

120 FERC ¶ 61,238
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

September 17, 2007

In Reply Refer To:
Midwest Independent Transmission
System Operator, Inc.
Docket No. ER07-1177-000

Duane Morris, LLP
1667 K Street
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Attention: David DeSalle
Attorney for Midwest Independent Transmission
System Operator, Inc.

Reference: Small Generator Interconnection Agreement

Dear Mr. DeSalle:

1. On July 19, 2007, Midwest Independent Transmission System Operator, Inc. (Midwest ISO) filed a Small Generator Interconnection Agreement (SGIA) among Odin Wind Farm, LLC (Odin) as the Interconnection Customer, Great River Energy (Great River) as the Transmission Owner, and the Midwest ISO to interconnect ten wind turbines and related equipment (Small Generating Facility) with a nameplate capacity rating of 2.0 MW. Eight separate limited liability companies (collectively, Generating Companies) will each own one or two of the wind turbines and the related equipment. The Interconnection Customer will own the interconnection facilities.

2. The Midwest ISO states that the SGIA is based on its pending *pro forma* SGIA (Docket Nos. ER06-192-000 and ER06-192-001) filed in compliance with Order No. 2006.¹ The Midwest ISO also states that the SGIA deviates from its pending *pro*

¹ *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).

forma SGIA to address the unique ownership circumstances of the Interconnection Agreement and that similar non-conforming provisions have been accepted by the Commission.²

3. In this case, the Midwest ISO proposes non-conforming provisions that it says are necessary to reflect the unique ownership structure of the Small Generating Facility. As previously stated, the Generating Companies will own the wind turbines and the related equipment within the Small Generating Facility. The Interconnection Customer, a separate entity from the Generating Companies, will own the interconnection facilities and will be responsible for ensuring that the Small Generating Facility is operated in accordance with the Interconnection Agreement. Certain revisions in the proposed SGIA would delineate the relationship between the Interconnection Customer and the owner of each wind turbine.³ Other revisions would require the Interconnection Customer to ensure that the Small Generating Facility is operated in accordance with the SGIA.⁴ The Midwest ISO proposes to revise the Terms of Glossary (Attachment 1) to provide uniform use of terms throughout the SGIA and to clarify the responsibilities of the Interconnection Customer.⁵ These non-conforming provisions largely comport with revisions conditionally accepted in Docket Nos. ER06-1536-000 and ER07-666-000.⁶ The Midwest ISO also proposes new non-conforming language in Articles 1.5.4 and 3.2. In Article 1.5.4, it proposes to add the following underlined language: “The Interconnection Customer agrees to cause the Generating Companies to design, install, maintain and operate their respective wind turbines and related equipment that comprise the Small Generating Facility”

² See *Midwest Independent Transmission System Operator, Inc.*, 117 FERC ¶ 61,229 (2006) and *Midwest Independent Transmission System Operator, Inc.*, 119 FERC ¶ 61,188 (2007).

³ Revisions to Articles 1.2, 1.3, 1.8.2, 2.1.1 and 3.4.5 distinguish the Interconnection Customer from the owner of the Small Generating Facility.

⁴ Revisions to Articles 1.5.2, 1.5.4, 1.6, 1.8.1 and 2.2.2 require the Interconnection Customer to “cause” the action required in these provisions because the Interconnection Customer does itself own or operate the wind turbines.

⁵ Revisions are made to the terms “Interconnection Customer” and “Small Generating Facility,” and a new term is added for “Generating Company.”

⁶ The definition of “Small Generating Facilities” includes new language (identified in redline) different from that previously conditionally accepted: “The wind energy facilities owned by the Generating Company for the production of electricity identified in Attachment 2 not including the Interconnection Customer’s Facilities.”

4. Finally, in Article 3.2, the Midwest ISO proposes to extend the term of the SGIA from ten years to twenty-one years from the Effective Date, based upon the Interconnection Customer's desire for certainty.

5. Notice of the Midwest ISO's filing was published in the Federal Register, 72 Fed. Reg. 42,407 (2007), with comments, protests or interventions due on or before August 9, 2007. Missouri River Energy Services filed a motion to intervene and comments in support of the proposed SGIA. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2007), the timely, unopposed motion to intervene serves to make the entity that filed it a party to this proceeding.

6. When a non-conforming interconnection agreement is filed with the Commission, the filing party must clearly identify the portions of the agreement that differ from its *pro forma* agreement and explain why the unique circumstances of the interconnection require a non-conforming interconnection agreement.⁷ The Commission analyzes such non-conforming filings, which we do not expect to be common, to ensure that operational or other reasons necessitate the non-conforming agreement.⁸ A Transmission Provider seeking a case-specific deviation from a *pro forma* interconnection agreement bears the burden to explain what makes the interconnection unique and what operational concerns or other reasons necessitate the changes.⁹

7. The Commission has previously conditionally accepted similar non-conforming provisions to SGIA's to accommodate this type of ownership structure, including provisions that establish the relationship between the Interconnection Customer and the wind generation facilities, as well as requiring that the Interconnection Customer "cause" the Generating Companies to take a required action under Article 1.5.4.¹⁰ In these prior cases, the Commission has also conditionally accepted revisions to the Glossary to provide uniform use of terms throughout the SGIA and to clarify the responsibilities of the Interconnection Customer. The proposed new language in Article 1.5.4 is also consistent with the previously conditionally accepted provisions.

8. The proposed language in Article 3.2 extending the term of the SGIA from ten years to twenty-one years follows the language in the *pro forma* SGIA allowing the

⁷ Order No. 2003-B at P 140 ("each Transmission Provider submitting a non-conforming agreement for Commission approval must explain its justification for each non-conforming provision").

⁸ See *PJM Interconnection, L.L.C.*, 111 FERC ¶ 61,098 at P 9 (2005) (PJM Order).

⁹ See PJM Order at P 9.

¹⁰ *Supra* n. 2.

Interconnection Customer to extend the term of the agreement. This provision is consistent with the *pro forma* SGIA.

9. All remaining language in this SGIA's Article 3.2 is accepted conditionally because the Midwest ISO has proposed edits to Article 3.2 in Docket Nos. ER06-192-000 and ER06-192-001 that, if accepted, would require conforming edits here as well.

10. Given the unique characteristics of the interconnection, the Commission will accept the non-conforming provisions, subject to the outcome of Docket Nos. ER06-192-000 and ER06-192-001 involving revisions to the Midwest ISO's *pro forma* SGIA. The Commission directs the Midwest ISO to file, within 30 days of the date of an order either approving or directing further revisions to its *pro forma* SGIA in those proceedings, any necessary revisions to this interconnection agreement to conform to any revisions required by that order.

11. The Commission finds that good cause exists to grant the Midwest ISO's request for waiver of the 60-day prior notice requirement¹¹ to permit an effective date of July 1, 2007.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Acting Deputy Secretary.

¹¹ 18 C.F.R. § 35.3 (2007); *Central Hudson Gas & Electric Corp.*, 60 FERC ¶ 61,106, *reh'g denied*, 61 FERC ¶ 61,089 (1992).