

SUMMARY OF AMERICAN WIND ENERGY ASSOCIATION PETITION FOR RULEMAKING

DOCKET NO. RM15-21-000

On June 19, 2015 the American Wind Energy Association (“AWEA”) filed a Petition for Rulemaking to revise generation interconnection rules and procedures, in which AWEA requests that the Commission revise its *pro forma* Generator Interconnection Procedures (“GIPs”) and Generator Interconnection Agreements (“GIAs”). AWEA argues that standard GIPs and GIAs have become out of date relative to current market conditions, and result in a complex and time consuming interconnection process that poses significant barriers to entry and undermines the ability of new generations to compete. Specifically, AWEA is concerned about the lack of transparency and certainty in the generator interconnection process, particularly with respect to the interconnection study and re-study process and the costs associated with facilities and network upgrades.

AWEA proposes 4 general categories of changes, which it describes as aimed to improve: (1) certainty in the study and restudy process; (2) transparency in the overall interconnection process; (3) certainty of network upgrade costs, and (4) accountability of the transmission provider in the interconnection process. The key changes proposed in each category are summarized below.

1. Proposed Changes to the Study and Restudy Process

- Transmission providers should be required to provide study results by the dates listed in their GIPs and affirmatively communicate that the study results are final. All language in GIPs and GIAs providing that transmission providers must only use “reasonable efforts” to provide timely study results should be deleted.
- Interconnection customers should only be subject to one re-study per year in the event that higher-queued projects drop out of the interconnection queue.
- GIPs should be revised to provide a clear definition of contingent facilities and to provide additional information about the cost impact of all known contingent facilities.
- Interconnecting transmission owners and other affected system owners should provide facility cost information at the system impact study phase (as opposed to at the late-stage facilities study phase) or should be required to adopt CAISO’s two-phase study approach, whereby an interconnection customer is assigned a maximum cost responsibility for network upgrades early on in the interconnection process.
- All study costs should be standardized and capped with an appropriate accuracy margin, and the transmission provider should only be permitted to collect true-up amounts for actual study costs above the cap in extraordinary circumstances.

2. Proposed Transparency Changes

- Transmission providers should be required to provide interconnection customers with additional information regarding the assumptions used during the study process, and all study processes, inputs and assumptions should be updated biennially.
- Transmission providers should be required to provide up-to-date curtailment risk information on their websites so that current and future interconnection customers are constantly aware of the risk and potential for curtailment.
- GIPs should be revised to allow an interconnection customer to use its capacity in multiple phases or to split its GIA into multiple GIAs at the same location. *Note: this is already allowed in PJM.*

3. Proposed Additional Cost Certainty for Network Upgrades

- GIPs should be revised to require an accuracy margin for estimated facilities and network upgrades of no more than +/- 20%, and transmission providers should only be permitted to collect amounts above the cap in extraordinary circumstances
- GIPs should be revised to require the interconnection customer's consent before a transmission provider may elect to self-fund network upgrades.
- Interconnection customer should be compensated for the costs of network upgrades in situations where the interconnection customer or transmission owner terminates or assigns capacity under the customer's GIA, such that the upgrades benefit the third party who ultimately uses the capacity.

4. Proposed Accountability Changes

- The interconnection customer should be entitled to liquidated damages in the event that a transmission provider fails to provide final study results by the required deadline.
- A transmission provider should be prohibited from charging the interconnection customer for restudies that are required due to errors in previous studies or restudies.
- A transmission provider should be required to pay liquidated damages to the interconnection customer in the event that any study errors result in additional required network upgrades.