



**Federal Energy Regulatory Commission
February 21, 2019
Open Commission Meeting
Staff Presentation
Item E-1**

Good morning Mr. Chairman and Commissioners,

Item E-1 is a draft order on rehearing and clarification of Order No. 845, Reform of Generator Interconnection Procedures and Agreements.

Order No. 845 adopted ten reforms to improve certainty for interconnection customers, promote more informed interconnection decisions, and enhance the interconnection process.

The Commission received twelve requests for rehearing and/or clarification of Order No. 845. The draft order grants in part and denies in part the requests for rehearing and clarification. The majority of reforms remain unchanged, but the draft order grants rehearing and clarification as to certain reforms. The draft order grants rehearing with regard to two aspects of the reform to remove a limitation on the interconnection customer's option to build. First, the draft order requires that transmission providers explain why they do not consider a specific network upgrade to be a stand alone network upgrade, and second, allows transmission providers to recover option to build oversight costs. The draft order also grants clarification with regard to two aspects of the option to build reform by finding, first, that the Order No. 845 option to build provisions apply to all public utility transmission providers, including those that reimburse interconnection customers for network upgrades, and second, that the option to build does not apply to stand alone network upgrades on affected systems.

The draft order also grants rehearing with regard to the reform to create a surplus interconnection service process; it explains that the Commission does not intend to limit the ability of RTOs and ISOs to argue that an independent entity variation is appropriate.

The draft order also grants two clarifications with regard to study model and assumption transparency; it finds that: first, transmission providers may use the Commission's critical energy/electric infrastructure information regulations as a model for evaluating entities that request network model information and assumptions; and second, the phrase "current system conditions" does not require

transmission providers to maintain network models that reflect current real-time operating conditions of the transmission provider's system, but should reflect the system conditions currently used in interconnection studies.

With regard to the reform to institute interconnection study deadline reporting requirements, the draft order grants clarification regarding the date for measuring study performance metrics, and clarifies that the reporting requirements do not require transmission providers to post 2017 interconnection study metrics. Instead, the first required report will be for the first quarter of 2020.

With respect to the reform on requesting interconnection service below generating facility capacity, the draft order grants rehearing in part to find that an interconnection customer may propose control technologies at any time at which it is permitted to request interconnection service below generating facility capacity. Finally, with regard to the reform that allows interconnection customers to request interconnection service below generating facility capacity, the draft order grants clarification that a transmission provider must provide a detailed explanation if it determines additional studies at the full generating facility capacity are necessary when the interconnection customer has requested service below full generating facility capacity. The draft order denies all other requests for rehearing and clarification.

The draft order becomes effective 75 days after publication in the Federal Register. Each public utility transmission provider must submit a single compliance filing, within 90 days of the issuance of this order, to comply with Order No. 845 and this draft order on rehearing and clarification. This compliance timeline is in accordance with the notice issued by the Office of the Secretary on October 3, 2018.

This concludes our presentation. We would like to thank and recognize the members of the team that are not seated here at the table in helping to prepare these items. We are happy to answer any questions that you may have.