

February 27, 2007

***VIA ELECTRONIC FILING
AND OVERNIGHT DELIVERY***

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
PO Box 47250
Olympia, WA 98504-7250

Attention: Carole Washburn
Executive Secretary

Re: ***Public Utility Regulatory Act Standards
Standards for Interconnection to Electric Utility Delivery Systems
WUTC Docket UE-060649***

Dear Ms. Washburn:

On January 25, 2007, the Washington Utilities and Transportation Commission (WUTC or Commission) issued a *Notice of Opportunity to File Written Comments* (Notice) in the above-captioned matter. The Notice seeks input from interested parties on a set of proposed interconnection rules developed by Commission staff. PacifiCorp appreciates the opportunity to comment on the proposed rule language and provides the following comments and observations in response to the Notice.

1. General Comments. In general, PacifiCorp supports the proposed interconnection rule developed by Commission staff. We have attached a copy of the proposed rule with PacifiCorp's suggested revisions in redline format. The attached copy of the proposed rule also contains a number of margin comments regarding specific provisions of the rule. Please consider PacifiCorp's redline revisions and comments in the attached document to be part of PacifiCorp's comments submitted in response to the Notice. PacifiCorp supports the joint comments submitted by Avista and Puget Sound Energy in response to the Notice. The remainder of this letter will provide a brief discussion of the principle issues raised in PacifiCorp's attached redline revisions and comments.

2. Applicability. PacifiCorp has proposed revisions making it clear that the proposed interconnection rule does not apply to interconnections that are subject to the jurisdiction of the Federal Energy Regulatory Commission. See WAC 480-108-001(1)(c), WAC 480-108-005(5), and WAC 480-108-070(1). Pursuant to its Orders 2003 and 2006, the Federal Energy Regulatory Commission (FERC) has asserted jurisdiction over interconnection of wholesale generators to transmission and distribution circuits that are subject to an Open Access Transmission Tariff (OATT). As a general matter, this means that all interconnections between a wholesale generation facility and the transmission

system and most interconnections between a wholesale generation facility and a distribution system are subject to FERC jurisdiction (the exception involves the first wholesale generation facility to interconnect with a distribution circuit – such an interconnection is generally not subject to FERC jurisdiction because the host circuit does not become subject to an OATT until the first wholesale generation facility is interconnected).

It is our understanding that the proposed Washington interconnection rule is intended to apply only to interconnections subject to state jurisdiction and not to those interconnections that are subject to FERC jurisdiction. PacifiCorp supports this approach. The language revisions proposed for WAC 480-108-001(1)(c), WAC 480-108-005(5), and WAC 480-108-070(1) are intended to make this outcome plain.

3. Definitions. PacifiCorp has proposed striking the definitions of *applicant* and *utility* and adding definitions for *interconnection equipment*, *system upgrade* and *network protectors*.

The defined term *applicant* is used to describe the same entity that is defined as the *interconnection customer*. PacifiCorp recommends striking the term *applicant* and replacing all instances of the term in the proposed rule with the term *interconnection customer*. Likewise, the term *utility* is used to describe the same entity that is defined as the *electrical company*. PacifiCorp recommends striking the term *utility* and replacing it in the proposed rule with the term *electrical company*.

PacifiCorp has proposed definitions for the terms *interconnection facilities* and *system upgrades*.

Finally, PacifiCorp has recommended that the term *network protectors* used in WAC 480-108-020(1)(e) be defined.

4. Certificate of Completion. The proposed rule includes a process whereby the interconnection customer provides the electrical company with a certificate of completion before connecting and beginning parallel operation. PacifiCorp has recommended that this certificate of completion must be reviewed and approved (in writing) by the electrical company before interconnection may occur. *See* WAC 480-108-010 and WAC 480-108-050.

5. Net Metering. It is not entirely clear to us how the proposed rule is intended to integrate with the State of Washington's existing statutes or rules on net metering. We assume that the proposed interconnection rule is intended to govern the physical interconnection of net metering facilities (in addition to all other state-jurisdictional interconnections) and that references to the concept of net metering and/or to net metering statutes or rules is intended to indicate that the commercial terms of the net metering relationship are not dictated by the proposed rule but rather by existing statute

and regulation. PacifiCorp asks that this issue be clarified as part of the Commission's rulemaking process. PacifiCorp further recommends that the definition of "net metering" contained in the proposed rule be modified to include reference to the applicable net metering statutes and/or regulations.

6. Standby Generators. PacifiCorp requests clarification regarding whether the proposed rule is intended to apply to stand-by and emergency generators. *See* WAC 480-108-020(1)(g) & (2)(h).

7. Applicability of Technical Standards. WAC 480-108-020 describes the technical standards that apply to proposed interconnections. WAC 480-108-020(1) & (2) appear to apply to all interconnections. WAC 480-108-020(3) applies to interconnections involving inverter-based generating facilities. WAC 480-108-020(4) applies to interconnections involving non-inverter-based generating facilities or using inverter-based generating facilities that fail the requirements of WAC 480-108-020(3). PacifiCorp has proposed a number of specific language changes to WAC 480-108-020(3) and (4) to effect the above-described applicability of technical standards.

8. Timeframes. WAC 480-108-030(3) states:

The electrical company will process the application and provide interconnection in a time frame consistent with the average of other service connections.

PacifiCorp has recommended adding the following language to the end of the sentence quoted above:

. . . except when the electrical company is required to perform studies to determine safety, reliability and/or power quality impacts before approving the application.

PacifiCorp believes that this revision is required because interconnections requiring studies will take considerably longer to complete than those interconnections that do not require study.

In addition, PacifiCorp requests that the Commission clarify what is meant by the proposed phrase: "in a time frame consistent with the average of other service connections." PacifiCorp does not understand what sort of timeframe limitations this phrase is intended to impose.

9. Interconnection Costs. The proposed interconnection rule addresses interconnection costs primarily in two sections: (i) WAC 480-108-035, and (ii) WAC 480-108-070(6). PacifiCorp has recommended the addition of WAC 480-108-035(6) to clarify that the interconnection customer is responsible for all interconnection costs.

10. Remote Meter Interrogation. PacifiCorp recommends addition of WAC 480-108-040(7)(c) authorizing electrical companies to require metering capable of remote interrogation and requiring the interconnection customer to pay for any required telecommunications. PacifiCorp believes that use of telephonic metering on distributed generation is appropriate and will minimize the burden of such projects on the general ratepayer base while allowing for the efficient and accurate metering of distributed generation projects.

11. Addition of NERC and WECC Standards. WAC 480-108-020(1)(f)(i) lists the codes and standards that apply to all interconnections under the proposed rule. PacifiCorp believes that the standards of the North American Electric Reliability Corporation (NERC) and the Western Electricity Coordinating Council (WECC) need to be added to this list. If they are, then these two additional sets of standards also need to be referenced and incorporated under proposed WAC 480-108-999.

12. General Clean Up. PacifiCorp's redline revisions include a number of minor typographical and formatting corrections as well as occasional revisions to "clean-up" or clarify proposed language.

PacifiCorp appreciates the opportunity to participate in the Commission's interconnection workshops. Please direct any questions regarding these comments to Melissa Seymour at (503) 813-6711.

Respectfully,

Handwritten signature of Andrea L. Kelly in cursive script, followed by the initials "p.l." in a smaller, simpler font.

Andrea L. Kelly
Vice President, Regulation

cc: Dick Byers, WUTC
Enclosure