October 21, 2026

Peter Kernan
Senior Utility Analyst
201 High Street SE, Suite 100
Salem, Oregon 97301-3398

Re: Draft Microgrid and Community Microgrid Rules and Request for Comment

Dear Mr. Kernan,

Clean Coalition supports Staff's proposed Division 92 rules as a significant step toward establishing a workable regulatory framework for microgrids and community microgrids in Oregon. Clean Coalition has also joined the Coalition Comments filed in this docket, which propose targeted improvements to the draft rules. These supplemental comments focus on two issues essential to translating the proposed framework into successful projects: (1) recognizing the distinct value of customer and community resilience beyond conventional utility avoided costs, while appropriately allocating cost responsibility; and (2) establishing an actionable compensation methodology within the statutory timeframe, with concrete milestones for subsequent implementation. Clean Coalition also recommends practical improvements to public distribution-grid data accessibility, drawing on California's experience while building on Oregon's existing planning and mapping resources.

I. Resilience Value Should Not Be Limited to Utility Avoided Costs

Clean Coalition supports Staff's proposed framework for compensating microgrids for energy, capacity, grid services, and resilience benefits. However, the Commission should ensure that its resilience valuation methodology recognizes the distinct value of maintaining electric service during outages, rather than limiting that value to traditional utility avoided costs.

Avoided-cost methodologies address an important but narrower question: what expenditures does a utility avoid when a distributed resource provides energy or grid services? Resilience asks a different question: what value is created by maintaining electric service when the broader grid cannot provide it? A microgrid that keeps an emergency shelter, fire station, communications facility, or other critical load operating during an extended outage may provide substantial value to customers and communities even where the utility cannot identify a corresponding expenditure that it avoided. This distinction is particularly relevant to the value of lost load, which reflects the consequences of interrupted electric service to customers and communities, rather than simply avoided utility expenditures.

ORS 757.302(3)(g) requires consideration of the reliability and resilience services that microgrids provide to both the electric system and their communities, while subsection (3)(h) separately requires the compensation methodology to incorporate lost-load value during public safety power shutoffs and include a schedule of utility avoided costs. The Commission should preserve this distinction by independently identifying resilience benefits rather than treating conventional avoided-cost rates as the outer boundary of resilience value.

Importantly, recognizing resilience value does not mean that utilities or ratepayers should compensate every customer-specific resilience benefit. Valuation and cost responsibility are

separate questions. Benefits that reduce utility system costs or provide measurable grid services may appropriately support utility compensation. Resilience provided to critical community facilities may justify reasonable shared cost recovery or public funding, while additional resilience reserved for an individual customer may appropriately be funded by that customer. The Commission should identify the distinct benefits first, then determine the appropriate compensation or cost-recovery mechanism based on the beneficiaries and applicable regulatory requirements.

California's experience implementing SB 1339 demonstrates why establishing regulatory pathways for microgrids is not sufficient to ensure commercial viability. Although the California Public Utilities Commission (CPUC) adopted multi-property microgrid tariffs, it did not establish a comprehensive mechanism for valuing and recovering the costs of community resilience. Clean Coalition proposed a Resilient Energy Subscription (RES) mechanism through which customers could pay a recurring fee for a contracted level of resilience during outages, providing predictable revenue to support microgrid development. This experience underscores the importance of establishing not only regulatory eligibility, but also workable compensation and financing mechanisms.

Oregon's proposed microgrid services tariff under OAR 860-092-0060 and local cost-recovery mechanism under OAR 860-092-0065 provide complementary pathways for addressing these challenges. Together, they should allow projects to combine eligible utility compensation with appropriate local cost recovery and customer contributions, while preventing duplicative recovery. Implementation should clarify how recurring payments for reserved resilience capabilities, including subscription-based arrangements, can be accommodated and how costs should be allocated among participating customers and other beneficiaries. The resulting framework should provide sufficient clarity and predictability for communities and developers to evaluate project economics, secure financing, and proceed with construction.

Clean Coalition therefore recommends that the Commission establish a resilience valuation methodology that distinguishes utility system benefits, shared community benefits, and customer-specific resilience benefits, and clarify how those values inform the respective compensation and cost-recovery mechanisms. This would recognize the full range of benefits that microgrids provide without assigning costs to customers who do not receive or appropriately share in those benefits.

II. The Commission Should Establish an Actionable Implementation Framework

Clean Coalition supports Staff's effort to establish the initial microgrid framework by the March 26, 2027 statutory deadline. However, adopting rules that recognize microgrid benefits will not, by itself, ensure that projects can obtain financing, complete interconnection, and begin providing resilience services.

The Commission should establish the initial compensation methodology required by ORS 757.302(3)(h) within the statutory timeframe and, in its adopting order, establish concrete milestones for subsequent implementation. These should include Commission review and approval of microgrid services tariffs, a standardized methodology for allocating eligible shared resilience costs and accounting for offsetting revenues, and the agreements necessary to compensate projects and recover reasonable shared resilience costs.

Importantly, these mechanisms should be coordinated so that microgrid developers and participating communities can determine their anticipated utility compensation, eligible local

cost recovery, and remaining financial obligations before making substantial project investments. Establishing predictable compensation and cost-recovery pathways will help translate the regulatory framework into commercially viable microgrids that deliver tangible resilience and electric system benefits.

The Commission should also clarify that the authorization required under OAR 860-092-0050(3) can be established prospectively through the coordinated operations agreement, providing standing authorization for repeated islanding within approved operating conditions. Standard agreements should establish clear protocols for planned islanding during normal grid conditions, emergency islanding, utility switching and notification requirements, and reconnection. Microgrids operating within these agreed conditions should not require separate discretionary utility approval for each islanding event. These provisions must preserve utility control of utility-owned distribution infrastructure and allow additional operational coordination where necessary for safety and reliability.

III. Public Distribution Grid Data Must Be Accessible and Usable for Project Development

Clean Coalition supports the technical data-access requirements in proposed OAR 860-092-0075, but recommends strengthening the public screening-data provisions to ensure the information is useful for microgrid planning. Although the proposed rules require publicly available feeder and substation data, they do not expressly require geographic accessibility, downloadable datasets, or standardized public-data formats.

Oregon already has a foundation for this work through its distribution system planning process and existing utility mapping tools. California's experience provides an additional perspective. The California Public Utilities Commission requires utilities to maintain geographic Integration Capacity Analysis (ICA) maps and distribution-data portals that help developers identify potential interconnection locations and available capacity. However, California has also encountered challenges with data accuracy, usability, and ongoing maintenance, requiring repeated improvements and regulatory oversight. Oregon can benefit from this experience without necessarily replicating California's more complex and resource-intensive ICA framework.

The Commission should establish minimum standards for publicly accessible, geographically referenced feeder and substation data, including consistent definitions and downloadable, machine-readable formats such as CSV and standard geospatial files. Utilities should be permitted to satisfy these requirements through existing mapping platforms or other cost-effective tools, rather than developing duplicative systems. Public data should be updated regularly, consistent with the proposed rules, while detailed information raising legitimate security or privacy concerns can remain subject to the protected data-access procedures in OAR 860-092-0075.

By establishing practical data-access requirements while leveraging existing resources, Oregon can improve transparency, reduce unnecessary data requests and development costs, and help communities and developers identify feasible microgrid locations and configurations before committing substantial resources.

Conclusion

Clean Coalition appreciates Staff's substantial progress toward implementing HB 2065 and HB 2066 and supports advancing the proposed rules. To ensure the framework successfully enables community microgrids, the Commission should recognize resilience value beyond conventional utility avoided costs while assigning cost responsibility to appropriate beneficiaries, and establish an actionable compensation methodology with clear implementation milestones and predictable operating rights under approved coordinated operations agreements. Building on existing distribution-grid mapping resources through standardized, accessible data will further help communities and developers identify feasible projects. Together, these steps will provide the regulatory clarity, financial predictability, and technical information necessary to translate Oregon's microgrid framework into commercially viable projects that deliver meaningful resilience and electric system benefits.

Respectfully submitted,

By: _____/s/_____
Ben Schwartz
Policy Director
Clean Coalition
1800 Garden Street
Santa Barbara, CA 93101
Phone: 626-232-7573
ben@clean-coalition.org

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