

149 FERC ¶ 61,209  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Cheryl A. LaFleur, Chairman;  
Philip D. Moeller, Tony Clark,  
and Norman C. Bay.

New York Independent System Operator, Inc. and  
New York Transmission Owners

Docket Nos. ER14-2573-000  
ER14-2573-001

ORDER ON COMPLIANCE FILING

(Issued December 5, 2014)

1. On August 1, 2014, as amended on October 21, 2014, the New York Independent System Operator, Inc. (NYISO) and the New York Transmission Owners (NYTOs) (collectively, “Filing Parties”) submitted, pursuant to section 206 of the Federal Power Act (FPA),<sup>1</sup> revisions to their Small Generator Interconnection Procedures (SGIP) and Small Generator Interconnection Agreement (SGIA) to comply with the requirements of Order No. 792.<sup>2</sup> In this order, we accept the compliance filing, to become effective December 5, 2014, as requested, as discussed below.

**I. Background**

2. In Order No. 2006,<sup>3</sup> the Commission established *pro forma* SGIPs and a *pro forma* SGIA for the interconnection of small generation resources no larger than 20 megawatts (MW). The *pro forma* SGIP describes how an interconnection customer’s interconnection request (application) should be evaluated, and includes three alternative procedures for evaluating an interconnection request. These procedures include the Study Process, which can be used by any generating facility, and two procedures that use certain technical screens to quickly identify any safety or reliability issues associated with proposed interconnections: (1) the Fast Track Process for certified small generating

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<sup>1</sup> 16 U.S.C. § 824d (2012).

<sup>2</sup> *Small Generator Interconnection Agreements and Procedures*, Order No. 792, 78 Fed. Reg. 73,240 (Dec. 5, 2013), 145 FERC ¶ 61,159 (2013), *clarified*, Order No. 792-A, 146 FERC ¶ 61,214 (2014) (Order No. 792 or Final Rule).

<sup>3</sup> *Standardization of Small Generator Interconnection Agreements and Procedures*, Order No. 2006, FERC Stats. & Regs. ¶ 31,180, *order on reh’g*, Order No. 2006-A, FERC Stats. & Regs. ¶ 31,196 (2005), *order granting clarification*, Order No. 2006-B, FERC Stats. & Regs. ¶ 31,221 (2006) (Order No. 2006).

facilities no larger than 2 MW; and (2) the 10 kilowatt (kW) Inverter Process for certified inverter-based small generating facilities no larger than 10 kW.

3. Order No. 792 amends the *pro forma* SGIP and *pro forma* SGIA adopted in Order No. 2006 as follows: (1) incorporating provisions in the *pro forma* SGIP that provide an interconnection customer with the option of requesting from the transmission provider a pre-application report providing existing information about system conditions at a possible point of interconnection; (2) revising the 2 megawatt (MW) threshold for participation in the Fast Track Process included in section 2 of the *pro forma* SGIP; (3) revising the *pro forma* SGIP customer options meeting and the supplemental review following 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 Small Generating Facility may be interconnected safely and reliably; (4) revising the *pro forma* SGIP Facilities Study Agreement to allow the interconnection customer the opportunity to provide written comments to the transmission provider on the upgrades required for interconnection; (5) revising the *pro forma* SGIP and the *pro forma* SGIA to specifically include energy storage devices; and (6) clarifying certain sections of the *pro forma* SGIP and the *pro forma* SGIA. The reforms were adopted to ensure that interconnection time and costs for interconnection customers and transmission providers are just and reasonable and to help remedy undue discrimination, while continuing to ensure safety and reliability.

4. Order No. 792 requires each public utility transmission provider to submit a compliance filing within six months of the effective date of Order No. 792 to demonstrate that it meets the requirements of the Final Rule.<sup>4</sup> Filings adopting the revised SGIP and SGIA without variation are to be filed under FPA section 206.<sup>5</sup> The Commission stated that it would consider variations from the Final Rule.<sup>6</sup> In Order No. 792-A, the Commission clarified that a public utility transmission provider may submit a filing under FPA section 205<sup>7</sup> demonstrating “that either a variation that has not been previously approved by the Commission, or a previously-approved variation from the [Order No. 2006] *pro forma* language that has been substantively affected by the reforms adopted in the Final Rule, meets one of the standards for variance provided for in the Final Rule, including independent entity variations, regional reliability variations, and variations that are ‘consistent with or superior to’ the Final Rule.”<sup>8</sup>

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<sup>4</sup> Order No. 792, 145 FERC ¶ 61,159 at P 269.

<sup>5</sup> Order No. 792-A, 146 FERC ¶ 61,214 at P 2.

<sup>6</sup> Order No. 792, 145 FERC ¶ 61,159 at P 270.

<sup>7</sup> 16 U.S.C. § 824d (2012).

<sup>8</sup> Order No. 792-A, 146 FERC ¶ 61,214 at P 3. *See also* Order No. 792, 145 FERC ¶ 61,159 at PP 273-274.

5. In addition, the Commission permits regional transmission organizations (RTO) and independent system operators (ISO) to seek “independent entity variations” from the *pro forma* SGIP and SGIA. Such entities may be treated differently because an RTO or ISO has different operating characteristics depending on its size and location and is less likely to act in an unduly discriminatory manner than a transmission provider that is also a market participant. The RTO or ISO therefore has greater flexibility to customize its interconnection procedures and agreements to accommodate regional needs.<sup>9</sup>

## II. Compliance Filing

6. In their August 1, 2014, compliance filing, Filing Parties propose revisions to the SGIP and SGIA set forth in Attachment Z of NYISO’s Open Access Transmission Tariff (Tariff), pursuant to Order No. 792. Filing Parties propose these revisions with a limited number of variations that Filing Parties state are consistent with or superior to the *pro forma* language: (1) to continue to allocate the Transmission Provider’s responsibilities between NYISO and NYTOs;<sup>10</sup> (2) to increase the pre-application report fee from \$300 to \$1,000; and (3) to not adopt the definitions of “Network Resource” and “Network Resource Interconnection Service” and not require Small Generating Facilities seeking Capacity Resource Interconnection Service to be subject to all of the Large Facility Interconnection Procedures rather than the Small Generator Interconnection Procedures. Filing Parties also propose a number of ministerial edits to the *pro forma* language adopted by the Commission. Filing Parties state that NYISO reviewed the proposed revisions with its stakeholders and did not receive any objections. Filing Parties request that their proposed changes become effective upon issuance of the Commission’s order in this proceeding.

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<sup>9</sup> See Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 274. See also *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, FERC Stats. & Regs. ¶ 31,146 at PP 822-827, *order on reh’g*, Order No. 2003-A, FERC Stats. & Regs. ¶ 31,160 (2003), *order on reh’g*, Order No. 2003-B, FERC Stats. & Regs. ¶ 31,171 (2004), *order on reh’g*, Order No. 2003-C, FERC Stats. & Regs. ¶ 31,190 (2005), *aff’d sub nom. Nat’l Ass’n of Regulatory Util. Comm’rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007), *cert. denied*, 552 U.S. 1230 (2008).

<sup>10</sup> The NYTOs are Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Long Island Lighting Company d/b/a LIPA (“LIPA”), New York Power Authority (“NYPA”), New York State Electric & Gas Corp., Niagara Mohawk Power Corp. d/b/a National Grid, Rochester Gas & Electric Corp., and Orange & Rockland Utilities, Inc. Filing Parties note that LIPA and NYPA, as transmission owners not subject to the Commission’s jurisdiction under section 205 of the Federal Power Act, have voluntarily participated in the development of the instant filing.

### **III. Notice of Filing and Responsive Pleadings**

7. Notice of the compliance filing was published in the *Federal Register*, 79 Fed. Reg. 46,429 (2014), with interventions and protests due on or before August 22, 2014.

8. Timely motions to intervene were submitted by NRG Companies and the Interstate Renewable Energy Council, Inc. (IREC). A protest was filed by IREC. Filing Parties filed an answer to IREC's protest on September 8, 2014.

9. On October 6, 2014, Commission Staff issued a letter informing Filing Parties that their filing was deficient and requested additional information (Deficiency Letter). On October 21, 2014, Filing Parties submitted their response to the Deficiency Letter (Deficiency Letter Response).

10. Notice of Filing Parties' Response was published in the *Federal Register*, 79 Fed. Reg. 64,378 (2014), with interventions and protests due on or before November 5, 2014. No interventions or comments were received.

### **IV. Discussion**

#### **A. Procedural Matters**

11. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2014), the notices of intervention and timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

12. Rule 213(a)(2) of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.213(a)(2) (2014), prohibits an answer to a protest or an answer unless otherwise ordered by the decisional authority. We will accept the answers filed in this proceeding because they have provided information that assisted us in our decision-making process.

#### **B. Substantive Matters**

13. We find that the Filing Parties' compliance filing complies with the requirements adopted in Order No. 792. Accordingly, we accept the Filing Parties' compliance filing to be effective December 5, 2014, as discussed below.

##### **1. Pre-Application Report**

14. In Order No. 792, the Commission required each public utility transmission provider to provide interconnection customers the option to request a pre-application report that would contain readily available information about system conditions at a point

of interconnection in order to help that customer select the best site for its small generating facility.<sup>11</sup>

15. To the extent readily available, the pre-application report must include, among other items: (1) total capacity (in MW) of substation/area bus, bank or circuit based on normal or operating ratings likely to serve the proposed point of interconnection; (2) existing aggregate generation capacity (in MW) interconnected to a substation/area bus, bank or circuit (i.e., amount of generation online) likely to serve the proposed point of interconnection; (3) aggregate queued generation capacity (in MW) for a substation/area bus, bank or circuit (i.e., amount of generation in the queue) likely to serve the proposed point of interconnection; and (4) available capacity (in MW) of substation/area bus or bank and circuit likely to serve the proposed point of interconnection (i.e., total capacity less the sum of existing aggregate generation capacity and aggregate queued generation capacity).<sup>12</sup>

16. In order to resolve uncertainty about the precise location of the point of interconnection and expedite the pre-application report process, the Commission required interconnection customers requesting a pre-application report to submit a written request form that includes, among other items, project contact information, project location, and generator type and size.<sup>13</sup> Customers are required to submit a non-refundable fee along with the written request form to compensate the transmission provider for the cost of compiling the pre-application report. Transmission providers are required to provide the pre-application report within 20 business days of receiving the completed request form and payment of the fee.<sup>14</sup>

17. The Commission adopted a \$300 fee as the default pre-application report fee in the *pro forma* SGIP. Order No. 792 allows transmission providers to propose a different fixed cost-based fee for preparing pre-application reports, supported by a cost justification, as part of their compliance filings.<sup>15</sup>

**a. Compliance Filing**

18. Filing Parties propose several variations from the *pro forma* provisions of Order No. 792. First, Filing Parties propose to adopt a fixed \$1,000 fee to prepare the pre-

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<sup>11</sup> Order No. 792, 145 FERC ¶ 61,159 at P 37.

<sup>12</sup> See section 1.2.3 of the *pro forma* SGIP for the complete list of items in the pre-application report.

<sup>13</sup> Order No. 792, 145 FERC ¶ 61,159 at P 56. See section 1.2.2 of the *pro forma* SGIP for the complete list of items in the pre-application report request form.

<sup>14</sup> *Id.* P 51. See also section 1.2.2 of the *pro forma* SGIP.

<sup>15</sup> *Id.* PP 45-46.

application report, in lieu of the fixed \$300 fee adopted in Order No. 792. To justify their proposal, Filing Parties state that they studied three Small Generator Facility projects previously in NYISO's interconnection queue to determine the actual cost of preparing a pre-application report: (i) a 4.8 MW facility (ultimately determined not be subject to Commission jurisdiction or NYISO's SGIP); (ii) a 3.2 MW facility proposing to interconnect at 34.5 kilovolts (kV); and (iii) a 12.6 MW facility proposing to interconnect at 115 kV.<sup>16</sup>

19. Filing Parties maintain that the first two facilities required approximately four to five hours of labor by the Connecting Transmission Owners to gather the readily available information. Because the third project requested to interconnect at a higher voltage, NYISO collected the readily available information in approximately four hours. Filing Parties state that they multiplied the number of hours by the average rates charged by the respective parties and determined that actual costs were between \$660 and \$750.

20. However, because each of these projects had already been studied by the Connecting Transmission Owner and/or NYISO, Filing Parties state that additional time would be required to collect information for projects not previously evaluated, which they determined would result in a total of seven hours. Considering this additional amount of time needed, Filing Parties argue, the total cost would be between \$962.30 and \$1,155. Therefore, Filing Parties assert that \$1,000 is a just and reasonable fee.

21. As most of the readily available information will be available to the respective Connecting Transmission Owners rather than NYISO, Filing Parties propose to divide the \$1000 fee one-third to the NYISO and two-thirds to the appropriate Connecting Transmission Owner. Filing Parties argue that such a structure is consistent with the respective time and resources the parties will spend in preparing the pre-application reports. Filing Parties argue that this fee is consistent with or superior to the \$300 fee in the *pro forma* SGIP because it will ensure that NYISO and NYTOs recover their actual costs.

22. Filing Parties propose to establish a process for NYISO to obtain information from the NYTOs in time to complete the pre-application report within the required 20 business days.<sup>17</sup> Specifically, Filing Parties propose that within two business days of receiving the pre-application report request form, NYISO shall provide a copy of the form to the appropriate Connecting Transmission Owner, which is obligated to complete and return the report within 15 business days. Subsequently, NYISO shall provide the pre-application data to the interconnection customer within 20 business days.

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<sup>16</sup> Filing Parties Compliance Filing at 7.

<sup>17</sup> See Proposed NYISO Tariff, 32.1.2.2 OATT Att Z Application, 5.0.0.

23. Additionally, Filing Parties propose other, non-substantive revisions to the pre-application request form and report in sections 32.1.2 and 32.1.3 of Attachment Z of NYISO's Tariff.<sup>18</sup>

**b. Protest**

24. IREC protests Filing Parties' proposed \$1,000 pre-application report fee, alleging that they failed to demonstrate that their calculation was based on the incremental costs beyond what Transmission Providers are already required to provide for free, as required by Order No. 792.<sup>19</sup> IREC argues that the report should be offered at a low cost in order for it to be effective and utilized by customers. IREC contends that a \$1,000 fee could deter small systems from using the new procedures.<sup>20</sup> Additionally, IREC states that with more experience Filing Parties could establish more efficient ways to produce the information and significantly cut down on the time it takes to produce each report. IREC also argues that the report is valuable for utilities, citing the fact that in Massachusetts, certain applicants are required to obtain a pre-application report at no cost.<sup>21</sup>

**c. Answer**

25. In their answer to IREC's protest, Filing Parties state that the pre-application report will predominantly contain information not previously provided by NYISO and the NYTOs and that the full amount of the fee constitutes the incremental cost. Filing Parties contend that their cost-based fee is "consistent with the Commission's express directives providing for such fees."<sup>22</sup> Filing Parties argue that IREC's contention that small generators cannot afford the \$1,000 fee is misplaced. Those generators, Filing Parties assert, are connected to local distribution systems and not selling into wholesale markets, and are thus outside the Commission's jurisdiction and not affected by the proposed fee.

**d. Deficiency Letter**

26. In response to the Commission's October 16, 2014, Deficiency Letter, Filing Parties explain that the three Small Generator Facility projects selected for the trial runs had requested to interconnect at different locations on the grid and at different voltage levels. Filing Parties believe this selection to be representative of the diverse types of requests previously received and studied. Additionally, Filing Parties conclude that the

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<sup>18</sup> Filing Parties Compliance Filing at 8.

<sup>19</sup> IREC August 22, 2014 Protest at 6 (citing Order No. 792, 145 FERC ¶ 61,159 at P 46).

<sup>20</sup> IREC Protest at 6.

<sup>21</sup> *Id.* at 7.

<sup>22</sup> Filing Parties September 8, 2014 Answer at 4.

size and characteristics of the projects are not determining factors for the time required to complete the pre-application reports.<sup>23</sup>

27. Filing Parties further explain that even though the trial runs only took four to five hours, at least three additional hours would be required to complete a pre-application report. The three additional hours would be necessary to: (1) clarify the point on the transmission system to which the facilities propose to interconnect; (2) consult available resources to determine the transmission district in which the point of interconnection is located; and (3) to determine whether the proposed interconnection is Commission jurisdictional and subject to the NYISO's SGIP. Further, Filing Parties state that an additional three hours is conservative because it does not take into consideration the associated administrative tasks.<sup>24</sup> Filing Parties include an affidavit of Steven Corey, Manager of Interconnection Projects for NYISO, whose responsibility it will be to oversee the requests for pre-application reports. Mr. Corey attests to the need for the additional three hours because of the aforementioned reasons.<sup>25</sup>

**e. Commission Determination**

28. We find that Filing Parties have adequately justified a \$1,000 pre-application report fee. Filing Parties provide three examples of simulated processing costs associated with Small Generator Facility projects previously in NYISO's interconnection queue, citing both the number of megawatts and voltage level of each, and the number of hours required to collect readily available information to complete the report. Filing Parties believe this selection to be representative of the diverse types of requests previously received and studied and a reasonable estimate of NYISO's costs to produce such reports in the future. In addition, Filing Parties have provided an affidavit from the manager of interconnection projects supporting the increase to the pre-application report fee. We find that Filing Parties' estimate that approximately seven hours, in total, to complete a pre-application report is reasonable, based on their documented past experience.

29. As such, we are unconvinced by IREC's assertion that Filing Parties have failed to demonstrate that their calculation was based on the incremental costs beyond what Transmission Providers are already required to provide for free. To the contrary, Filing Parties quantified the size of each sample facility, the number of hours required to gather the readily available information and then multiplied "the number of hours required for the above projects by the average rates charged by the respective Filing Parties for interconnection study work."

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<sup>23</sup> Deficiency Letter Response at 7-8.

<sup>24</sup> *Id.* P 6.

<sup>25</sup> Deficiency Letter Response, Attachment 1 at 4.

30. As to IREC’s argument that the \$1,000 fee could deter small systems from using the new procedures, the evidence it uses is based on generators that are interconnecting to a local distribution system.<sup>26</sup> Such generators are outside the scope of the Commission’s jurisdiction, and therefore, unaffected by Order No. 792.

31. With respect to the coordination between NYISO and the NYTOs that is required to process the pre-application requests, we find Filing Parties’ proposal is consistent with the *pro forma* SGIP, and accept the proposed modification as requested.

32. Finally, we find that Filing Parties’ proposed ministerial revisions to the pre-application request form and report are consistent with the *pro forma* SGIP, and accept them, as requested.

**2. Fast Track Threshold**

33. In Order No. 792, the Commission modified section 2.1 of the *pro forma* SGIP to adopt revised eligibility thresholds for participation in the Fast Track Process. The new criteria are based on individual system and generator characteristics. Specifically, the Fast Track eligibility threshold for inverter-based machines that are either certified or have been reviewed or tested by the transmission provider and are determined to be safe to operate will be based on Table 1 below.<sup>27</sup>

Table 1: Fast Track eligibility for inverter-based systems

Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline <sup>28</sup> and ≤ 2.5 Electrical Circuit Miles from Substation <sup>29</sup>
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<sup>26</sup> IREC Protest at 7.

<sup>27</sup> Order No. 792, 145 FERC ¶ 61,159 at PP 103-104.

<sup>28</sup> For purposes of this table, a mainline is the three-phase backbone of a circuit. It will typically constitute lines with wire sizes of 4/0 American wire gauge, 336.4 kcmil, 397.5 kcmil, 477 kcmil and 795 kcmil. One circular mil (cmil) is the area of a circle with a diameter of one mil (one mil is one-thousandth of an inch). Conductor sizes are often given in thousands of circular mils (kcmil). One kcmil = 1,000 cmil.

<sup>29</sup> An Interconnection Customer can determine this information about its proposed interconnection location in advance by requesting a pre-application report pursuant to section 1.2 of the *pro forma* SGIP.

< 5 kilovolt (kV)	≤ 500 kW	≤ 500 kW
≥ 5 kV and < 15 kV	≤ 2 MW	≤ 3 MW
≥ 15 kV and < 30 kV	≤ 3 MW	≤ 4 MW
≥ 30 kV and ≤ 69 kV	≤ 4 MW	≤ 5 MW

34. The Commission maintained the Fast Track eligibility threshold for synchronous and induction machines at 2 MW.<sup>30</sup> Additionally, Fast Track eligibility is limited to those projects connecting to lines at 69 kV and below.<sup>31</sup>

**a. Compliance Filing**

35. Filing Parties propose to adopt the *pro forma* Fast Track Threshold language set forth in Order No. 792 with ministerial modifications. Filing Parties argue that the proposed modifications are consistent with or superior to the *pro forma* SGIP.<sup>32</sup>

**b. Commission Determination**

36. We accept Filing Parties' proposal as just and reasonable, as their ministerial modifications are consistent with the *pro forma* SGIP language.

**3. Fast Track Customer Options Meeting and Supplemental Review**

37. In Order No. 792, the Commission adopted modifications in section 2.3 of the *pro forma* SGIP to the customer options meeting to be held following the failure of any of the Fast Track screens.<sup>33</sup> In particular, the Commission required the transmission provider to offer to perform a supplemental review of the proposed interconnection without condition, whereas prior to Order No. 792, the determination of whether to offer to perform the supplemental review was at the discretion of the transmission provider.

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<sup>30</sup> Order No. 792, 145 FERC ¶ 61,159 at P 106.

<sup>31</sup> *Id.* P 107.

<sup>32</sup> Filing Parties Compliance Filing at 10-11.

<sup>33</sup> Order No. 792, 145 FERC ¶ 61,159 at P 117.

38. In Order No. 792, the Commission modified the supplemental review by including three screens: (1) the minimum load screen, (2) the voltage and power quality screen, and (3) the safety and reliability screen.<sup>34</sup>

39. The minimum load screen adopted in section 2.4.4.1 of the *pro forma* SGIP examines whether the aggregate generating capacity, including the proposed Small Generating Facility capacity, is less than 100 percent of the minimum load within the line sections bounded by automatic sectionalizing devices upstream of the proposed Small Generating Facility. The Commission found that, with respect to solar photovoltaic generation systems with no battery storage, the relevant minimum load value to be used in the minimum load screen is the daytime minimum load. For all other types of generation, the relevant minimum load value is the absolute minimum load. In the event that a transmission provider is unable to perform the minimum load screen because minimum load data are not available, or cannot be calculated, estimated, or determined, the Commission required the transmission provider to provide the reason(s) it is unable to perform the screen.

40. The voltage and power quality screen adopted in section 2.4.4.2 of the *pro forma* SGIP examines three things: (1) whether the voltage regulation on the line section can be maintained in compliance with relevant requirements under all system conditions; (2) whether voltage fluctuation is within acceptable limits; and (3) whether the harmonic levels meet Institute of Electrical and Electronics Engineers (IEEE) Standard 519 limits.<sup>35</sup>

41. The safety and reliability screen adopted in section 2.4.4.3 of the *pro forma* SGIP examines whether the proposed Small Generating Facility and the aggregate generation capacity on the line section create impacts to safety or reliability that cannot be adequately addressed without application of the Study Process. The Commission required the transmission provider to give due consideration to a number of factors (such as whether operational flexibility is reduced by the proposed Small Generating Facility) in determining potential impacts to safety and reliability in applying the safety and reliability screen.

42. The Commission revised, in sections 2.4.1 through 2.4.4 of the *pro forma* SGIP, the procedures for initiating, processing, and communicating the results of the supplemental review. Among other things, the Commission provided that the

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<sup>34</sup> *Id.*

<sup>35</sup> See IEEE Standard 519, IEEE Recommended Practices and Requirements for Harmonic Control in Electrical Power Systems.

interconnection customer may specify the order in which the transmission provider will complete the three supplemental screens in section 2.4.4.<sup>36</sup>

**a. Compliance Filing**

43. Filing Parties propose to adopt the *pro forma* Fast Track Customer Options Meeting and Supplemental Review language set forth in Order No. 792 with ministerial modifications. Filing Parties argue that the proposed modifications are consistent with or superior to the *pro forma* language.<sup>37</sup>

**b. Commission Determination**

44. We accept Filing Parties' proposed language as just and reasonable, as their ministerial modifications are consistent with the *pro forma* language.

**4. Review of Required Upgrades**

45. In Order No. 792, the Commission revised the *pro forma* SGIP facilities study agreement to allow interconnection customers to provide written comments on the required upgrades identified in the facilities study so that interconnection customers would have a meaningful opportunity to review upgrades associated with their projects and engage in a meaningful dialogue with the transmission provider.<sup>38</sup> The Commission required the transmission provider to include the interconnection customer's written comments in the final facilities study report.<sup>39</sup> The Commission also revised the *pro forma* SGIP facilities study agreement to include a meeting between the transmission provider and the interconnection customer within 10 business days of the interconnection customer receiving the draft interconnection facilities study report to discuss the results of the interconnection facilities study.<sup>40</sup>

46. In addition, the Commission found that interconnection customers are entitled to review the supporting documentation for the facilities study because the interconnection customer is funding the study. The Commission also found that transmission providers are entitled to collect all just and reasonable costs associated with producing the facilities study, including any reasonable documentation costs.<sup>41</sup>

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<sup>36</sup> Order No. 792, 145 FERC ¶ 61,159 at P 164.

<sup>37</sup> Filing Parties Compliance Filing at 10-11.

<sup>38</sup> Order No. 792, 145 FERC ¶ 61,159 at P 203.

<sup>39</sup> See section 9.0 of the *pro forma* SGIP facilities study agreement.

<sup>40</sup> See section 10.0 of the *pro forma* SGIP facilities study agreement.

<sup>41</sup> Order No. 792, 145 FERC ¶ 61,159 at P 204.

47. The Commission noted that the transmission provider is not under an obligation to modify the facilities study after receiving the interconnection customer's comments. The transmission provider makes the final decision on upgrades required for interconnection because the transmission provider is ultimately responsible for the safety and reliability of its system.<sup>42</sup>

**a. Compliance Filing**

48. Filing Parties propose to adopt the *pro forma* Review of Required Upgrades language set forth in Order No. 792.

**b. Commission Determination**

49. We accept Filing Parties' proposal to adopt the *pro forma* language set forth in Order No. 792.

**5. Interconnection of Storage Devices**

50. In Order No. 792, the Commission revised the *pro forma* SGIP to explicitly account for the interconnection of storage devices in order to ensure that storage devices are interconnected in a just and reasonable and not unduly discriminatory manner.<sup>43</sup> Specifically, the Commission revised the definition of small generating facility to explicitly include storage devices.<sup>44</sup>

51. The Commission also revised section 4.10.3 of the *pro forma* SGIP to clarify that the term "capacity" of the small generating facility in the *pro forma* SGIP refers to the maximum capacity that a device is capable of injecting into the transmission provider's system for the purpose of determining whether a storage device may interconnect under the SGIP rather than the Large Generator Interconnection Procedures (LGIP) and/or whether it qualifies for the Fast Track Process.<sup>45</sup> However, the Commission clarified that

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<sup>42</sup> *Id.* P 207.

<sup>43</sup> Order No. 792, 145 FERC ¶ 61,159 at P 227.

<sup>44</sup> *Id.* P 228. The Commission revised the definition in Attachment 1 (Glossary of Terms) of the SGIP and Attachment 1 (Glossary of Terms) of the SGIA as follows: "The Interconnection Customer's device for the production and/or storage for later injection of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities."

<sup>45</sup> *Id.* P 229. For example, a storage device capable of injecting 500 kW into the grid and absorbing 500 kW from the grid would be evaluated at 500 kW for the purpose of determining if it is a small generating facility or whether it qualifies for the Fast Track Process.

when interconnecting a storage device, a transmission provider is not precluded from studying the effect on its system of the absorption of energy by the storage device and making determinations based on the outcome of these studies.<sup>46</sup>

52. The Commission further revised section 4.10.3 of the *pro forma* SGIP to require the transmission provider to measure the capacity of a small generating facility based on the capacity specified in the interconnection request, which may be less than the maximum capacity that a device is capable of injecting into the transmission provider's system. However, the transmission provider must agree, with such agreement not to be unreasonably withheld, that the manner in which the interconnection customer proposes to limit the maximum capacity that its facility is capable of injecting into the transmission provider's system will not adversely affect the safety and reliability of the transmission provider's system.<sup>47</sup> For example, the Commission stated that an interconnection customer with a combined resource (e.g., a variable energy resource combined with a storage device) might propose a control system, power relays, or both for the purpose of limiting its maximum injection amount into the transmission provider's system.<sup>48</sup>

53. Finally, the Commission revised section 4.10.3 of the *pro forma* SGIP to allow the transmission provider to consider an output higher than the limited output, if appropriate, when evaluating system protection impacts. The Commission stated that in the Study Process, the transmission provider has the discretion to study the combined resource using the maximum capacity the small generating facility is capable of injecting into the transmission provider's system and require proper protective equipment to be designed and installed so that the safety and reliability of the transmission provider's system is maintained.<sup>49</sup> Similarly, the Commission stated that in the Fast Track Process, the transmission provider may apply the Fast Track screens or the supplemental review screens using the maximum capacity the small generating facility is capable of injecting into the transmission provider's system in a manner that ensures that safety and reliability of its system is maintained.<sup>50</sup>

**a. Compliance Filing**

54. Filing Parties propose to adopt the *pro forma* Interconnection of Storage Devices language set forth in Order No. 792.

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<sup>46</sup> *Id.*

<sup>47</sup> *Id.* P 230.

<sup>48</sup> *Id.*

<sup>49</sup> *Id.*

<sup>50</sup> *Id.*

**b. Commission Determination**

55. We accept Filing Parties proposal to adopt the *pro forma* language set forth in Order No. 792.

**6. Network Resource Interconnection Service**

56. In Order No. 792, the Commission revised section 1.1.1 of the *pro forma* SGIP to require interconnection customers wishing to interconnect a small generating facility using Network Resource Interconnection Service to do so under the LGIP and to execute the large generator interconnection agreement.<sup>51</sup> The Commission explained that this requirement was included in Order No. 2006<sup>52</sup> but was not made clear in the *pro forma* SGIP. To facilitate this clarification, the Commission also required the addition of the definitions of Network Resource and Network Resource Interconnection Service to Attachment 1, Glossary of Terms, of the *pro forma* SGIP.<sup>53</sup>

57. The Commission stated in Order No. 792 that it did not intend to require revisions to interconnection procedures that have previously been found to be consistent with or superior to the *pro forma* SGIP and *pro forma* SGIA with regard to this Order No. 2006 requirement or permissible under the independent entity variation standard.<sup>54</sup>

**a. Compliance Filing**

58. Filing Parties propose not to adopt: (1) the revisions set forth in Order No. 792 clarifying the Order No. 2006 requirement that a Small Generating Facility using Network Resource Interconnection Service must interconnect through the Standard Large Facility Interconnection Procedures (LFIP), or (2) the related revisions to insert the definitions of Network Resource and Network Resource Interconnection Service in the SGIP.

59. Filing Parties propose not to adopt the definitions of Network Resource and Network Resource Interconnection Service because NYISO does not provide Network Resource Interconnection Service. Instead, NYISO provides Energy Resource Interconnection Service<sup>55</sup> and Capacity Resource Interconnection Service (CRIS).<sup>56</sup>

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<sup>51</sup> Order No. 792, 145 FERC ¶ 61,159 at PP 232, 235.

<sup>52</sup> Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 140.

<sup>53</sup> Order No. 792, 145 FERC ¶ 61,159 at PP 232, 235. *See also* NYISO Tariff section 32.5 (4.0.0).

<sup>54</sup> *Id.* P 236. *See also id.* PP 273-274. *See also* NYISO Tariff section 32.5 (4.0.0).

<sup>55</sup> Energy Resource Interconnection Service (ERIS) is basic interconnection service that allows a Developer to interconnect its facility to the New York State

CRIS allows Small Generating Facilities to take advantage of the lower costs and efficiencies associated with an SGIP, while only being required to partake in part of the LFIP – the Class Year Interconnection Facilities Study.

60. Filing Parties claim that requiring the completion of an entire LFIP would unnecessarily increase the time and expense of interconnecting a Small Generating Facility, electing to use CRIS.

61. Filing Parties argue that NYISO’s existing Commission-approved interconnection process is consistent with or superior to the *pro forma* Network Resource Interconnection Service language because the existing procedures are less costly and time consuming.

**b. Commission Determination**

62. We find that Filing Parties have adequately justified not adopting the Network Resource Interconnection Service revisions. We accept Filing Parties explanation of NYISO’s interconnection service and how implementing the proposed revisions would be inefficient, and therefore, not optimal.

**7. Additional Deviations Requested**

**a. Compliance Filing**

63. Filing Parties propose a number of ministerial modifications to the *pro forma* language established in Order No. 792.<sup>57</sup> The proposed revisions aim to align the language with the definitions and terminology of the NYISO OATT previously accepted by the Commission.

**b. Commission Determination**

64. We accept Filing Parties’ proposal as just and reasonable, as their ministerial modifications are consistent with or superior to the *pro forma* language.

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Transmission System or Distribution System in accordance with the NYISO Minimum Interconnection Standard to enable the New York State Transmission System or Distribution System to receive electric energy from the facility. *See* Filing Parties Compliance Filing at n.27.

<sup>56</sup> CRIS is interconnection service that allows a Developer to interconnect its facility to the New York State Transmission System or Distribution System in accordance with the NYISO Deliverability Interconnection standard, which allows participation in the NYISO’s Installed Capacity market to the extent of the facility’s deliverable capacity. *See* Filing Parties Compliance Filing at n.28.

<sup>57</sup> Filing Parties Compliance Filing at 10-11.

The Commission orders:

Filing Parties' compliance filing is hereby accepted, effective December 5, 2014, as discussed in the body of this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.