

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

**Improvements to Generator
Interconnection Procedures and
Agreements**

Docket No.
RM22-14-000

**COMMENTS OF THE
NORTHWEST & INTERMOUNTAIN POWER PRODUCERS COALITION**

The Northwest & Intermountain Power Producers Coalition (“NIPPC”) is a membership-based advocacy group representing competitive electricity market participants in the Pacific Northwest and Intermountain region. NIPPC has a diverse membership including independent power producers and developers, electricity service suppliers, transmission companies, marketers, storage providers, and others. NIPPC is committed to fair and open-access transmission service, cost effective power sales, consumer choice in energy supply, and fair, competitive power markets in the Northwest and adjacent markets.

NIPPC supports a competitive electric power supply marketplace in the Pacific Northwest and Intermountain West based on the following principles: adequacy and reliability of electric supply is supported and not compromised; all market and transmission access, pricing, and regulatory structures allow all market participants to operate under fair and equivalent terms and conditions in the regional marketplace; efficient and transparent pricing signals that facilitate investment in electric power supply and transmission infrastructure; and cost effective environmental, safety, and security best practices are put in place and maintained.

NIPPC members have collectively invested billions of dollars in existing generation resources in the United States and have substantial operating assets in the West along with renewable and thermal projects in advanced stages of development, all of which are tied to and rely on the *pro forma* Open Access Transmission Tariff (“OATT”) for access to power markets. Therefore, NIPPC appreciates and supports the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) proposals in this Notice of Proposed Rulemaking (“NOPR”) as discussed below and subject to several qualifications and exceptions identified below.

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I. BACKGROUND

The Northwest and Intermountain Power Producers Coalition (“NIPPC”) represents a broad spectrum of independent power producers and developers, electricity service suppliers, transmission companies, marketers, storage providers, and others who are actively involved in building electric generation and advocating on energy policy issues.

NIPPC’s comments on this NOPR are narrowly focused on its members’ experiences in the Pacific Northwest and the Rocky Mountain regions of the Western Interconnection (“the non-RTO West”). The Commission must consider the unique characteristics of this region. First and most obviously, it does not have a Regional Transmission Organization or an Independent System Operator (“RTO” and “ISO”). While some of the transmission providers in the region have already taken the initiative to transition to a cluster study process for interconnections,¹ most transmission providers in the non-RTO West continue to process interconnection requests in serial queue order. Many states have adopted energy and climate change policies designed to transition their energy sectors away from carbon emitting generation resources to renewable energy generation.² The most valuable areas for development of location constrained renewable energy resources are often located far from the loads those resources are intended to serve.

¹ See, e.g., *PacifiCorp OASIS, Open Access Transmission Tariff, FERC Electric Tariff, Volume No, 11 (Aug. 31, 2022)*, https://www.oasis.oati.com/woa/docs/PPW/PPWdocs/20220831_OATTMaster.pdf; and *Xcel Energy Transmission, Open Access Transmission Tariff Of Northern States Power Company Northern States Power Company (Wisconsin) Public Service Company of Colorado Southwestern Public Service Company The Utility Operating Company Subsidiaries Of Xcel Energy Inc. (Apr. 16, 2016)*, [https://www.transmission.xcelenergy.com/staticfiles/microsites/Transmission/1-1-2021%20Xcel%20Energy%20OATT%20Current%20Tariff%20\(ER21-291\).pdf](https://www.transmission.xcelenergy.com/staticfiles/microsites/Transmission/1-1-2021%20Xcel%20Energy%20OATT%20Current%20Tariff%20(ER21-291).pdf).

² The 100 Percent Clean Energy Act of 2018, S.B. 100, Ch. 312, § 1(b) (Cal. 2018); Clean Energy Transformation Act, S.B. 5116, 66th Leg. Sess., § 5 (Wash. 2019); H.B. 2021, 81st Leg. Sess., § 3 (Or. 2021).

Given the geographic footprints of balancing areas in the West, generation developers must not only navigate the interconnection process, but attempt to coordinate the interconnection study process with the transmission service study process – often across two or more transmission providers. Accordingly, any reforms resulting from this NOPR must ensure that generation developers have mechanisms to help them identify locations where interconnection is feasible as well as mechanisms that allow them sufficient flexibility to coordinate one or more transmission service queues at the same time.

II. SUMMARY OF RECOMMENDATIONS

NIPPC cautiously supports the proposal to transition from a serial queue to a first ready-first served cluster study process for interconnection. However, the transition to the cluster study should equitably treat generators that have already invested heavily in the serial process. In addition, the Commission should allow a limited exception for existing interconnection customers to be processed outside the annual cluster study process such as an existing project seeking to make changes to their interconnected facilities that have no new incremental impact to the transmission grid.

NIPPC supports the requirement for transmission providers to offer an informational study. NIPPC supports the timeline proposed in the NOPR and recommends the Commission adopt penalties if the transmission provider fails to meet deadlines. NIPPC tentatively supports the window on when to request an information study but wants to ensure interconnection customers would receive results of the study sufficiently in advance of a deadline to join a cluster study.

NIPPC fully supports a requirement for transmission providers to conduct cluster studies on subgroups of interconnection customers based on areas of geographic and electric relevance. NIPPC supports an open, transparent stakeholder process with opportunities for potential

customers and regional stakeholders to provide comments on any proposed subgroups of interconnection customers unique to each transmission provider and challenge the assigned area.

NIPPC supports the Commission proposal to allocate Network Upgrade costs to interconnection customers within a cluster using a proportional impact method. NIPPC encourages the Commission to consider more cost allocation reforms such as a cost allocation mechanism for Network Upgrade costs for new interconnections similar to the proposal for cost allocation of new regional transmission lines in the RM21-17 NOPR.

NIPPC supports the readiness criteria with specific exceptions. First, NIPPC recommends that the Commission require load serving entities (“LSEs”) that participate in a resource solicitation process be treated the same as independent power producers and not be exempt from the commercial readiness requirement unless they can provide reasonable evidence that their projects have been selected in a resource plan or resource solicitation process. Second, NIPPC proposes an additional criterion for the list so that projects which are fully permitted under all applicable Federal, state, or local permitting requirements have also established that they are sufficiently ready to move forward with the interconnection process and that they should be able to demonstrate commercial readiness. Third, NIPPC also suggests that Public Utility Regulatory Policies Act (“PURPA”) facilities should be allowed to participate in the Cluster Study without as high of commercial readiness requirements for reasons detailed below. Fourth, NIPPC fully supports the proposal to allow interconnection customers the option to submit a Commercial Readiness Deposit as a mechanism to meet the commercial readiness requirement. Providing developers with an option to demonstrate commercial readiness through a Deposit is essential to ensuring a competitive market for generation resources.

NIPPC urges the Commission to allow for reduced withdrawal fees for the transition cluster if the interconnection customer participated in a request for proposals (“RFP”) or other competitive solicitation process but was not ultimately selected. NIPPC cautions that withdrawal penalties must be appropriately sized because submitting a request is the only way to officially know whether interconnection capacity is available and at what cost. NIPPC suggests that if the cluster study shows interconnection costs more than twice the estimates shown in the accessible interconnection information made available by the transmission provider, then the withdrawal penalties should be limited to the actual study costs.

NIPPC supports the proposal to revise the pro forma large generator interconnection procedures (“LGIP”) to eliminate the reasonable efforts standard for transmission providers completing interconnection studies, and instead impose firm study deadlines and establish penalties that would apply when transmission providers fail to meet these deadlines. NIPPC proposes that penalties for transmission providers who fail to complete studies on time should be capped at four times actual study costs.

III. COMMENTS

A. FIRST READY-FIRST SERVED CLUSTER STUDY PROCESS

NIPPC cautiously supports the proposal to transition from a serial queue process to a first ready-first served cluster study process for interconnections.³ NIPPC’s support is driven by two factors. The first is frustration with the significant backlogs most transmission providers have in processing the serial queue and the additional costs and delays resulting from restudies when earlier queued projects ultimately withdraw. The second is recognition of the reality that the Commission has already approved individual transmission providers’ proposals to reform their

³ NOPR at P64.

Open Access Transmission Tariffs (“OATTs”) to adopt a cluster study process for interconnections.⁴

NIPPC’s support for a broader reform of interconnection study processes is tempered by the reality that many NIPPC members have invested heavily – in both time and resources – in the existing serial queue process. NIPPC is concerned that any transition mechanism to a cluster study process must respect and protect – to the extent possible – the significant investments these customers have already made in the existing process. NIPPC supports the Commission’s proposal to allow customers in the interconnection queue who have received a Facilities Study the option to continue the serial process, enter a transitional cluster study, or withdraw from the queue without penalty.⁵ NIPPC does believe that in many cases the requirement for a \$5 million deposit to participate in the transitional cluster study is simply too high.⁶ The Commission should require transmission owners to propose a deposit amount for the transitional study that is appropriate to their queue and their specific system configuration.

B. INTERCONNECTION INFORMATION ACCESS

NIPPC shares the Commission’s concerns that a lack of transparency about the viability of potential interconnection sites substantially increases the costs and risks for potential interconnection customers. Currently, the only way for a generation developer to determine the

⁴ See, e.g., PacifiCorp OASIS, *Open Access Transmission Tariff, FERC Electric Tariff, Volume No. 11* (Aug. 31, 2022), https://www.oasis.oati.com/woa/docs/PPW/PPWdocs/20220831_OATTMaster.pdf; and Xcel Energy Transmission, *Open Access Transmission Tariff Of Northern States Power Company Northern States Power Company (Wisconsin) Public Service Company of Colorado Southwestern Public Service Company The Utility Operating Company Subsidiaries Of Xcel Energy Inc.* (Apr. 16, 2016), [https://www.transmission.xcelenergy.com/staticfiles/microsites/Transmission/1-1-2021%20Xcel%20Energy%20OATT%20Current%20Tariff%20\(ER21-291\).pdf](https://www.transmission.xcelenergy.com/staticfiles/microsites/Transmission/1-1-2021%20Xcel%20Energy%20OATT%20Current%20Tariff%20(ER21-291).pdf).

⁵ NOPR at P156.

⁶ NOPR at P159.

interconnection costs associated with potential project configurations is to submit multiple interconnection requests into the queue. NIPPC supports the Commission’s proposals to require transmission providers to post interconnection information on OASIS⁷ (“Posted Information”) and require transmission providers to offer potential interconnection customers an informational study (“Informational Study”).⁸ The Commission proposes to eliminate the existing Feasibility Study from the OATT.⁹ In the current paradigm, the Feasibility Study is the primary mechanism interconnection customers have for identifying optimal locations and configurations for new generation facilities. In order for the other proposed reforms in the NOPR to be effective, potential interconnection customers must have a solution to the problem of identifying optimal interconnection locations and configurations that is timely, cost-effective, and accurate. Transmission providers must deliver the Informational Studies within the timeframes described in the NOPR.¹⁰ NIPPC recommends that any final rule include meaningful penalties for transmission providers who fail to meet the deadlines to complete an Informational Study.

NIPPC also tentatively supports the proposal for transmission providers to establish a window in which interconnection customers can request an Informational Study.¹¹ The window(s) for requesting Informational Studies must be coordinated with the timelines for the cluster studies to ensure that interconnection customers have the Informational Study results sufficiently in advance of the cluster study window to consider their various options prior to committing to the cluster study. The Informational Study will be the primary resource developers will have to demonstrate the feasibility and cost effectiveness of their interconnection plan to

⁷ NOPR at P51.

⁸ NOPR at P42.

⁹ NOPR at P74.

¹⁰ NOPR at P44.

¹¹ NOPR at P48.

potential customers and will necessarily be the foundation upon which developers will subsequently negotiate the documents that will establish their commercial readiness for the interconnection cluster study process. NIPPC also supports the proposal to revise section 6.5 of the OATT to require public posting of interconnection related information as described in the NOPR (“Publicly Posted Information”).¹²

C. INTERCONNECTION CLUSTER STUDY

If the Commission proceeds to implement the cluster study reforms described in the NOPR, NIPPC fully supports a requirement for transmission providers to conduct cluster studies on subgroups of interconnection customers based on areas of geographic and electric relevance.¹³ NIPPC supports requiring transmission providers to define study regions based on geographic and electric relevance through an open, transparent stakeholder process with opportunities for potential customers and regional stakeholders to provide comments on the proposed study regions. Instead of attempting to define a single mechanism to identify study sub-areas, NIPPC encourages the Commission to define a process which allows transmission providers to identify study sub-areas appropriate to their unique system, but which also allows for meaningful customer input and provides a mechanism for oversight, including the ability to timely challenge their assigned sub-area (which could include an independent transmission monitor).

NIPPC recommends all interconnection requests for new projects should be addressed through the cluster study process. NIPPC also recommends that the Commission allow a limited exception in the pro forma LGIP to allow some interconnection requests from existing interconnection customers to be processed outside of the annual cluster study process. NIPPC suggests that existing projects seeking to make changes to their interconnected facilities could be

¹² NOPR at P51.

¹³ NOPR at P77.

processed outside of the cluster process where the proposed change had no demonstrable incremental impact to the transmission grid. This concept would allow existing projects to repower with updated technologies or add storage outside of the cluster study timeline.

1. Allocation of Cluster Network Upgrade Costs

NIPPC supports the Commission proposal to allocate Network Upgrade costs to interconnection customers within a cluster using a proportional impact method.¹⁴ This cost allocation methodology ensures that each interconnection customer contributes to the cost of upgrades in proportion to its impact on the grid. Other options (such as a pro rata allocation per project) would be more likely to shift a disproportionate share of upgrade costs to smaller projects which had less impact to the transmission grid. NIPPC also encourages the Commission to consider adopting further reaching reforms related to Network Upgrade costs. Much of the demand for new generation is driven by demand for non-carbon emitting generation resources to meet state or local public policy goals, while the costs of Network Upgrades are allocated among the interconnection customers. While these Network Upgrade costs are eventually passed through to load customers through higher contract prices for the new renewable energy capacity, it might be more efficient to set a fixed amount for interconnection customers to contribute to Network Upgrade costs with the remaining Network Upgrade costs allocated to the loads that the new generation is intended to serve. NIPPC urges the Commission to consider a cost allocation mechanism for Network Upgrade costs for new interconnections similar to the proposal for cost allocation of new regional transmission lines outlined in the RM21-17 NOPR. Depending upon the region, that cost allocation mechanism for significant Network Upgrade costs could be the basis of regional negotiations.

¹⁴ NOPR at P88.

2. Commercial Readiness

The Commission proposes to require customers to demonstrate commercial readiness in order to participate in a cluster study. The Commission's options to demonstrate commercial readiness include:

1. Executed term sheet (or comparable evidence) related to a contract, binding upon the parties to the contract,¹⁵ for sale of (1) the constructed generating facility, (2) the generating facility's energy or capacity, or (3) the generating facility's ancillary services; where the term of sale is not less than five years
2. Reasonable evidence that the project has been selected in a resource plan or resource solicitation process by or for a load serving entity, is being developed by a load-serving entity (LSE), or is being developed for purposes of a sale to a commercial, industrial, or other large end-use customer
3. Provisional LGIA which has been filed at the Commission (executed or unexecuted), which is not suspended and includes a commitment to construct the generating facility¹⁶

NIPPC supports these criteria with specific exceptions, and contingent on transmission providers offering potential interconnection customers an Interconnection Study. In theory, these criteria all appear reasonable. NIPPC cautions the Commission, however, that in practice the market for new generation development currently requires developers to demonstrate that they have a position in the interconnection queue before they can even begin serious negotiations to enter into a term sheet, contract, or resource solicitation for the sale of their project or its output. Currently, most power customers have a strong bias towards purchasing projects with valid interconnection queue positions. In addition, under current commercial practices, most of the Commission's proposed commercial readiness criteria cannot be achieved *without* getting into

¹⁵ NIPPC recommends deleting "binding upon the parties to the contract" as it applies to a term sheet. While term sheets are binding as to their economics terms, they frequently contain numerous conditions which excuse one or both parties from subsequent performance so might not be considered "binding." Accordingly, NIPPC suggests that an executed term sheet – without additional qualification – be sufficient demonstration of commercial readiness.

¹⁶ NOPR at P129.

the interconnection queue. NIPPC anticipates that the market should eventually adapt to the new commercial readiness requirements. But NIPPC also urges the Commission to provide a sufficiently long transition period.

NIPPC's specific concerns with the proposal are as follows. First, NIPPC is concerned with the proposal that any project "being developed by a load serving entity" will qualify for the cluster study.¹⁷ In the non-RTO West, nearly all transmission providers subject to the Commission's jurisdiction are also LSEs. The Commission's proposal creates a real risk that a transmission provider seeking to build a new generation project to serve its own load would have a significant advantage over independent developers attempting to develop projects in the same location.¹⁸ This would be an anticompetitive outcome.

NIPPC suggests that a project that is being developed by an LSE should not automatically be allowed to demonstrate commercial readiness. This should apply to both LSE-owned and LSE-affiliated projects. If the LSE plans to include the project in a competitive state jurisdictional approved resource solicitation process, then there is no reason to provide an LSE an advantage as compared to other bidders. Instead, the LSE's project should need to be selected in the resource solicitation process the same way as independent power producer projects. A project being developed by an LSE is just as "commercially ready" as any other project that will submit a bid into the resource solicitation process. Any other result will provide the LSE with unique advantages over other bids, which can bias the resource solicitation process in its favor.

¹⁷ NOPR at P129.

¹⁸ This risk is particularly acute during the transition period away from the current practical reality that precludes developers from successfully negotiating a term sheet, contract or participate in a competitive solicitation without demonstrating that they are in the interconnection queue.

There should be an exception for LSEs which are developing projects separate and outside of a resource solicitation process.

Only if a state regulatory commission allows the LSE to exempt itself from a competitive resource selection process, or there is an absence of a resource plan or solicitation process, is it appropriate to treat projects developed by LSEs differently than independent power producers. This is an important instance in which the Commission should ensure its potential interconnection reforms complement and do not incidentally undermine competitive procurement overseen by the states.

Second, NIPPC proposes an additional criterion for the list of acceptable ways to demonstrate that projects are ready to participate in a cluster study. NIPPC suggests that projects which are fully permitted under all applicable Federal, state, or local permitting requirements have also established that they are sufficiently ready to move forward with the interconnection process and that they should be able to demonstrate commercial readiness should they choose to take the step of entering a Cluster Request Window.

Third, NIPPC also suggests that PURPA facilities should be allowed to participate in the Cluster Study without as high of commercial readiness requirements. NIPPC addressed this in PacifiCorp queue reform comments at FERC¹⁹ and the Oregon PUC.²⁰ Essentially, PacifiCorp created a paradox which required a customer to have a Power Purchase Agreement (“PPA”) to participate in the Cluster Study, but at the same time required the customer to have a completed interconnection study result to obtain a PPA. NIPPC highlighted this paradox and explained that

¹⁹ *PacifiCorp*, Docket No. ER20-924-000, Motion to Intervene and Comments of NIPPC (Feb. 21, 2020).

²⁰ *In re PacifiCorp Application for an Order Approving Queue Reform Proposal*, OPUC Docket No. UM 2108, Comments of NIPPC (July 17, 2020).

PacifiCorp’s proposal would have made it impossible for a qualifying facility (“QF”) to participate in any Cluster Studies or ever obtain a PPA, because each was a pre-condition for the other. PacifiCorp ultimately agreed to change its Cluster Study to allow QFs to participate without a PPA, recognizing the unique statutory construct of PURPA and the nature of the law’s must-purchase obligation in the states where that obligation remains in effect. NIPPC urges the Commission to allow PURPA projects to participate in the Cluster Study without having first executed a PPA.

NIPPC fully supports the proposal to allow interconnection customers the option to submit a Commercial Readiness Deposit (“Deposit”) as a mechanism to meet the commercial readiness requirement.²¹ Allowing a developer to enter the cluster study by making a Deposit would substantially mitigate NIPPC’s concerns related to the transition away from a commercial paradigm where a developer must show an interconnection queue position in order to obtain a contract or prevail in a competitive solicitation. Furthermore, many NIPPC members have indicated that they will not invest in massive equipment costs until an off-take contract is certain; in this situation a deposit may be the only mechanism available for some customers to demonstrate commercial readiness. Fourth, providing developers with an option to demonstrate commercial readiness through a Deposit is essential to ensuring a competitive market for generation resources.

3. Withdrawal Penalties

NIPPC’s overall concern with withdrawal penalties (particularly in the transition cluster study) is the potential for discrimination against non-utility ownership when there is a utility owned option.²² Independent developers would have to pay the withdrawal penalty if they are

²¹ NOPR at P132.

²² NOPR at P141.

not chosen in an RFP, while the LSE utility will be unlikely to pay because the utility would be more likely to win the RFP (and would not have to withdraw from the interconnection cluster) or the utility will recover the penalties from its captive retail ratepayers if it withdraws. NIPPC urges the Commission to allow for reduced withdrawal fees for the transition cluster if the interconnection customer participated in an RFP or other competitive solicitation process but was not ultimately selected.

Overall, NIPPC recognizes that at least some of the need for interconnection queue reform is a result of developers entering the serial queue in order to discover the costs of potential project locations and configurations, and then withdrawing from the queue. NIPPC agrees that interconnection queues should not allow multiple trial and error requests but cautions that withdrawal penalties must be appropriately sized because submitting a request is the only way to know—officially and to the extent that only the transmission provider can determine—whether interconnection capacity is available and at what cost.

This concern is mitigated only if the Commission’s proposal to require transmission providers to provide Publicly Posted Information and accurate Informational Studies has teeth (see the next section below about study deadlines and penalties). If the information transmission owners provide is sufficiently accurate to allow customers to do their own due diligence and allow interconnection customers to rely upon that information, then developers should no longer need to submit multiple requests to obtain basic information and withdrawal penalties can be meaningfully large as the Commission proposes. But without those tools, customers are forced to submit requests to learn about availability. Customers should not be penalized with significant withdrawal penalties if the Publicly Posted Information provided by the transmission provider or the Informational Study are inaccurate. When the cluster study shows actual interconnection

costs significantly different from the costs suggested by the Publicly Posted Information or the Informational Study, then customers should have relief from the withdrawal penalties the Commission proposes. NIPPC suggests that if the cluster study shows interconnection costs more than twice the estimates shown in the Publicly Posted Information or in an Informational Study, then the withdrawal penalties should be limited to the actual study costs.

4. Reasonable Efforts Standard

NIPPC supports the proposal to revise the pro forma LGIP to eliminate the reasonable efforts standard for transmission providers completing interconnection studies, and instead impose firm study deadlines and establish penalties that would apply when transmission providers fail to meet these deadlines.²³ The harm to interconnection customers associated with interconnection study delays can be significant and expensive. For example, a project can miss its scheduled commercial operation date in its power purchase agreement due to interconnection study delays, which can result in tens of millions of dollars of lost revenue.

NIPPC proposes that penalties for transmission providers who fail to complete studies on time should be capped at the higher of four times actual study costs or the interconnection customers' actual damages. NIPPC suggests that not all of the interconnection queue backlogs are a result of the need to restudy when customers leave the queue. Many NIPPC members believe that at least some of the problem is a result of transmission providers failing in their obligations under the OATT especially through failing to dedicate sufficient resources to complete studies on time. Eliminating the reasonable efforts standard and imposing penalties for delays will encourage transmission providers to complete their studies on time. NIPPC's primary concern with the proposed penalties is that the Commission proposes to cap penalties at the

²³ NOPR at P168.

actual study costs in order to “provide a safeguard against overly large penalties that may be considered punitive.”²⁴ In the same NOPR, however, the Commission proposes to charge customers who withdraw from the cluster as much as nine times the actual study costs (with no cost cap).²⁵ If the Commission believes that exposing interconnection customers to withdrawal penalties nine times actual study costs is not overly punitive, then the Commission should not be concerned that capping penalties for transmission providers who fail to complete studies on time at four times the actual study cost is too punitive. Penalties charged to transmission providers who fail to meet the Commission’s study timelines should be distributed to the affected interconnection customers.

D. OPTIONAL RESOURCE SOLICITATION STUDY

NIPPC cautiously supports the proposal to allow a resource planning entity to initiate an optional resource solicitation study, subject to several important constraints.²⁶ On one hand, NIPPC recognizes the benefits of the process which would group together and organize interconnection requests associated with a resource solicitation process or resource plan.²⁷ NIPPC, however, is concerned that this proposal could be abused by LSEs to favor their own or affiliated generation resource projects over their competitors. The Commission notes that this process would allow the resource planning entity the ability to “indicate to the transmission provider which interconnection requests in the optional resource solicitation study to study. . . .”²⁸ This is precisely NIPPC’s concern; that the resource planning entity could cherry pick which projects it wants considered and exclude other, competitive projects. This opportunity could

²⁴ NOPR at P170.

²⁵ NOPR at P143.

²⁶ NOPR at P233.

²⁷ NOPR at P234.

²⁸ NOPR at P225.

provide LSEs another avenue to exercise the generation ownership bias that remains constitutive of resource solicitation in states with vertically integrated transmission providers. NIPPC recommends that if the Commission continues to consider this proposal, the Commission should not extend this option to the load serving function of a jurisdictional transmission provider. If an LSE affiliated with a transmission provider has this option, the LSE could eliminate any competition if it were able to oversee the process. NIPPC recommends limiting the option to state agencies supervising a competitive solicitation process; it should not be available to any LSE implementing a state mandate – especially where the LSE is affiliated with the transmission provider. NIPPC acknowledges that the proposed definitions of “Resource Plan” and “Resource Solicitation Process” make more clear than the NOPR itself that those terms require significant state agency oversight.²⁹

If the Commission does elect to allow an LSE affiliated with a jurisdictional transmission provider to initiate an optional resource solicitation study, then NIPPC urges the Commission to constrain such an option to solicitations that either lack utility ownership options or have very limited ownership options and are subject to pre-approval or shortlist acknowledgment by a state commission in a competitive procurement that is a final agency action subject to judicial review.

NIPPC is also concerned that the proposed process would unnecessarily delay the interconnection cluster studies if a transmission provider were expected to perform both processes at once. NIPPC suggests that it would be just as easy to coordinate a competitive solicitation process with the interconnection cluster study timeline as it would be to conduct and manage two separate interconnection study processes at the same time. NIPPC urges the Commission to consider whether transmission providers can realistically manage interconnection

²⁹ NOPR at P230.

cluster studies and perhaps multiple optional resource solicitation studies under way at the same time.

IV. CONCLUSION

For the reasons discussed above, the Commission should adopt the reforms in the Notice of Proposed Rulemaking as recommended in these Comments.

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/s/ Henry Tilghman
Henry Tilghman
Principal
Tilghman Associates
1816 NE 53rd Ave.
Portland, OR 97213
Telephone: 503-702-3254
hrt@tilghmanassociates.com

*Consultant for the
Northwest & Intermountain Power Producers Coalition*

The contact information for NIPPC's representatives is as follows:

Northwest & Intermountain Power
Producers Coalition
c/o Spencer Gray, Executive Director
P.O. Box 504
Mercer Island, WA 98040
Telephone: 503-482-9191
sgray@nippc.org

Henry Tilghman
Principal
Tilghman Associates
1816 NE 53rd Ave.
Portland, OR 97213
Telephone: 503-702-3254
hrt@tilghmanassociates.com

Irion A. Sanger
Sanger Law, P.C.
4031 SE Hawthorne Blvd.
Portland, OR 97214
Telephone: 503-756-7533
Fax: 503-334-2235
irion@sanger-law.com

Joni Sliger
Sanger Law, P.C.
4031 SE Hawthorne Blvd.
Portland, OR 97214
Telephone: 425-894-3680
Fax: 503-334-2235
joni@sanger-law.com

*Counsel for the
Northwest & Intermountain Power
Producers Coalition*

CERTIFICATE OF SERVICE

I hereby certify that I have this day, September 14, 2022, served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

/s/ Irion A. Sanger
Irion A. Sanger