



Technical Conference on Queuing Policy

Comments on behalf of U.S. Combined Heat & Power Association and Small Generator Coalition

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Interconnection Policy = Queue Policy

- ◆ To Small Generators, interconnection obstacles from costly studies, delays, and uncertainties cannot be distinguished from the effects of queue policy. Queuing policy is an integral aspect of interconnection policy.
- ◆ Small Generators have sought a separate interconnection process because of their minimal system impacts, short lead-times, standardized off-the-shelf designs, and lack of demand on system capacity because they are generally sited at their load. The Commission has agreed in RM02-12-000.
- ◆ If Small Generators (under 20 MW) are queued with large generators in a common queue for studies, the expedited procedures the Commission intends to adopt for Small Generators will be meaningless.
- ◆ All participants currently lose time and money from frequent need to restudy system requirements to match changes in the queue, mostly from addition and withdrawal of large projects.



Small Generators Should Have Separate Queue Treatment for Studies

- ◆ To assure meaningfully expedited interconnection, small generators therefore should have a separate **Application Queue**.
- ◆ Queue policy should match the proposed consensus Small Generator procedures:
 - Small Generators of 2 MW and less (under Attachment A in consensus proposal), which by definition have no system impact, need not be placed in any queue, but can proceed to interconnection.
 - Small Generators of 2 MW to 20 MW (under Attachment B in consensus proposal) should form an **Application Queue** of their own for purpose of performing necessary feasibility and impact studies, within general times allowed by interconnection policy.
 - If feasibility study shows no impact, a project leaves the queue directly for interconnection agreement and interconnection.
- ◆ Large generators (over 20 MW) would form similar **Application Queue** for purpose of feasibility and impact studies.
- ◆ Studies would appraise project impacts on existing system **plus** new resources for which System Facilities bonds had already been posted, as described below.



All Generators with System Impact would form System Facilities Queue

- ◆ Small and Large Generators for which Impact Studies indicated system impacts would then form a common **System Facilities Queue**.
 - System facilities needs would be studied jointly for groups of generators concluding impact studies within same three-month period.
 - Facilities Study would determine cost of necessary system upgrades and apportion costs to generators in accordance with proposed capacity.
- ◆ Each generator would be required to post bond covering its share of system costs within two months of study completion, establishing its right to system capacity on a permanent basis.
- ◆ Interconnection Provider would then have funds to perform necessary system upgrades, allowing Generators to proceed to Interconnection Agreement and interconnection as they are ready.
 - Within a given System Facilities Queue, generators would interconnect on a first-come-first-served basis as they were ready to construct.
 - Among System Facilities Queues, generators ready to construct would be interconnected ahead of those from later queues, regardless of size.
 - All generators would have certainty of upgrade financial exposure.
 - Frequent full system restudies would be eliminated.
- ◆ Each generator would pay its own individual “hook up” costs, separate from system upgrade costs, at the appropriate time prior to interconnection.



Conclusions

- ◆ This proposed queuing policy would allow small generators expedited processing through a separate **Applications Queue**, but would bring all generators showing system impacts together at the stage of the Facilities Study into a **System Facilities Queue** to achieve optimum and equitable responsibility for necessary system upgrade facilities.
- ◆ Small Generators would pay their equitable share of system upgrade costs, and would not be favored in access to system capacity
- ◆ Small Generators would be able to benefit, however, from their relatively limited impacts in having faster studies done, as well as in their relatively short lead times in being able to move rapidly to interconnection after necessary facilities studies were completed and facilities bonds were posted.