



Federal Energy Regulatory Commission
December 15, 2016
Open Commission Meeting
Staff Presentation
Item E-1

"Good morning, Mr. Chairman and Commissioners.

"Item E-1 is a draft Notice of Proposed Rulemaking in Docket Number RM17-8-000. In this draft Notice of Proposed Rulemaking or NOPR, the Commission proposes to revise its regulations, the *pro forma* Large Generator Interconnection Procedures, and the *pro forma* Large Generator Interconnection Agreement that apply to generators larger than 20 megawatts.

"In 2003, the Commission issued Order No. 2003, which provided *pro forma* interconnection procedures and a *pro forma* interconnection agreement to standardize the interconnection process for all jurisdictional transmission providers. In that order, the Commission found that a standard set of procedures would "minimize opportunities for undue discrimination and expedite the development of new generation, while protecting reliability and ensuring that rates are just and reasonable."

"Since the issuance of Order No. 2003, a number of developments have created the need to consider reforms of the generator interconnection procedures and agreements, including the rise of shale gas, the emergence of new technologies, and state and federal policies that have impacted the resource mix. Additionally, some transmission providers have expressed concerns over what they consider "speculative" projects with little chance of reaching commercial operation disrupting interconnection study queues. Transmission providers, interconnection customers, and other stakeholders commented on these issues in a number of proceedings at the Commission, including a June 2015 petition for rulemaking and a May 2016 technical conference held by Commission staff. The proposed reforms in the draft NOPR respond to these developments and the concerns raised by transmission providers and interconnection customers.

"The proposed reforms should help improve the efficiency of processing interconnection requests, remove barriers to the development of new technologies, and assure the continued reliability of the grid. The proposed reforms should facilitate more timely and cost-effective interconnection of generating facilities and should also mitigate the potential for serial re-studies associated with late-stage interconnection request withdrawals. Overall, the proposed reforms should improve certainty, provide greater transparency, and enhance interconnection processes.

"The draft NOPR proposes four reforms to improve certainty in the interconnection process. The provision of more timely and accurate information on a more predictable basis would help increase certainty for interconnection customers and assist them in earlier evaluations and quicker developments, which should result in less disruptive withdrawals from the interconnection queue.

"The draft NOPR proposes five reforms to provide greater transparency to the interconnection process. More thorough and transparent information presented to the interconnection customer would help enable more informed decisions earlier in the interconnection process, which could lead to efficiencies in the development process for the interconnection customers as they evaluate different potential projects. The transmission provider should also see the benefit of increased transparency as the interconnection

requests that enter the queue are more certain.

"The draft NOPR also proposes five reforms to enhance the interconnection process. Consistent with the objectives of Order No. 2003, these reforms facilitate the incorporation of new generation into the system as well as encourage more efficient utilization of existing system resources.

"Additionally, the draft NOPR requests comment on a number of areas of consideration for reform or further steps that the Commission could take to improve the interconnection process.

"Comments on the draft NOPR are due 60 days after it is published in the Federal Register.

"Thank you, and we are happy to answer any questions you may have."