



Federal Energy Regulatory Commission
November 21, 2013
Open Commission Meeting
Staff Presentation
Item E-1

"Good morning Mr. Chairman and Commissioners. Item E-1 is a Final Rule addressing Small Generator Interconnection Agreements and Procedures. In addition to those of us seated at the table, other members of the team include:

- Thanh Luong and Kent Davis from the Office of Electric Reliability,
- Rachel Bryant and Elizabeth Arnold from the Office of General Counsel,
- Natalie Propst and Christopher Thomas from the Office of Energy Market Regulation,
- Emma Nicholson and the project lead Leslie Kerr from the Office of Energy Policy and Innovation

"The draft Final Rule would reform 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 and other resources of no more than 20 MW. The reforms included in the draft Final Rule are driven by market changes spurred in part by the development of renewable generation under state energy goals and policies and 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 while maintaining reliability.

"The Commission issued a Notice of Proposed Rulemaking in this proceeding on January 17. Since that time, Commission staff convened a stakeholder workshop on March 17, and parties subsequently filed comments on both the proposed rule and the workshop discussions.

"The draft Final Rule largely adopts the proposals from the Notice of Proposed Rulemaking, and includes the following key reforms to the SGIP and SGIA.

"First, the rule 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 draft final rule adopts a default \$300 fee for the pre-application report, but gives Transmission Providers the opportunity to propose a different cost-based fee amount as part of their compliance with the rule.

"Second, the rule would revise the current 2 MW threshold for participation in the Fast Track Process under section 2 of the SGIP, as applied to inverter-based systems. For inverter-based systems, Fast Track eligibility would instead 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 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.

"The supplemental review fee the draft rule adopts is cost-based, with the Interconnection

Customer making a deposit in the amount of the Transmission Provider's good-faith estimate of the cost to perform the review, and with the parties reconciling any differences between the deposit and actual cost after the review.

"The minimum load screen is based on 100 percent of daytime minimum load for solar resources and 100 percent of absolute minimum load for all other resources. The draft Final Rule gives Transmission Providers the flexibility to calculate, estimate, or determine minimum load if data are not available, and further flexibility not to perform the minimum load screen if the Transmission Provider cannot do so.

"The fourth reform 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.

"Finally, the draft final rule modifies the definition of Small Generating Facility to specifically include storage devices.

"Public utility Transmission Providers would be required, under the draft Final Rule, to submit within six months of the effective date of the rule a compliance filing revising their Small Generator Interconnection Procedures and Agreements in accordance with the rule. Similar to Order No. 2006, states are under no obligation to adopt the provisions of this final rule, although states may find the rule helpful in formulating their own interconnection procedures.

"This concludes our presentation."