
Investigation of the Costs and Benefits of
PacifiCorp's Net Metering Program

DOCKET NO. 14-035-114
ORDER GRANTING WAIVER IN PART

ISSUED: March 21, 2018

BACKGROUND

On September 29, 2017, the Public Service Commission ("PSC") issued an Order Approving Settlement Stipulation ("Settlement") in this docket. The Settlement established a transition period between the old net metering regime and an anticipated export credit rate regime, which transition period is currently in effect. Customer response since the Settlement was approved has been significant. According to PacifiCorp, it has received considerably more Level 3 applications since the Settlement was approved than it had in recent years. Specifically, it received a total of 11 Level 3 applications from January 2016 through October 2017 (a 22-month period), and 20 Level 3 applications from November 2017 through January 2018 (following the approval of the Settlement). PacifiCorp states each of these 20 applications requires a system impact study ("SIS"). PacifiCorp states the average engineering time required for each SIS is approximately 80 hours, meaning the currently pending applications will require approximately 1,600 engineering hours to process.

The PSC's administrative rules pertaining to Level 3 electrical interconnection apply to each of the Level 3 applications and establish timeframes within which PacifiCorp must complete various aspects of the interconnection application process.¹

¹ Neither our approval Order nor the Settlement addressed the issue of Level 3 Interconnection Review deadlines as set forth in Utah Admin. Code R746-312-10 (Level 3 Interconnection Review).

On March 2, 2018, PacifiCorp filed a Motion for Emergency Waiver of Level 3 Interconnection Review Processing Timeframes (“Motion”). PacifiCorp’s Motion requests an expedited order relieving PacifiCorp from meeting the timelines required by R746-312-10 (2)(f)(iii) (“Timelines”) to complete and provide a SIS for Level 3 Interconnection applications. In particular, PacifiCorp requests the review process be modified through the entire duration of the transition period as follows:

1. Assign a net metering queue position number on a first-come, first-serve basis that would be assigned once completed documentation and associated payment/deposit are received;
2. The timeframes to process the applications would not begin until the documentation is completed and the associated payment/deposit are received;
3. PacifiCorp will use best efforts to process the applications within 30 days beginning on the completion of the documentation and the receipt of the payment/deposit whenever possible; and
4. In situations when there are multiple applications on the same distribution feeder, or in areas where projects may impact multiple feeders that have earlier requests, projects will be reviewed in the order received as expeditiously as possible. This staged review is required because the outcome of one study directly impacts the assumptions and feeder characteristics that will determine the results of the next study.

PacifiCorp commits to using its best efforts to process the applications within 30 days beginning on the completion of the documentation and the receipt of the payment/deposit. Further, PacifiCorp recommends working with interested parties to more fully develop a new queue system for Level 3 interconnection review processes that could be incorporated into future modifications to the rule.

On March 6, 2018, the PSC issued a notice of filing and comment period requesting interested parties submit comments by March 13, 2018 and reply comments by March 19, 2018. The Division of Public Utilities (“DPU”) and Utah Clean Energy (“UCE”) filed comments. PacifiCorp, UCE, and the Utah Solar Energy Association (“USEA”) filed reply comments.

The DPU recommends the PSC approve the Motion on the condition that PacifiCorp file with the PSC with a queue management plan, developed with interested parties, within 45 days of receiving approval from the PSC. The DPU recommends that, at a minimum, the queue management plan should require PacifiCorp to file a status report, at least on a quarterly basis, on how the queue is functioning. The status report should include information such as the date the application entered the queue, length of time to process the interconnection application and the SIS, the date of approval of the interconnection application, and other relevant information.

UCE objects to PacifiCorp’s Motion. UCE alternatively recommends the PSC grant PacifiCorp an additional 15 to 30 business days (for a total of 45 to 60 business days) to complete a SIS and distribute the results to the interconnection customer, and that the waiver be in effect for six months. UCE asserts there is no need to suspend the rules for the duration of the transition period, and that doing so is neither reasonable nor necessary. UCE notes that it is

important for Level 3 interconnection customers to have certainty and transparency concerning the duration of interconnection reviews as delays in a project's timeline can have a significant impact on a project's economic viability. UCE asserts that PacifiCorp has not provided sufficient information to show a queue is necessary.

On March 19, 2018, PacifiCorp filed responsive comments to the DPU and UCE. PacifiCorp "agrees to a six-month waiver, as proposed by UCE."² In addition, PacifiCorp notes both the DPU and UCE agree that quality SISs are crucial to safe interconnection. PacifiCorp agrees that adequate review of the interconnection of the proposed systems should be properly balanced with customer certainty and transparency, believes those objectives can be balanced by a well-developed queue system, and commits to work with parties to develop a queue management plan. PacifiCorp states this is consistent with the DPU's recommendations that it work with parties to develop a queue management system within 45 days of the waiver being granted. PacifiCorp also commits during the six-month waiver to file quarterly status reports as recommended by the DPU.

In its reply comments, USEA states it supports UCE's original comments and stressed the importance of predictability and certainty in the review process. Also in reply comments, UCE responds to the DPU's recommendation for approval of the Motion by reiterating its objections that PacifiCorp has provided insufficient information to justify its queue proposal and that the potential excessive delays would negatively impact potential projects' economic viability. UCE supports a meeting or technical conference with PacifiCorp and other interested parties to

² PacifiCorp Reply Comments, 2.

discuss the Level 3 interconnection review related questions it posed in its initial comments. UCE also supports working together to identify additional solutions that allow PacifiCorp to complete SISs without creating unnecessary delays for customers.

FINDINGS AND CONCLUSIONS

We find UCE's proposed 30-day extension of the Timelines for a six-month period, as agreed to by PacifiCorp, is a reasonable response to the increased number of Level 3 applications PacifiCorp has experienced since November 2017. This extension balances the public interest with respect to safety in the interconnection process, customer certainty and transparency. Accordingly, we grant a 30 business day extension of the Timelines for completion of the SIS and distribution of the study results for a six-month period. We also acknowledge PacifiCorp's commitment to using its best efforts to process the applications within 30 days beginning on the completion of the documentation and the receipt of the payment/deposit.

We note all parties express an interest in identifying, understanding, or resolving issues surrounding the interconnection review process. In addition, we recognize that queue management issues will become increasingly important as customer generation facilities continue to proliferate on PacifiCorp's system. Therefore, we find it reasonable for PacifiCorp to convene a workgroup for parties to discuss interconnection-related issues and recommend a queue management system.

ORDER

1. Based on the representations in the Motion, comments, and reply comments, we grant PacifiCorp a waiver of the existing Timelines in R746-312-10(f)(iii) and extend the Timelines by 30 additional business days. The waiver shall be effective for six months from the date of this order.
2. We direct PacifiCorp to work with the DPU and interested parties to develop a queue management system and related procedures and either submit that system for PSC consideration, or provide a status update on the activities and progress of the process, within 45 days of this order.
3. PacifiCorp shall submit quarterly status reports during the duration of the wavier period.
4. Despite this waiver, PacifiCorp shall use its best efforts to process applications according to the otherwise applicable R746-312-10 (2)(f)(iii) Timelines during the waiver's effective period.

DATED at Salt Lake City, Utah, March 21, 2018.

/s/ Thad LeVar, Chair

/s/ David R. Clark, Commissioner

/s/ Jordan A. White, Commissioner

Attest:

/s/ Gary L. Widerburg

PSC Secretary

DW#300881

Notice of Opportunity for Agency Review or Rehearing

Pursuant to Utah Code Ann. §§ 63G-4-301 and 54-7-15, a party may seek agency review or rehearing of this order by filing a request for review or rehearing with the PSC within 30 days after the issuance of the order. Responses to a request for agency review or rehearing must be filed within 15 days of the filing of the request for review or rehearing. If the PSC fails to grant a request for review or rehearing within 20 days after the filing of a request for review or rehearing, it is deemed denied. Judicial review of the PSC's final agency action may be obtained by filing a Petition for Review with the Utah Supreme Court within 30 days after final agency action. Any Petition for Review must comply with the requirements of Utah Code Ann. §§ 63G-4-401, 63G-4-403, and the Utah Rules of Appellate Procedure.

CERTIFICATE OF SERVICE

I CERTIFY that on March 21, 2018, a true and correct copy of the foregoing was delivered upon the following as indicated below:

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