

**Notice of Filing: PacifiCorp Queue Reform Proposal,
FERC Docket No. ER20-924-000**

On January 31, 2020, PacifiCorp submitted to FERC its proposal to implement a first-ready, first-served, clustered interconnection process with a requested effective date of April 1, 2020. The proposal is based on the straw proposals posted to OASIS as part of PacifiCorp's Queue Reform Stakeholder Process, as well as the valuable feedback that PacifiCorp received at stakeholder meetings and in response to the straw proposals. The filing has been assigned to Docket No. ER20-924-000 and comments are due by **5pm EST, February 21, 2020**.

Importantly, stakeholders will find that PacifiCorp has made several modifications to its queue reform proposal based on stakeholder feedback received following the November 27, 2019 Second Revised Straw Proposal. Specifically, while the core premise of the filing is the same as had been discussed repeatedly with stakeholders (transition to a "first ready" process), PacifiCorp made several changes to the Transition Process and Prospective Process in the filing submitted to FERC. Below are highlights of the changes in the filing that depart from the last strawman proposal posted for stakeholder comment:

- **Projects with executed interconnection agreements will not be tested for commercial readiness.** PacifiCorp had earlier proposed that certain interconnection customers with executed "Gateway-dependent" interconnection agreements would be tested for commercial readiness in the Transition Process. Upon further consideration and review of stakeholder comments, PacifiCorp removed this aspect of the proposal and will not require Gateway South-dependent projects with executed interconnection agreements to show commercial readiness. Rather, those contracts will simply be enforced by their terms.
- **Late-stage projects are given additional flexibility in the transition process.** PacifiCorp's proposal will give certain projects in the queue as of January 31, 2020 but nearing completion of the interconnection study process as of April 1, 2020 the option to complete the interconnection process or opt into the Transition Cluster Study. Regardless of which option they choose, such projects will, like all other pending interconnection requests, be required to demonstrate commercial readiness by a date certain (October 15, 2020), but they will not be required to participate in the Transition Cluster Study.
- **Small Generating Facilities will not be tested for commercial readiness in either the prospective or the transition processes.** Small Generating Facilities will still be clustered and studied together with Large Generating Facilities for purposes of the system impact study.
- **The proposed definition of Site Control (for Large Generator Facilities) excludes Interconnection Customer's Interconnection Facilities.** Other transmission providers require Interconnection Customers to demonstrate "site control" of the land for the generating facility *and* any interconnection facilities. In response to stakeholder feedback that site control for interconnection facilities (e.g. lead lines) often comes later in the

process, the Company removed this requirement from the proposal filed at FERC.

- **Revised and Capped Withdrawal Penalties and Suspension Costs.** Similar to PSCo’s approach, Large Generators relying on the “in-lieu of readiness” payment (i.e. a financial payment in lieu of evidence of commercial viability) will be subject to escalating Withdrawal Penalties, which will be capped at amounts ranging from \$1-\$2 million, depending on when in the process the Large Generator withdraws. If a Large Generator customer relies on a non-payment readiness option (i.e. evidence of commercial viability), its Withdrawal Penalty will be limited to its full study costs. Large Generator projects that withdraw after they have executed their interconnection agreement but before achieving commercial operation will have Withdrawal Penalties remain at the previously proposed nine-times study cost. Similar to PNM’s approach, if an Interconnection Customer suspends its interconnection agreement, the Interconnection Customer shall be obligated to pay for costs associated with any studies or restudies required as a result of the suspension of the interconnection agreement, including any restudies associated with any affected lower-queued customers.
- **Readiness demonstration deadline set at October 15, 2020.** As part of the Transition Process, Large Generator projects in the queue required to demonstrate commercial readiness must do so by October 15, 2020 to be included in the Transition Process.
- **Annual Cluster Windows.** PacifiCorp will commence Cluster Studies on an annual basis, with Cluster Request Windows opening annually every April 1 after the Transition Process. As proposed, the first prospective Cluster Request Window would open April 1, 2021. This change will ensure that Cluster Studies are complete or nearly complete before starting a new Cluster Study. This will limit the risk of re-studies, align the process more closely with CAISO’s interconnection process, and help to facilitate a smoother transition to the cluster process.
- **Refund of Study Deposits and Additional Security or “in-lieu-of” Payments.** PacifiCorp will refund any amount that exceeds both the Interconnection Customer’s withdrawal penalty (if applicable), and its allocated share of study costs (including costs for the customer’s individual Facilities Studies), plus applicable interest.

For more information on PacifiCorp’s proposal, please consult the filing as submitted in FERC Docket No. ER20-924-000 and posted on OASIS. PacifiCorp sincerely appreciates the extensive stakeholder engagement and feedback throughout this process. With the help of stakeholders, PacifiCorp believes it has crafted a process that effectively clears a path forward for viable projects and makes the interconnection process more manageable and less susceptible to delays.

PacifiCorp hopes that stakeholders will support both the substance of these reforms as well as the need for timely approval by FERC. The deadline for submitting interventions and comments is 5pm EST on February 21, 2020.

Dated: February 4, 2020