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March 26, 2019

The Honorable Ken Helm  
Chairman, House Committee on Energy and Environment  
900 Court St., NE  
Salem, OR 97301

RE: House Bill 3325 - Oppose

Dear Representative Helm,

I am writing on behalf of Pacific Power in opposition to House Bill 3325 as introduced.

PacifiCorp is an integrated electric utility serving 1.9 million customers in six states in the Pacific Northwest and Rocky Mountain regions. In Oregon, we serve over 587,000 customers in about 200 communities. That equates to about one in four Oregonians who rely on our service, and we are committed to providing safe, affordable, reliable, and increasingly clean energy to power their homes and businesses.

We help thousands of customers generate their own electricity daily, with 6,936 successfully interconnected net metering systems comprising 68.5 megawatts of generating capacity. Even with all of that activity, the Oregon Public Utility Commission (OPUC) has received only one complaint about PacifiCorp's net metering interconnection process since 2014.

Oregon is a leader in developing and implementing standards for net metering and customer interconnection. The OPUC's existing net metering interconnection rules are based on national standards and incorporate industry best practice. The Western Interstate Energy Board acknowledged as much in a March 13, 2019 presentation to the OPUC summarizing its research—developed in coordination with the National Renewable Energy Laboratory—on interconnection standards in the western states.

It is important to note that the OPUC does not just set rules and forget them, especially in areas involving customer generation that are experiencing a rapid technological evolution. Under existing law, the OPUC has the authority to adjust its policies in response to emerging circumstances. In fact, the OPUC has just recently taken steps to review interconnection policies as part of its docket to investigate distribution system planning, UM 2005, opened on March 21, 2019. House Bill 3325 would cement specific

interconnection requirements in statute, limiting the flexibility of the OPUC to make any necessary adjustments and requiring legislative action to modify in the future.

The OPUC is well-equipped to address any concerns that do arise, and there will be real costs associated with the requirements in the proposed legislation. We include responses to some of the specific elements of House Bill 3325 below.

**There is not a specific driver to justify the need for change:**

- The Oregon Public Utility Commission has adopted expansive interconnection rules for net metering which lay out the specific timelines for different studies in the process (OAR 860-039-0025 through 0050).
- These rules are consistent with national standards, and in many cases are best practice.

**The current bid accuracy rate is considered very interconnection customer friendly:**

- Bids from utilities on interconnection are currently required to provide 25 percent accuracy.
- If actual costs exceed 25 percent of the estimate, the utility pays the costs, not the customer-generators.
- Requiring a five percent accuracy for the estimated upgrade costs is not practical, since the study necessary to determine the upgrade cost within that band of specificity would take *more* time than currently experienced and would cost more up front for developers and their customers.
- Giving the interconnection applicant the right to choose the contractor to work on the utility's system strips the utility of the ability to either do the work or competitively bid it out to make sure the estimate is met. This is in direct conflict with the provision to make the utility financially responsible for missed estimates.

**Facilities study requirement and shortened studies timelines are impractical:**

- The bill mandates studies for projects over 250 KW, but does not address the issue of smaller projects sited in poor locations that would need a study to ensure a project can be interconnected safely.
- Shortening the study timelines from 60 days to 45 days can create difficulties because of the highly technical nature of the study process.

**A six-month project completion timeline is unreasonable:**

- Utilities work under the assumption that upgrades can be completed within 15 months of the completion of the Feasibility, System Impact and Facilities studies.
- Frequently, these upgrades can be very expensive and the time it takes is needed, but more often than not, the upgrades are less significant and are completed much faster.

**Contractor Approval:**

- Under the bill, the utility has to provide a list of "approved" contractors that can generate the work. If the utility is "approving" contractors, it could create liability if something between the customer and the contractor goes wrong.
- The utility is on the hook to do the work, so the utility should have the discretion to complete the work with its own employees or a contractor of its choosing.

Thank you for the opportunity to provide input on this legislation. We look forward to continued discussion on this issue.

Sincerely,

A handwritten signature in black ink that reads "Annette Price". The signature is written in a cursive style with a large initial "A".

Annette Price