



PacifiCorp draft Business Practice #73

May 17, 2019

The Northwest & Intermountain Power Producers Coalition (NIPPC) appreciates the opportunity to comment on PacifiCorp's draft Business Practice #73. We have serious concerns about the direction of the Business Practice and therefore oppose it. NIPPC, however, does look forward to working with PacifiCorp to develop solutions to the problems identified by the Business Practice that are consistent with FERC's open access transmission policy.

The impetus behind draft Business Practice #73 seems to be a confluence of factors which PacifiCorp asserts have combined to make it difficult or impossible for PacifiCorp to complete power flow studies as part of the its Interconnection Process.

PacifiCorp has cited the following factors as contributing to the problem:

- Interconnection requests must be processed in the order in which they are received;
- Prescriptive baseline assumptions regarding the modeling of other generation on the system;
- Large volume of interconnection requests;
- Modeled generation exceeds system load in the study area.

Business Practice #73, if adopted, would allow PacifiCorp to issue a finding of non-viability in response to an interconnection study request when one or more of the factors above prevent the power flow model from solving.

Upon a finding of non-viability, PacifiCorp would meet with the customer to determine if any changes to the generation project or PacifiCorp applying "provisional or surplus interconnection products" would allow PacifiCorp to resolve the non-viable determination.

NIPPC opposes PacifiCorp's adoption of draft Business Practice #73.

NIPPC recognizes that the challenges facing PacifiCorp in managing its interconnection queue are real and that they can be difficult to solve. Business Practice #73, however, is not a solution to the problem. In fact, Business Practice #73 attempts to solve the wrong problem.

PacifiCorp's interconnection queue process is not overwhelmed because developers have insufficient information or data to make informed interconnection decisions.

Rather the queue process is overwhelmed in large part because higher queued projects are “squatting” in the queue for any number of reasons without moving forward with their development.

While Business Practice #73 would create a mechanism that would allow PacifiCorp to argue it is in technical compliance with its obligations to interconnect customers; in fact Business Practice #73 completely disregards FERC’s open access principles. In particular, there is a serious gap between the power flow study assumptions – for example, that generation must not exceed system load in a given area of the system – and the requirements of FERC’s open access transmission regime, which allows generation to be interconnected at any point on the system and transmitted to any other point, including outside a specific utility service territory. Similarly, the assumption that power flows on the larger system cannot be studied, but must be limited by the load/resource balance within a particular system, are inconsistent with FERC’s Order No. 1000, which requires that transmission be planned and studied on a regional basis. The Business Practice instead seems to limit power flow studies to the boundaries of a balancing authority, as if it was isolated from all other interconnected regional systems.

While NIPPC opposes the adoption of draft Business Practice #73, NIPPC is open to collaborating with PacifiCorp to explore interconnection queue reforms to the mutual benefit of PacifiCorp’s ratepayers and its transmission customers. NIPPC believes the scope of the interconnection queue reform process could include:

- Comprehensive audit of PacifiCorp’s interconnection queue to ensure customer compliance with OATT obligations;
- Consideration of different assumptions regarding the output of existing and higher-queued generation - especially as the generation fleet shifts to renewable generation resources and storage technologies sited with the generator which allow the generator to limit its instantaneous output onto the transmission system;
- Timely processing of study requests;
- Conforming study assumptions to the requirements of Order No. 888, Order No. 1000, and other relevant FERC requirements, so that study assumptions match the regulatory requirement of open access to the interconnection regional grid, rather than confining transmission to the boundaries of the individual PacifiCorp grid; and,
- Providing sufficient data and information to the developer community regarding optimal locations for new generation resources;
- Alternative queue reform approaches.

Thank you again for the opportunity to comment on draft Business Practice #73. NIPPC looks forward to working with PacifiCorp and other stakeholders in developing real solutions to the real challenges facing PacifiCorp’s interconnection queue.