
FEDERAL ENERGY REGULATORY COMMISSION



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NEWS RELEASE

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COMMISSION TO FACILITATE GENERATOR INTERCONNECTION

Following a discussion of electric generator interconnection issues, the Federal Energy Regulatory Commission said today that it will take a variety of short- and long-term actions to ensure new generators' access to the transmission grid.

Chairman Pat Wood, III declared, "Interconnection is critical to ensuring open transmission access. It is essential that we have interconnection procedures that remove incentives for transmission providers to favor their own generation and ease entry for competitors while ensuring efficient siting decisions."

Commission outreach efforts have found concerns about unnecessary delays and possible discrimination, insufficient incentives and commitments, and confusion about what rights come with interconnection and uncertain cost responsibility. This results in less investment in infrastructure and less confidence in market competitiveness.

To remedy this, the Commission will issue an advanced notice of proposed rulemaking to develop and adopt a national standard electric interconnection agreement between transmission providers and generators. The Commission will consider including a "strawman" contract to serve as the basis for the final standard interconnection agreement and procedures.

In a second phase, the Commission will conduct formal rulemakings to address national standards and also the allocation of costs for interconnections and associated system upgrades.

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The Commission's goal is to minimize the degree to which the interconnection process hampers new generators from entry into wholesale markets. The Commission wants to cut the time taken to complete interconnections and reduce the cost to developers, while ensuring that transmission reliability and operational efficiency are maintained.

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