



**Federal Energy Regulatory Commission
December 11, 2007
Technical Conference on Interconnection
Queuing Practices
AD08-2-000
Statement of
Chairman Joseph T. Kelliher**

"The purpose of the technical conference today is to discuss issues related to the interconnection queue in different regions of the country. The interconnection queue process is governed by Order No. 2003, which standardized the agreements and procedures related to the interconnection of large generating facilities. The rationale for this important rule was that establishment of a 'standard set of procedures as part of the [Open Access Transmission Tariff] for all jurisdictional transmission facilities will minimize opportunities for undue discrimination and expedite the development of new generation, while protecting reliability and ensuring that rates are just and reasonable.' I believe this objective is still sound.

We pursued this goal by establishing a set of comprehensive queue management procedures. However, some regions of the country are experiencing various challenges to the interconnection queue process. In general, surges in development of new generation are taxing the queue management system.

Unprecedented demand in some regions for renewable generation presents different challenges. The planning horizon for wind generation facilities may be shorter than other generation facilities. Wind facilities can generally be brought online more quickly, so any delay in the interconnection process is significant. There also is the reality that many states have adopted aggressive renewable portfolio standards, which drives much of the demand for new renewable energy facilities.

In regions that have adopted capacity markets, such as New England, the queue issues are different still. The question of whether a resource that is chosen through a capacity market auction move to a higher place in the queue has arisen.

Queue management issues are not limited to the organized markets, they extend outside regional transmission organizations and independent system operators.

Order No. 2003 adopted a first come, first served approach towards queue management. That approach has the manifest virtue of preventing undue discrimination and preference in queue management. However, there are competing policy goals, such as the need for new electricity supply, the demand for renewable energy, driven in large part by state renewable portfolio standards, and the need to complement newly established capacity markets.

To me, the purpose of this conference is to identify the various challenges relating to the queue management process with some precision and to explore possible process reforms. Perhaps there are different approaches to the queue management process that better serve these competing policy goals, while still guarding against the potential for undue discrimination and preference. There is sufficient flexibility within Order No. 2003 to adopt certain reforms.

Within this context, we ask that speakers differentiate their proposed solutions between short-term approaches to deal with immediate queue problems and longer-term approaches."