

149 FERC ¶ 61,265
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

PJM Interconnection, L.L.C.

Docket No. ER14-2590-000

ORDER ON COMPLIANCE FILING

(Issued December 19, 2014)

1. On August 4, 2014, PJM Interconnection, L.L.C. (PJM) submitted, pursuant to section 206 of the Federal Power Act (FPA),¹ revisions to the PJM Open Access Transmission Tariff (PJM Tariff or OATT) to comply with the requirements of Order No. 792.² In this order, we conditionally accept the compliance filing, effective November 1, 2014, subject to a further compliance filing to be submitted within 30 days of the date of this order, as discussed below.

2. For the reasons discussed below, we require PJM to submit an additional compliance filing to modify its proposal, in part. Specifically, we direct PJM to modify its Order No. 792 proposal to: (1) revise section 109.6.8 of its Tariff to include language from the *pro forma* SGIP section 1.2.3.8 describing the minimum load data to be provided in the pre-application report; (2) clarify why PJM did not propose to revise certain sections of its Tariff (e.g., sections 111.1, 112, and 112.1) to reflect the revised eligibility threshold for the Screens Process or to file such Tariff revisions; (3) include language in the PJM Tariff that formally incorporates interconnection customer written comments into the facilities study; (4) clarify how its current Tariff meets Order No. 792's requirement that the transmission provider supply "supporting documentation, workpapers, and databases, and databases or data developed in the preparation of the Interconnection Facilities Study," upon request of the interconnection customer, or to revise its Tariff in the further compliance filing directed herein to include such a provision; and, (5) revise its *pro forma* SGIP and SGIA to add the definitions of Network

¹ 16 U.S.C. § 824e (2012).

² *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).

Resource and Network Resource Interconnection Service or explain its deviation from the *pro forma* provisions.

I. Background

3. In Order No. 2006,³ the Commission established *pro forma* Small Generator Interconnection Procedures (SGIP) and a *pro forma* Small Generator Interconnection Agreement (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 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.

4. Order No. 792 amends the Commission's *pro forma* SGIP and *pro forma* SGIA⁴ 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;⁵ (2) revising the 2 MW threshold for participation in the Fast Track Process included in section 2 of the *pro forma* SGIP;⁶ (3) revising the *pro forma* SGIP customer options meeting and the supplemental review following failure of the Fast Track screens so that 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;⁷ (4) revising the *pro forma* SGIP facilities study

³ *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).

⁴ See 18 C.F.R. § 35.28(f) (2014).

⁵ Order No. 792, 145 FERC ¶ 61,159 at PP 37-40.

⁶ *Id.* PP 102-110.

⁷ *Id.* PP 117, 141-148, 156-161.

agreement to allow the interconnection customer the opportunity to provide written comments to the transmission provider on the upgrades required for interconnection;⁸ (5) revising the *pro forma* SGIP and the *pro forma* SGIA to specifically include energy storage devices;⁹ and (6) clarifying certain sections of the *pro forma* SGIP and the *pro forma* SGIA.¹⁰ 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.

5. 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.¹¹ Filings adopting the revised SGIP and SGIA without variation are to be filed under section 206 of the FPA.¹² The Commission stated that it would consider variations from the Final Rule.¹³ In Order No. 792-A, the Commission clarified that a public utility transmission provider may submit a filing under FPA section 205¹⁴ 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.”¹⁵

⁸ *Id.* PP 203-209.

⁹ *Id.* PP 227-231.

¹⁰ *Id.* PP 235-236, 260-261.

¹¹ *Id.* P 269.

¹² Order No. 792-A, 146 FERC ¶ 61,214 at P 2.

¹³ Order No. 792, 145 FERC ¶ 61,159 at P 270.

¹⁴ 16 U.S.C. § 824d (2012).

¹⁵ Order No. 792-A, 146 FERC ¶ 61,214 at P 3. *See also* Order No. 792, 145 FERC ¶ 61,159 at PP 273-274.

6. As pertinent in the instant proceeding, requests for variation that are “consistent with or superior to” a Final Rule provision must be supported by arguments explaining how each such variation meets that standard.¹⁶

7. The Commission permits regional transmission organizations (RTOs) and independent system operators (ISOs) 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.¹⁷

II. Compliance Filing

8. PJM explains that since 2000, it has had Commission-accepted procedures for interconnection of small generator resources no larger than 20 MW, which were subsequently updated in response to the Commission’s directives in Order No. 2006, and accepted by the Commission under the “independent entity standard” as being consistent with those requirements.¹⁸ PJM argues that its current procedures are generally consistent with the goals of Order No. 2006 and Order No. 792, as they facilitate the streamlined interconnection of small generation resources. PJM explains that, while it retains many aspects of its current procedures, it also modifies those procedures to accept nearly all of the incremental changes adopted in Order No. 792, as follows: (1) adopting a process, and associated request form, to allow prospective interconnection customers to request a pre-application report; (2) revising its current 2 MW threshold for participation in Fast Track processing to 5 MW (depending on system and generator characteristics); (3) implementing new supplemental review screens (minimum load screen, voltage and power quality screen, and safety and reliability screen) following the failure of the Fast Track screens; (4) explicitly clarifying through adoption of a new definition – Small Generation Resources – that “energy storage devices” qualify for inclusion in PJM’s SGIP, and; (5) clarifying that the capacity of a Small Generation Resource interconnection request refers to the maximum capacity that a device can inject into the

¹⁶ Order No. 792, 145 FERC ¶ 61,159 at P 273.

¹⁷ *Id.* 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).

¹⁸ PJM August 4, 2014 Transmittal Letter at 3 (PJM Transmittal Letter).

system and shall be measured based on capacity specified in the interconnection request, which may be less than the maximum capacity that a device can inject into the system.¹⁹

9. PJM explains that, while it is incorporating most of the Commission's requirements, it also offers some slight variations that it contends are consistent with or superior to Order No. 792, or can be otherwise justified.²⁰ These are: (1) clarification that the pre-application request applies only to "new" facilities and incremental additions to existing facilities where the aggregate facility output will be 20 MW or less; (2) the addition of a review, not to exceed five business days, by PJM to assess whether an entity requesting a pre-application report is seeking "Commission jurisdictional" service prior to requiring the entity to pay the non-refundable pre-application report fee; (3) referencing PJM's current facilities study process, which includes an opportunity for all stakeholders to meet and discuss the results of a facilities study report, in its SGIP; and (4) an effective date of November 1, 2014, for the proposed revisions to coincide with the beginning of a new interconnection queue.²¹

III. Notice of Filing and Responsive Pleadings

10. Notice of the compliance filing was published in the *Federal Register*, 79 Fed. Reg. 46,788 (2014), with interventions and protests due on or before August 25, 2014.

11. The NRG Companies, E.ON Climate & Renewables North America LLC, Exelon Corporation, and Dominion Resources Services, Inc., on behalf of Virginia Electric and Power Company d/b/a Dominion Virginia Power filed timely motions to intervene.²² Duquesne Light Company filed an out-of-time motion to intervene (Duquesne). No protests or answers were filed.

IV. Discussion

A. Procedural Matters

12. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure,²³ the notices of intervention and timely, unopposed motions to intervene serve to make the

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.* at 3-4.

²² The NRG Companies consist of NRG Power Marketing LLC and GenOn Energy Management, LLC.

²³ 18 C.F.R. § 385.214 (2014).

entities that filed them parties to this proceeding. We will grant Duquesne's motion to intervene out-of-time, given its interest in this proceeding, the early stage of the proceeding, and the absence of any undue prejudice or delay.

B. Substantive Matters

13. We find that PJM's compliance filing, with certain modifications, complies with the requirements adopted in Order No. 792. Accordingly, we conditionally accept PJM's compliance filing, to be effective November 1, 2014, subject to a further compliance filing, as discussed below. We direct PJM to submit the compliance filing within 30 days of the date of this order.

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.²⁴

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).²⁵

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

²⁴ Order No. 792, 145 FERC ¶ 61,159 at P 37.

²⁵ See section 1.2.3 of the *pro forma* SGIP for the complete list of items in the pre-application report.

generator type and size.²⁶ 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.²⁷

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.²⁸

a. Compliance Filing

18. PJM proposes to amend its SGIP to adopt the pre-application report requirements in Order No. 792, with two modifications.²⁹ First, PJM proposes to limit pre-application report requests to customers either requesting interconnection of new resources with an output of 20 MW or less, or requesting an incremental increase to the facility output of an existing resource, where the aggregate facility output does not exceed 20 MW. PJM argues that this will eliminate requests for pre-application reports for large generators (i.e., total output is greater than 20 MW), while increasing transparency and efficiency, and providing information to those customers that need it. In support of this proposal, PJM explains that small generators typically have less information at their disposal than large generators concerning existing points of interconnection. In addition, PJM offers prospective interconnection customers the option to request “relevant system studies, interconnection studies, and other materials useful to an understanding of an interconnection at a particular point” of the transmission system.³⁰

19. Second, PJM proposes that within five days of receipt of a pre-application report request, it will review whether the proposed project is FERC-jurisdictional. If jurisdictional, PJM will convert the initial \$300 deposit into a non-refundable pre-application report fee. If not, PJM will inform the prospective customer and refund the deposit. PJM notes that, although a jurisdictional review will add five days to the pre-

²⁶ 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.

²⁷ *Id.* P 51. *See also* section 1.2.2 of the *pro forma* SGIP.

²⁸ *Id.* PP 45-46.

²⁹ *See* PJM OATT, Part IV, Subpart G § 109.

³⁰ *See* PJM OATT, Part IV, Subpart G § 109.2.

application process, it will benefit all parties involved because prospective customers will not lose the \$300 pre-application report fee if a project is not jurisdictional; likewise, PJM and the transmission owner will avoid expending efforts on prospective projects that will not impact jurisdictional facilities.

20. Additionally, PJM believes that the cost of preparing a pre-application report will exceed the default \$300 fee adopted by the Commission in Order No. 792. However, PJM has elected not to seek a higher fee at this time because it cannot project the actual costs of preparing the pre-application report since it is not certain how much work will be required by either PJM or the Transmission Owners to prepare a pre-application report. Accordingly, PJM states that it intends to initially charge the \$300 default fee in Order No. 792, but will monitor the costs of processing and preparing the reports going forward to determine whether a different fee is appropriate and justified. As a result, PJM states that it reserves the opportunity to submit a different cost-based fee to the Commission in the future, as permitted by Order No. 792.³¹

b. Commission Determination

21. We conditionally accept PJM's proposed pre-application report process. We find that PJM's proposed eligibility requirements for pre-application report requests comply with Order No. 792. PJM's proposed limitation on eligibility will ensure that small generators have access to pre-application report information, as required by Order No. 792, in addition to increasing transparency and efficiency in the interconnection process.

22. Furthermore, we also approve PJM's proposed jurisdictional review process. We find that PJM has provided sufficient justification for adding five business days to the overall pre-application process because the jurisdictional review will allow prospective customers to avoid the \$300 fee for a pre-application report when the project is not jurisdictional.

23. However, PJM has not proposed to include in section 109.6.8 the language from the *pro forma* SGIP section 1.2.3.8 describing the minimum load data to be provided in the pre-application report. We therefore direct PJM to revise section 109.6.8 to include this language (i.e., as described in section 112A.5.3.1.1 of PJM's Tariff) and to file such Tariff revisions within 30 days of the date of this order.

2. Fast Track Threshold

24. 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

³¹ Order No. 792, 145 FERC ¶ 61,159 at P 45.

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.³²

Table 1: Fast Track Eligibility for Inverter-Based Systems

Line Voltage	Fast Track Eligibility Regardless of Location	Fast Track Eligibility on a Mainline ³³ and ≤ 2.5 Electrical Circuit Miles from Substation ³⁴
< 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

25. The Commission maintained the Fast Track eligibility threshold for synchronous and induction machines at 2 MW.³⁵ Additionally, Fast Track eligibility is limited to those projects connecting to lines at 69 kV and below.³⁶

a. Compliance Filing

26. PJM proposes to revise its existing Fast Track Process – referred to in the PJM Tariff as the Screens Process – to include permanent or temporary synchronous energy

³² *Id.* PP 103-104.

³³ 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.

³⁴ 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.

³⁵ Order No. 792, 145 FERC ¶ 61,159 at P 106.

³⁶ *Id.* P 107.

resources of 2 MW or less, or 5 MW or less for inverter-based facilities connected to a distribution system.³⁷ PJM further states that it proposes to base eligibility on generator type, generator size, line voltage, and the location and type of line at the point of interconnection; however, PJM states that in no case will a project connecting to a line greater than 69 kV be eligible for the Screens Process. PJM also clarifies that small certified inverter-based energy resources located within 2.5 electrical circuit miles of a substation and on a “mainline” are eligible for the Screens Process under the new threshold table included in the PJM Tariff.³⁸

b. Commission Determination

27. We conditionally accept PJM’s proposed revisions to the PJM Tariff concerning eligibility for the Screens Process.³⁹ We find PJM’s proposed language to be consistent with the *pro forma* Fast Track threshold language adopted in Order No. 792 under the independent entity variation standard.⁴⁰ However, we note that certain sections of the PJM Tariff (e.g., sections 111.1, 112, and 112.1) do not reflect the revised eligibility threshold for the Screens Process. Therefore, we direct PJM to either clarify why it did not propose to revise these sections or to file such Tariff revisions within 30 days of the date of this order.

3. Fast Track Customer Options Meeting and Supplemental Review

28. 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.⁴¹ 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.

³⁷ See PJM OATT, Part IV, Subpart G § 112A.

³⁸ PJM Transmittal Letter at 11; PJM OATT, Part IV, Subpart G § 112A.

³⁹ See PJM OATT, Part IV, Subpart G § 112A.

⁴⁰ Order No. 792, 145 FERC ¶ 61,159 at PP 102-110.

⁴¹ *Id.* P 117.

29. 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.⁴²

30. 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.

31. 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.⁴³

32. 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.

33. 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

⁴² *Id.*

⁴³ 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 2.4.4.⁴⁴

a. Compliance Filing

34. PJM proposes Tariff revisions to allow an interconnection customer to request a supplemental review, without condition, following the failure of any of the Screens Process screens.⁴⁵ PJM states that in order to accept a supplemental review, an interconnection customer must agree in writing and submit the required deposit within 15 business days of the offer. PJM also states that it has revised its supplemental review process to include Order No. 792's required minimum load screen, voltage and power quality screen, and safety and reliability screen.⁴⁶ Upon requesting a supplemental review, PJM explains that its revisions allow an interconnection customer to specify the order in which PJM will complete the screens.⁴⁷ Additionally, PJM's revisions clarify that if the interconnection customer fails any of the supplemental review screens, and does not withdraw its interconnection request, the request will continue to be evaluated under the applicable interconnection process for either permanent or temporary resources. Finally, PJM states that if the proposed interconnection request would require more than interconnection facilities or minor modifications to the transmission provider's system to pass the supplemental screens, PJM will notify the interconnection customer that it will continue evaluating the request under the interconnection process for either permanent or temporary energy resource additions, as applicable.

b. Commission Determination

35. We find that PJM has complied with Order No. 792's requirements with respect to the Screens Process customer options meeting and supplemental review. PJM's proposed revisions allow an interconnection customer to request that PJM perform a supplemental review without condition. We also find that PJM has complied with Order No. 792's requirement to adopt the minimum load screen, the voltage and power quality screen, and the safety and reliability screen.⁴⁸ We find that PJM's proposed revisions regarding these screens incorporate the technical specifications set forth by Order No. 792. Lastly, as

⁴⁴ Order No. 792, 145 FERC ¶ 61,159 at P 164.

⁴⁵ PJM Transmittal Letter at 11-12; *see* PJM OATT, Part IV, Subpart G § 112A.4.

⁴⁶ PJM Transmittal Letter at 12; *see* PJM OATT, Part IV, Subpart G § 112A.5.3.

⁴⁷ PJM Transmittal Letter at 12; *see* PJM OATT, Part IV, Subpart G § 112A.5.2.

⁴⁸ Order No. 792, 145 FERC ¶ 61,159 at P 117.

required by Order No. 792, PJM's proposal allows an interconnection customer to specify the order in which PJM will complete these three supplemental screens.

4. Review of Required Upgrades

36. 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.⁴⁹ The Commission required the transmission provider to include the interconnection customer's written comments in the final facilities study report.⁵⁰ 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.⁵¹

37. 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.⁵²

38. The Commission noted that the transmission provider is not under an obligation to modify the facilities study after receiving the interconnection customer's comments and makes the final decision on upgrades required for interconnection because the transmission provider is ultimately responsible for the safety and reliability of its system.⁵³

a. Compliance Filing

39. PJM proposes to revise section 111.4 of its Tariff to reference its current facilities study process, including an opportunity for interconnection customer review of required

⁴⁹ *Id.* P 203.

⁵⁰ *See* section 9.0 of the *pro forma* SGIP facilities study agreement.

⁵¹ *See* section 10.0 of the *pro forma* SGIP facilities study agreement.

⁵² Order No. 792, 145 FERC ¶ 61,159 at P 204.

⁵³ *Id.* P 207.

upgrades.⁵⁴ This review process requires a meeting, when requested by the interconnection customer, between the interconnection customer, the transmission provider, and the affected transmission owners to discuss the results of the facilities study. This meeting may be in person, by phone, or by video conference. PJM states that written comments are permitted, but not specifically included, in its current procedures, and are often submitted by the interconnection customer. These comments are then considered when evaluating and finalizing the facilities study. According to PJM, its current process is superior to, or at least consistent with, the Commission's *pro forma* requirements.⁵⁵

b. Commission Determination

40. We find to be in compliance with Order No. 792 PJM's proposed revision of section 111.4 of its Tariff to provide an opportunity for the interconnection customer to request to meet with the transmission provider and the affected transmission owner to discuss the results of the facilities study as consistent with or superior to section 10 of the *pro forma* SGIP, which similarly provides for such a meeting.

41. However, Order No. 792 also requires that interconnection customers be allowed to submit written comments on the required upgrades identified in the facilities study.⁵⁶ While PJM states that it has allowed written comments in the past, neither the existing PJM Tariff nor PJM's proposed revisions include language to this effect. Therefore, the Commission directs PJM to include language in the PJM Tariff that formally incorporates interconnection customer written comments into the facilities study, as required by Order No. 792, within 30 days of the date of this order.⁵⁷

42. Order No. 792 also requires that, upon request by the interconnection customer, the transmission provider must provide "supporting documentation, workpapers, and databases or data developed in the preparation of the Interconnection Facilities Study."⁵⁸ Neither section 111.4, Facilities Study, nor section 207, Facilities Study Procedures, of the PJM Tariff includes such a provision. Therefore, we direct PJM to either clarify how its current Tariff meets this provision or to revise its Tariff in the further compliance filing directed herein to include such a provision.

⁵⁴ See PJM OATT, Part VI, Subpart A §§ 206 and 207.

⁵⁵ PJM Transmittal Letter at 13.

⁵⁶ Order No. 792, 145 FERC ¶ 61,159 at P 203.

⁵⁷ *Id.*

⁵⁸ Section 9.0 of the *pro forma* SGIP facilities study agreement.

5. Interconnection of Storage Devices

43. 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.⁵⁹ Specifically, the Commission revised the definition of small generating facility to explicitly include storage devices.⁶⁰

44. 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.⁶¹ However, the Commission clarified that 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.⁶²

45. 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.⁶³ For example, the Commission stated that an interconnection

⁵⁹ Order No. 792, 145 FERC ¶ 61,159 at P 227.

⁶⁰ *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.”

⁶¹ *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.

⁶² *Id.*

⁶³ *Id.* P 230.

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.⁶⁴

46. 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.⁶⁵ 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.⁶⁶

a. Compliance Filing

47. PJM proposes to add the following definition of "Small Generation Resource" to its Tariff:⁶⁷

An Interconnection Customer's device of 20 MW or less for the production and/or storage for later injection of electricity identified in an Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities. This term shall include Energy Storage Resources, as defined in Attachment K of this Agreement, and/or other devices for storage for later injection of energy.

48. Additionally, PJM proposes to add to the preamble to its SGIP (with minor variations to conform the language to PJM's Tariff) the Commission's revisions to section 4.10.3 of the *pro forma* SGIP regarding the evaluation of a resource's maximum rated capacity to determine if the resource is a small generating facility.

⁶⁴ *Id.*

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ See PJM OATT, Part I § 1.42B. PJM also proposes to add the term, as needed, elsewhere in its Tariff, e.g., PJM OATT, Part IV, Subpart G §§ 109, 110.

b. Commission Determination

49. We find that PJM’s proposal to add the term “Small Generation Resource,” and its associated definition, to the PJM Tariff is in compliance with Order No. 792.⁶⁸ We also find that the accompanying changes regarding Small Generation Resources are necessary clarifications to the PJM Tariff.⁶⁹ Finally, we also find PJM’s proposed addition of the Commission’s revisions to section 4.10.3 of the *pro forma* SGIP to the Preamble of PJM’s SGIP is consistent with or superior to the requirement of Order No. 792.⁷⁰

6. Network Resource Interconnection Service

50. 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.⁷¹ The Commission explained that this requirement was included in Order No. 2006⁷² 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.⁷³

51. 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.⁷⁴

⁶⁸ Order No. 792, 145 FERC ¶ 61,159 at P 228.

⁶⁹ *E.g.*, PJM OATT, Part IV, Subpart G §§ 109, 110.

⁷⁰ Order No. 792, 145 FERC ¶ 61,159 at PP 229-230. Note that there is a typographical error in PJM’s proposed explanatory statement—the word “electric” is written as “electricity.” We encourage PJM to review its proposed revisions and make corrections as part of the compliance filing ordered herein.

⁷¹ Order No. 792, 145 FERC ¶ 61,159 at PP 232, 235.

⁷² Order No. 2006, FERC Stats. & Regs. ¶ 31,180 at P 140.

⁷³ Order No. 792, 145 FERC ¶ 61,159 at PP 232, 235.

⁷⁴ *Id.* P 236. *See also id.* PP 273-274.

a. **Compliance Filing**

52. PJM provided no discussion of its compliance with the Commission's directives concerning Network Resource Interconnection Service.

b. **Commission Determination**

53. Order No. 792 revises section 1.1.1 of the *pro forma* SGIP to require an Interconnection Customer that wishes to interconnect its Small Generating Facility using the standardized Network Resource Interconnection Service to do so under the *pro forma* LGIP and to execute the LGIA.⁷⁵ Additionally, Order No. 792 revises Attachment 1, Glossary of Terms, of the *pro forma* SGIP, to add the definitions of Network Resource and Network Resource Interconnection Service. In Order No. 792, the Commission explained that these changes were intended to clarify the *pro forma* SGIP rather than implement a new requirement.⁷⁶ However, PJM has failed to revise its tariff or demonstrate how its existing interconnection procedures are consistent with or superior to the *pro forma* SGIP and SGIA originally adopted under Order No. 2006 or permissible under the independent entity variation standard. Therefore, we require PJM to either file revisions to its *pro forma* SGIP and SGIA or explain its deviation from the *pro forma* provisions in Order No. 792, within 30 days of the date of this order.

7. **Additional Deviations Requested**

54. On September 19, 2014, the Commission issued an Errata Notice, correcting typographical errors and language that was erroneously omitted from Appendix C, Revisions to the *Pro Forma* SGIP, of Order No. 792.⁷⁷

55. Section 112A.5.3.3.2 of PJM's Tariff does not include the word "is" between the words "section" and "uniform" as required in the September 19 Errata Notice.

56. Further, in section 112A.5.3.4.3 of PJM's proposed revisions, the word "Transmission Customer" is used rather than "Transmission Provider." Additionally, section 112A of PJM's Tariff references 112A.4.1 rather than section 112A.5.3.

⁷⁵ *Id.* P 235.

⁷⁶ *Id.*

⁷⁷ *Small Generator Interconnection Agreements and Procedures*, 148 FERC ¶ 61,215 (2014).

57. In addition, PJM explains that it has proposed several clarifying and/or clean-up revisions to the affected sections of the PJM Tariff.⁷⁸ For instance, PJM states that it has reinstated language inadvertently excluded from Part IV, Preamble, which notes that sub-part G of the PJM Tariff applies to interconnection requests involving new generation resources of 20 MW or less, or increases of 20 MW or less, to the capability of existing generation resources.

58. PJM also explains that it is proposing to move section 112.5 of the PJM Tariff to stand-alone section 112C. PJM states that section 112 of sub-part G refers to the process for interconnection of temporary facilities; including the Alternate Queue Process, which is a stand-alone process, as a subsection to section 112, according to PJM, is incorrect. PJM explains that the “movement of the Alternate Queue Process to section 112C does not result in any substantive revisions to that section other than to correct references to section numbers identified therein, and involves updating the eTariff record to reflect to [the] movement of section 112.5 to section 112C.”⁷⁹

59. PJM further explains that other small, ministerial changes have been made throughout sub-part G to ensure that appropriate tariff sections are referenced and any inadvertent typographical errors are corrected.

60. We conditionally accept PJM’s proposed clarifications and corrections as part of the compliance filing addressed here. We require PJM to file revisions to its Tariff within 30 days of the date of this order that are consistent with the September 19 Errata Notice and to correct the language noted in paragraph 56 above.

The Commission orders:

(A) PJM’s compliance filing is hereby conditionally accepted effective November 1, 2014, subject to a further compliance filing, as discussed in the body of this order.

⁷⁸ PJM Transmittal Letter at 14.

⁷⁹ *Id.*

(B) PJM is hereby directed to submit a compliance filing within 30 days of the date of this order, as discussed in the body of this order.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.