



February 4, 2016

PROPOSED DRAFT AGENDA FOR A STAFF-LED FERC TECHNICAL CONFERENCE ON GENERATOR INTERCONNECTION RULES AND PROCEDURES

Following up on our Petition for Rulemaking on Generator Interconnection Procedures (Petition), AWEA is reaching out to FERC staff to suggest that it conduct a staff-led technical conference in the near future. *See* Docket No. RM15-21-000. Below is an initial draft of a proposed agenda for such a conference. The agenda has been drafted with an attempt to tee up a limited number of discrete issues for discussion upon which we think there is already sufficient consensus for having a FERC-led open discussion upon. AWEA continues to engage in conversations internally and with other stakeholders on these issues, as well as other issues raised in our Petition and the comments thereon. In light of that ongoing activity, this proposed agenda should not be viewed as constituting a final draft and will very likely be revised in the near future.

In our opinion, the Petition, and supporting comments thereon, raises questions whether some interconnection rules and practices could be improved to better meet current market conditions. If so, these practices and rules could create barriers that inhibit the development of electric generation to meet the needs of consumers and to facilitate the ongoing transformation of the electric generation system (driven, in part, by federal and state policies as well as by economics) in a timely, reliable and cost-effective manner.

The Petition proposed a suite of changes to the *pro forma* Large Generator Interconnection Procedure (“GIP”) and *pro forma* Large Generator Interconnection Agreement (“GIA”), addressing four broad categories: (a) certainty in the study/restudy process; (b) transparency in the interconnection process; (c) certainty of network upgrade costs; and (d) accountability in the interconnection process.

The intent of our Petition was to jumpstart a discussion on these issues and not necessarily seek wholesale adoption of any of our proposed reforms without first ample discussion confirming they were indeed warranted and, if so, the shape they should take (*e.g.*, on a generic or regional basis). As stated in the Petition, if the Commission were to initiate a technical conference, it would provide a forum to explore the numerous technical, policy, and legal issues associated with the merits of pursuing generator interconnection reform. A further value in holding a technical conference would be to evaluate stakeholders’ experience under the existing interconnection rules and procedures and the potential options for improvement. Participants at the conference could, for example, discuss best practices and how problems have been resolved or continue to linger, and propose their specific recommendations for change. Following such a conference, the Commission would be in a better position to ascertain whether a consensus emerges supporting further steps.

Proposed Topic List for Consideration at an Initial Technical Conference on Interconnection Rules and Practices

The vast majority of the comments that were submitted addressing our Petition – including from stakeholders in various regions and representing different interests – supported an open discussion on whether there are areas in which the current interconnection process could be improved.

We therefore propose that an initial technical conference first focus on tackling these two areas of the interconnection process. (Other areas raised in the Petition could be addressed in a follow-up technical conference or opportunity to submit comments based on information elicited at the initial technical conference.) With that end in mind, the following issues seem to be obvious candidates for panel discussions at a technical conference:

- Panel 1: Importance of Improving the Performance of Interconnection Studies and Restudies:
 - Timing of interconnection studies:
 - Do study timelines in the *pro forma* GIP and RTO tariffs reflect the current technological capabilities for performing studies? If not, what changes are needed to reduce study times?
 - To what extent are there currently delays in individual interconnection studies? If so, is this issue the same across the U.S. or different in various regions?
 - How do delays in the completion of the studies and inaccuracies therein affect project development (*e.g.*, jeopardize a developer's financing)?
 - Where interconnection studies are delayed, what are the causes of these delays? What options are there to speed up the interconnection process?
 - Accuracy of interconnection studies:
 - In some instances, interconnection studies later turn out to be inaccurate. What are the causes of such problems? In what ways could their accuracy be improved?
 - How can disputes about interconnection feasibility, cost, and cost responsibility be avoided?
 - What changes, if any, could be implemented within a Transmission Provider's current tariff and which would require a change in the *pro forma* GIP and GIA? What changes are already accommodated by the flexibility provided in Order No. 2003 and other Commission orders?
- Panel 2: Importance of Transparency and Information Exchange in the Interconnection Process:
 - To what extent is information relevant to interconnection studies shared with interconnection customers in the interconnection process?
 - Is similar information shared with interconnection customers everywhere, or does this vary between regions?
 - What further information could a Transmission Provider provide to an

Interconnection Customer about the assumptions used in the interconnection studies?

- Should a Transmission Provider be required to justify the assumptions used in interconnection studies? If so, how often should the assumptions be validated?
- What mechanisms are there in the *pro forma* and current GIPs and GIAs to ensure that Interconnection Customers are charged just and reasonable costs for interconnection studies? Is there sufficient transparency into these costs, and if not, what changes could be made?
- Would improvements in the availability or transparency of certain information relevant to interconnection decisions, such as options related to upgrade costs and the tradeoff of potential curtailments, increase the chance that viable projects will be developed?
- What further information could a Transmission Provider provide an Interconnection Customer early in the study process to provide a more accurate estimate of network upgrade and interconnection facility costs?