Published on *The National Law Review* https://natlawreview.com

# FERC Proposes Changes for Small Generator Interconnection Requests

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**Proposed rule aims to reduce the time and cost involved in processing solar facility and other small generator requests.**

On January 17, the Federal Energy Regulatory Commission (FERC or Commission) issued a Notice of Proposed Rulemaking[1] (Proposed Rule) setting forth proposed revisions to the pro forma Small Generator Interconnection Procedures (SGIP) and the pro forma Small Generator Interconnection Agreement (SGIA). The revisions are intended to reduce the time and cost to process small generator interconnection requests for facilities of no more than 20 megawatts (MW).

The SGIP and SGIA govern the interconnection of small generating facilities with a public utility's transmission facilities or its jurisdictional distribution facilities for the purpose of selling electric energy at wholesale in interstate commerce. As the basis for the Proposed Rule, FERC cited market changes, including higher volumes of small generator interconnection requests and substantial growth in solar photovoltaic installations, driven in part by state renewable energy portfolio standards.

The Proposed Rule includes four reforms to the SGIP and SGIA that the Commission believes will ensure that the time and cost to process small generator interconnection requests will be just and reasonable and not unduly discriminatory. Within six months of the issuance of a final rule, FERC proposes that each public utility transmission provider submit a compliance filing revising its SGIP and SGIA and demonstrating compliance with the new requirements described below.

## Pre-Application Report

FERC proposes to provide the interconnection customer with the option of requesting a pre-application report for a proposed point of interconnection from the transmission provider for a fee of $300. Within 10 days of such request, the transmission provider will be required to provide existing and readily available information regarding system conditions, including total capacity and available capacity of facilities serving the point of interconnection, existing and queued generation likely serving the point of interconnection, circuit distance from the proposed interconnection point and

likely substation, and peak and minimum load data. The Commission observed that a pre-application report would increase the amount of information available to interconnection customers regarding system conditions and enable more efficient decisions on facility siting, thus reducing the volume of interconnection requests.

## Eligibility Threshold for the Fast Track Process

The SGIP includes three procedures for evaluating an interconnection request: (1) an interconnection study process, (2) a "Fast Track" process, and (3) a process available for interconnection of inverter-based generators no larger than 10 kilowatts (kW). Under the Fast Track and 10 kW inverter processes, technical screens are used to identify reliability and safety issues. FERC proposes to replace its 2 MW fixed size limit for the Fast Track process with an eligibility standard based on individual system size and generator characteristics (e.g., circuit distance of the interconnection from the substation, interconnection voltage level, and generator capacity), up to a limit of 5 MW. The Commission believes that its proposed revision will balance the interconnection customer's need for a faster, less costly interconnection process with the transmission provider's need to ensure the safety and reliability of electric systems with varying configurations.

## Well-Defined Supplemental Review

To mitigate confusion and delays in the interconnection timeline, FERC proposes to impose additional requirements on transmission providers relating to the outcome for projects that fail the Fast Track screens. Specifically, the Proposed Rule requires the transmission provider to (1) provide an interconnection agreement within five business days of the customer-options meeting if the interconnection customer agrees to pay for minor facility or system modifications, (2) offer to perform a supplemental review of the proposed interconnection within 20 days of the interconnection customer's payment of a $2,500 fee, or (3) obtain the interconnection customer's agreement to continue evaluating the project under the more deliberate study process.

Additionally, the Commission proposes that the supplemental review include three additional screens designed to protect the safety and reliability of the transmission provider's system, including a 100%-of-minimum-load screen and screens for power quality, voltage, safety, and reliability. FERC believes that its proposed supplemental review will enable penetration levels to exceed 15% on a case-by-case basis if the transmission provider determines that doing so will not create safety or reliability problems.

## Review of Required Transmission Upgrades

FERC proposes to provide the interconnection customer a "meaningful opportunity" for review and comment on upgrades proposed by the transmission provider, similar to provisions in the Commission's Large Generator Interconnection Procedures. Under the proposed revisions to the SGIP, the interconnection customer will have the opportunity to provide written comments on the draft facilities study report and to request the supporting documentation developed in preparation of the facilities study. FERC believes that these procedures will "encourage a dialogue" between the transmission provider and interconnection customer; the transmission provider, however, will continue to make the final decision on required upgrades.

## Conclusion

FERC is soliciting comments on the Proposed Rule, which must be submitted on or before 120 days after publication in the Federal Register(expected in late January). Additionally, FERC will convene a workshop to facilitate the stakeholder comment process.

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[1]. View the Proposed Rule here.



National Law Review, Volume III, Number 24