



Federal Energy Regulatory Commission

January 17, 2013

Open Commission Meeting

Staff Presentation

Item E-1

"Good morning Mr. Chairman and Commissioners. Item E-1 is a Notice of Proposed Rulemaking on Small Generator Interconnection Agreements and Procedures. In addition to those of us seated at the table, other members of the team include: Thanh Luong from OER, Michelle Davis and Rachel Bryant from OGC, and Melissa Lozano from OEMR.

"The NOPR proposes reforms to the Commission's *pro forma* Small Generator Interconnection Procedures (SGIP) and Small Generator Interconnection Agreement (SGIA) that were originally established by Commission Order No. 2006. The SGIP and SGIA establish the terms and conditions under which interconnection service is provided to generators of no more than 20 megawatts. The proposed reforms included in today's NOPR are intended to ensure that the time and cost to process small generator interconnection requests are just and reasonable and to allow for more efficient interconnection of these resources. These reforms would maintain reliability while increasing energy supply and removing barriers to the development of new energy sources. The reforms are driven by market changes spurred in part by the development of renewable generation under state energy goals and policies.

"Today's NOPR proposes four reforms to the SGIP and SGIA.

"The first proposed reform would allow interconnection customers to request from transmission providers a pre-application report to help them better evaluate potential points of interconnection before submitting a formal interconnection request.

"The second proposed reform would revise the current 2 megawatt threshold for participation in the Fast Track Process under section 2 of the SGIP. Fast Track eligibility instead would be based on individual system and resource characteristics, including interconnection voltage level, the circuit distance of the interconnection from the substation, and resource capacity, up to a limit of 5 MW.

"The third proposed reform would revise the customer options meeting and the supplemental review following the failure of the Fast Track screens so that the supplemental review is performed at the discretion of the Interconnection Customer and includes minimum load and other screens to determine if a resource may be interconnected safely and reliably.

"Finally, the NOPR would revise the *pro forma* SGIP Facilities Study Agreement by giving interconnection customers an opportunity to provide written comments on the upgrades that are necessary for the interconnection. The Commission believes transmission providers should make the final decision on required upgrades, but is concerned that failing to allow customers to review and comment on the upgrades may result in unjust and unreasonable costs.

"Comments on the NOPR are due 120 days after publication in the *Federal Register*. To facilitate discussion of the proposed reforms, staff will convene a stakeholder workshop before the end of the comment period. Within 60 days of publication of the NOPR in the *Federal Register*, the Commission will publish a notice that includes details about the workshop. We will schedule the workshop so that comments on the proposed rule may reflect any reactions to the workshop discussions.

"Thank you. This concludes our presentation."