proposed generation and load across its balancing authority.¹³ Further, generators that did receive interconnection studies prior to the complete halt of study processing were prevented from completing interconnection in many areas of PAC's Oregon system due to higher-queued generators requiring multi-million dollar network upgrade costs. In January 2020, PAC stated that it did not anticipate issuing interconnection studies for the 25 Oregon small generators awaiting study in its standard interconnection queue until sometime between the third quarter of 2020 and the first quarter of 2022.¹⁴

The implementation of the CSP queue has allowed 14 out of the 27 CSP generators that requested interconnection in PAC's CSP queue to receive studies within the first and second quarter of 2020. The other 13 generators are currently undergoing study. The CSP queue has allowed small projects to receive studies for the first time since 2018 and is the reason that generators can participate in the CSP in PAC service territory.

3. There is capacity on PAC's system for generators to participate in the CSP.

So far, 23 CSP generators have found feeders with sufficient MDL to apply to the CSP queue. The remaining two of 25 generators in the CSP queue are on feeders with redacted MDL data. The PA has analyzed MDL data on all 504 PAC feeders and determined that 288 of the feeders have sufficient MDL to support interconnection applications from CSP generators up to 1MW. The number of feeders with sufficient MDL decreases significantly for larger projects: 119 feeders could support applications from 2 MW generators, and just 37 feeders could support 3 MW generators. The geographic areas with the most PAC feeders capable of supporting 2 MW generators include Portland, NW Oregon outside of Portland, and Southern Oregon. The areas with fewest PAC feeders capable of supporting 2 MW generators include Northeast Oregon, Central Oregon, and the Northern Coast.

4. The CSP interconnection studies are providing valuable insights into PAC's system.

¹³ See PacifiCorp Transmission Business Practice, *Practice #73: Study Models and Assumptions When Modeled Generation Exceeds Study Area Load*, at 2.

¹⁴ See PacifiCorp filing in UM 1930: Update on State-Jurisdictional Small Generator Interconnection Applications, December 2, 2019. <https://edocs.puc.state.or.us/efdocs/HAH/um1930hah162852.pdf>.

The past six months of the CSP queue have provided valuable insights into PAC's system. While the CSP queue has not allowed CSP generators to overcome all of the barriers they face to interconnection, it has allowed Staff, the PA, and the utility to work collaboratively to understand the remaining challenges and potential solutions. These remaining challenges are described in the next section.

The PA has worked closely with CSP generators and the data they have received from studies. This has led the PA to develop a draft interconnection guide for Project Managers that will serve not only less sophisticated developers in the program, but all generators in the program generally. The guide includes recommendations for siting projects to minimize potential upgrade costs and questions to ask the utility during the scoping meeting. For example, the siting recommendations include avoiding load pockets and seeking areas with high MDL on 3-phase lines near substations. The draft guide is currently under review before publication.

Additionally, the CSP queue has enabled Staff and the PA to develop a working relationship with PAC to continue to understand its system by reviewing study results together with a technical team. Staff is looking forward to continuing to explore the study results and insights that are raised with the CSP queue, and to bring these data and insights to help address the challenges all generators are experiencing in Oregon, regardless of size.

5. Despite the new process, few generators are successfully interconnecting to PAC's system.

While interconnection studies are moving forward for every prospective CSP generator, only two new interconnection agreements have been signed with PAC. The reason for this low number of interconnecting projects are mostly due to high costs for distribution system and network upgrades, as described in the next section.

Remaining Challenges and Ongoing Program Efforts

Staff has gained valuable insights that have led to the identification of six interconnection challenges projects are still facing, despite use of the CSP queue. Staff has identified actions to implement over the next six months to address and learn from these issues. These are explored below.

Challenge #1: MDL eligibility criterion is not necessarily a good indicator of where to site and how to size a CSP project.

While generators in PAC service territory are receiving study results, it has become clear that the eligibility criterion for the CSP queue is not a sufficient indicator of how to

size and site their projects to avoid costly distribution upgrade costs. To participate in the CSP queue, projects are required to size their project under 100 percent of the MDL on the feeder to which they are applying to interconnect. As part of UM 2000,¹⁵ and to support the eligibility for the CSP queue, PGE and PAC publicly posted MDL data for all of their feeders on OASIS before program launch in January 2020. This allowed prospective CSP generators to size their projects to qualify for the CSP queue.

The PA reports that the MDL values identified by PAC during the interconnection study are often lower than the posted MDL values that were used by the PM to plan generator size. This has resulted in six of the 19 CSP generators that are awaiting studies being oversized for the actual available load, potentially triggering the requirement for significant distribution system or network upgrades.

Staff has been working in collaboration with the PA and PAC to improve the prospect that using MDL to size projects will result in more projects successfully interconnecting.

Ongoing efforts - Challenge #1: Over the next six months, Staff will work with the PA to accomplish the following actions:

- For the 30 percent of oversized CSP projects, determine what changed between PAC announcing an MDL value and the subsequent interconnection study that resulted in a lower than the posted MDL value;
- Develop, with PAC, additional education for PMs around interconnection that includes guidance on sizing to MDL;
- Track the effectiveness sizing to MDL over the next six months.

Challenge #2: MDL values are not giving generators enough system information for projects to avoid cost-prohibitive distribution upgrades in PAC service territory.

Staff finds that the MDL values are not giving generators the system insight needed to avoid high distribution and network upgrade cost estimates. As of July 20, 2020, only two CSP generators have signed interconnection agreements with PAC. Of the 14 PAC interconnection studies completed, nine have distribution system upgrade costs of more than \$300/kW. The median cost of distribution upgrades for CSP project studied so far is \$410/kW. One Project Manager withdrew all 4 of their CSP projects, collectively totaling 5.4 MW, because the projected distribution system upgrade costs of more than \$500/kW made the projects not financially viable. For comparison, a 2018 NREL study identified median distribution upgrade costs of \$150/kW for generators between 100 kW

¹⁵ See generally Docket No. UM 2000, *Investigation into PURPA Implementation*, Order No. 19-272, August 15, 2019.

to 5 MW built and operating in four western states¹⁶. That is significantly less than the median cost of upgrades for CSP projects to date. More investigation is required to determine what amount of distribution costs can reasonably be borne by Oregon CSP projects.

Table 2. Range of distribution system upgrade costs for PAC CSP projects (shaded projects have costs over \$300/kW)

	Size (MW)	Upgrade Cost, \$/kW	Upgrade Cost, Total	Interconnection Status	County
1.	0.7	\$ 821	\$ 575,000	Completed System Impact Study	Wallowa
2.	0.875	\$ 655	\$ 573,000	Application withdrawn	Umatilla
3.	1.875	\$ 583	\$ 1,093,000	Application withdrawn	Wallowa
4.	1.04	\$ 528	\$ 549,000	Signed Interconnection Agreement	Wallowa
5.	1.625	\$ 526	\$ 855,000	Completed System Impact Study	Umatilla
6.	1.46	\$ 420	\$ 613,000	Application withdrawn	Crook
7.	1.98	\$ 407	\$ 805,000	Application withdrawn	Umatilla
8.	2.99	\$ 323	\$ 965,000	Completed System Impact Study	Umatilla
9.	0.8	\$ 310	\$ 248,000	Completed System Impact Study	Klamath
10.	0.8	\$ 240	\$ 192,000	Signed Interconnection Agreement	Klamath
11.	0.36	\$ 150	\$ 54,000	Completed System Impact Study	Wallowa
12.	0.81	\$ 115	\$ 93,000	Completed Facilities Study	Crook
13.	0.996	\$ 54	\$ 54,000	Signed Interconnection Agreement	Multnomah
14.	2.16	\$ 31	\$ 68,000	Completed System Impact Study	Linn

Additionally, sizing to MDL has not solved the deliverability problem for CSP generators in lightly loaded areas of PAC's system. Those six CSP generators will not be able to move forward until the deliverability problem is solved. This problem is described in Challenge #6.

Ongoing efforts - Challenge #2: Over the next six months, Staff will work with the PA to:

- Identify for PMs areas in the network with significantly higher MDL values;
- Investigate the distribution upgrade costs that can be borne by a CSP generator;
- Utilize findings from the third party expert interconnection review consultant to better understand the upgrade costs.

¹⁶ See NREL Review of Interconnection Practices and Costs in the Western States, 2018, p. 17-18.
<https://www.nrel.gov/docs/fy18osti/71232.pdf>.

Challenge #3: Frequent changes to PAC's posted MDL values make it difficult for new projects to plan.

CSP generators are sized and sited based on posted feeder MDL data. PAC has updated the posted MDL values for its feeders 3 times since they were originally posted in January. The PA reports that these frequent changes have made it difficult for new generators to plan their system size and location.

PAC first updated its MDL values in May 2020 to incorporate findings from CSP interconnection studies. In the May update, 58 circuits received new MDL values, and in all cases in the MDL value decreased, reducing the potential for new generators to be eligible for the CSP Queue. A second MDL update was posted in June, and PAC reports that it resulted from an annual load update. A third MDL update has just been posted in July. Staff and the PA will check in with PAC to understand the cause of the most recent changes. PAC noted that generators already in PAC's CSP queue retain their eligibility for the CSP queue, even if their generating capacity exceeds the new MDL.

The PA has analyzed the changes in MDL values between the first update in May and the third update in July. As shown in Table 3 below, the number of PAC feeders that can support new generation decreased only slightly, but *which* feeders can support new generation changed significantly, particularly for large generators. This demonstrates the unpredictability of MDL values to date as a planning tool.

Table 3. Change in number of PAC feeders able to support generators of different size

	Number of feeders able to support new generator, based on the following dataset:			
Generator Size	May 2020 MDL	July 2020 MDL	In <i>both</i> May and July 2020 MDL	% of feeders in July dataset that were not in May dataset
<= 1 MW	284	288	249	14%
1MW to 2MW	122	119	71	40%
2MW to 3MW	47	37	11	70%

A positive outcome of PAC's ongoing MDL updates would be that the posted MDL values more closely reflect the MDL values identified during the interconnection study, resulting in properly sized generators and more successful interconnections.

Ongoing efforts - Challenge #3: Over the next six months, Staff will work with the PA and PAC to:

- Better understand the potential for MDL updates to occur during a project's planning phase;
- Determine if MDL values are becoming more accurate over time;
- Identify for PMs the geographic areas impacted most by MDL updates.

Challenge #4: Interconnection upgrade costs are high and not clearly detailed in interconnection studies.

The PA has received feedback from developers that PAC's interconnection cost estimates are excessive compared to other utilities, and lack a transparent cost breakdown. More data is needed to verify this and to better understand what is driving various components of the distribution system upgrades. Information received from the third party expert interconnection review consultant will be helpful.

The PA has also received feedback that interconnection costs may be prohibitively high for small projects. PAC estimates that the minimum cost to interconnect a small generator is \$50,000. One CSP applicant with a very small rooftop generator received this minimum interconnection cost estimate during a Tier 2 fast-track review, which is comparable to the cost of the project itself. PAC is revisiting its estimate in this single instance. PAC confirmed that it's allowing small generators to meter on the low-voltage side of the transformer, rather than at primary voltage, as a cost-saving strategy. In order to help facilitate more small CSP generators, Staff will begin to investigate this issue with the PA and PAC.

Ongoing efforts - Challenge #4: Over the next six months, Staff will work with the PA and PAC to:

- Examine the cost components of the distribution system upgrades, utilizing information provided by the third-party interconnection engineering consultant;
- Compare costs in Oregon to those in other states;
- Determine whether there is a need for better vetting or disputing study findings;
- Explore options for lower-cost interconnection for small rooftop generators.

Challenge #5: The utilities have not developed a solution for CSP generators to share upgrade costs.

To facilitate sharing of system upgrade costs among generators, the utilities have been directed to conduct a joint interconnection study for multiple generators upon request if the generators are located in the same local area and apply for interconnection at the same time. PGE and PAC have expressed willingness to do this, but have not yet received such a request from generators. Cost sharing is not relevant at this time to IPC, which has only one CSP generator application.

Ongoing efforts - Challenge #5: Over the next six months, Staff will work with the PA and the utilities to:

- Develop a mechanism for CSP generators to cost-share upgrades.

Challenge #6: Potential network upgrades identified in interconnection studies create uncertainty for generators.

The need for high-cost transmission upgrades to deliver generation to load is a critical issue for generators attempting to interconnect in several load pockets in PAC territory. To date, this has affected six out of 14 projects in PAC's CSP queue that have received System Impact Studies. Although the studies for projects in the CSP queue are ERIS-only, PAC includes a courtesy NRIS analysis to estimate the cost of any network upgrades needed to deliver the power to load. The actual network upgrade costs are only known and certain once the utility's transmission function submits a transmission service request (TSR) to the utility's merchant function. To submit a TSR, the utility and the project must have an executed Power Purchase Agreement (PPA). The utilities included a Conditional Designation of Network Resources (DNR) Notice provision in their CSP PPAs that allows additional negotiations between Project Manager and utility. If these negotiations do not result in a resolution, there will be a process before the Commission to determine whether ratepayers should bear the cost of the upgrades that are identified in the TSR.

As of July 20, 2020, PAC has provided information-only network upgrade cost estimates to six CSP projects in Wallowa and Umatilla counties. The cost estimate is \$185 million for generators in Wallowa and \$75 million for generators in Umatilla. Three of the six projects have withdrawn for a different reason – high distribution system costs. The remaining three CSP projects in those PAC load pockets cannot proceed until the cost burden of those transmission upgrades is resolved. Under Staff's direction, the PA has advised the Project Managers for projects that received these results to enter into a PPA with PAC so that the Company is able to submit a TSR. Once the TSR results are known, the network upgrade costs will be known and certain, and the Conditional DNR process outlined in the CSP PPA will begin.

Ongoing efforts - Challenge #6: Over the next six months, Staff will work with the PA to:

- Encourage generators to enter into a PPA with PAC to begin the TSR process;
- Monitor the results of the TSR process;
- Implement the Commission-facing component of the Conditional DNR provision.
- Continue to gather insights that may inform UM 2032 Investigation into Treatment of Network Upgrade Costs for QFs.

Additional Next Steps

In addition, Staff has identified three additional issues to monitor over the next six months. These are not challenges that projects are currently facing, but are issues that could lead to additional challenges or insights in the CSP queue.

1. Monitor PGE CSP interconnection participation.

To date, there are 26 projects in PGE service territory that are participating in the CSP. Twenty-three of those projects had previously executed interconnection agreements, and therefore did not participate in the CSP queue. Because of this, Staff does not currently have insights into how the CSP queue works in PGE service territory. However, there are currently three projects in the PGE CSP queue. One project has a completed System Impact Study, and the other two have studies underway. Over the next six months, Staff will gain insight into how the process works for projects in PGE's CSP queue.

2. Monitor the impact of PAC queue reform on CSP interconnection.

PAC filed its queue reform proposal for Oregon-jurisdictional QF interconnections on June 15, 2020.¹⁷ PAC's queue reform proposal is requesting authorization to move from the serial interconnection study process to a "cluster study" process. Staff is investigating this proposal, and is planning to present its recommendation to the Commission at the August 11, 2020, Public Meeting.¹⁸ Staff is currently engaged in formal discovery with PAC to investigate how the cluster study process will effect CSP generators, and will know more over the next few weeks.

3. Monitor how the Portland Clean Energy Community Benefits Fund (PCEF) will affect funding for projects in the CSP small generator carve-out.

The PCEF is a funding opportunity for clean energy that was passed by ballot initiative in the City of Portland.¹⁹ The fund finances projects that meet a number of social, economic, and environmental benefits for underserved communities in Portland. Under the fund's criteria, a CSP project could qualify for PCEF funding.²⁰ The grant application process opened in the summer of 2020, and will close in early fall of 2020.²¹ Grants will be awarded in late fall.²² Staff is monitoring how this new funding stream will affect nonprofit and public CSP carve-out projects as projects are potentially awarded funding, and how that will impact the timing of additional interconnection requests.

¹⁷ See generally Docket No. UM 2108, *Application for an Order Approving Queue Reform Proposal*.

¹⁸ See Docket No. UM 2108, *Staff's Notice of Next Steps*, July 10, 2020.

¹⁹ See *About the Portland Clean Energy Community Benefits Fund*, available at <https://www.portland.gov/bps/cleanenergy/about-portland-clean-energy-community-benefits-fund>.

²⁰ *Id.*

²¹ *Id.*

²² *Id.*

RFP Results

Staff and the PA, Energy Solutions, will be implementing the third-party expert interconnection study review services over the next three weeks. The PA released a Request for Proposal (RFP) on June 15, 2020, to hire an independent, third-party interconnection reviewer for the CSP. Two proposals were received. Based on the proposals, interviews, and scoring criteria, the PA team selected the best qualified firm. The PA team is confident that the selected firm has the experience and expertise to perform both standard and enhanced reviews, to provide support for Project Managers, and to identify challenges and opportunities within the existing interconnection procedures. The PA is working to finalize the contract and launch services, at which point the selected firm will be announced. The PA is also preparing instructions for Project Managers on how to request and utilize technical review services from the selected firm.

Conclusion

Staff, the PA, utilities, and stakeholders have engaged in a robust process over the past six months to implement the CSP interconnection solutions that the Commission adopted in October of 2019. Staff greatly appreciates the efforts the utilities have made to facilitate interconnection with prospective CSP generators and provide insights to Staff as we learn how the interconnection solutions are working in practice. Over the next six months, Staff will maintain a detailed list of all CSP interconnection applications and associated issues that will be included in Staff's final report and recommendations to the Commission.

PROPOSED COMMISSION MOTION:

Informational filing – no recommendation.