**BEFORE THE**
**UNITED STATE OF AMERICA**
**ENERGY REGULATORY COMMISSION**

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| **Review of Generator Interconnection Agreements and Procedures** | **)** | **Docket No. RM16-12-000** |
| **American Wind Energy Association** | **)** | **Docket No. RM15-21-000** |

PRESENTER: OMAR MARTINO
DIRECTOR, TRANSMISSION
EDF RENEWABLE ENERGY, INC.

TOPIC: INTRODUCTORY REMARKS
PANEL ADDRESSING "CERTAINTY IN COST ESTIMATES AND CONSTRUCTION TIME"

DATE: MAY 13, 2016

Good afternoon. My name is Omar Martino. I am the Director of Transmission Strategy within the Valuation and Transaction Group at EDF Renewable Energy, Inc.

EDF Renewable is a subsidiary of Électricité de France, S.A., a French electric utility company. In North America, EDF Renewable has developed over 6 gigawatts ("GW") of generation since 2012. EDF Renewable currently owns 3.1 GW of generation, has another 1.1 GW currently under construction and provides operations and maintenance service for another 10.5 GW of generation.

I want to thank the Commission for inviting me to speak today. These are important issues for which solutions are needed.

One topic of concern is the ability to get accurate network upgrade cost estimates earlier in the process. Often, the RTO will provide a cost estimate at the system impact stage that is based on a generic per-unit cost and without full knowledge of what the transmission owner actually will require. When the transmission owner pays close attention at the Facilities Study stage, new needs and costs may arise that were not communicated earlier. The difference in cost can be dramatic. Generation developers need better cost information earlier so they can make informed business decisions and manage the cost risk. CAISO has a model that has worked to manage this risk. That model has also helped to reduce disputes about costs. EDF Renewables believes the Commission should consider imposing this or a similar measure nationwide.

Generation developers must also be able to assess congestion risk. Interconnection customers are not being provided study results that take into account the full impact of other projects already operating or in the queue. There have been situations where numerous projects are sited in a specific sub-region of an RTO, but no project was aware, based on study results or other MISO reports, of the potential congestion and curtailment impact from all these projects. As a result, all the projects experienced (and are still experiencing) significant congestion and curtailment that was not expected based on the study results. The information in docket numbers ER14-1314, ER14-1315 and EL13-88 before the Commission describes this well. Generation developers needs to know of this potential curtailment risk before they get to the GIA stage.

One means to address the congestion and curtailment is for the RTO to apply a lower distribution impact standard and to do so throughout the entire RTO, such as 5%. Further, the RTOs need to have means to account for several projects interconnecting in an area each with a 4% impact on facilities, for example, but where the cumulative effect is well over 5%. If such standards are not applied, the grid will be under-built to accommodate the new generation and projects will not be able to sell energy at the levels requested and paid for in network upgrades.

At a minimum, the transmission owner should post facilities where congestion has regularly occurred. PJM provides some information that is helpful, identifying constraints around a proposed project that could result in curtailment. MISO used to provide information on congested and curtailed elements, but it discontinued that practice.

There are other areas where means need to be put in place to limit generation developer risk. These include (1) limit the interconnection study process to 12 months, (2) engage Affected Systems early and conclude the study and negotiations before the GIA is executed and (3) provide the interconnection customer with a rebuttable presumption that it is entitled to "self-build" interconnection facilities and network upgrades in order to limit customer's costs and speed up the process.

There are several other issues that bear on cost certainty and construction timing, including restudies, and I look forward to discussing these issues with you today.

Thank you, again, for inviting me to speak to you. I look forward to your questions.

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