

ADVANCED ENERGY UNITEDTM **FERC Interconnection Ruling: The First Domino** in Transmission Reform August 14, 2023



Panelists and Moderator

Panelists:

- **Devin Hartman**, R Street Institute Policy Director, Energy and Environmental Policy
- Liz Delaney, New Leaf Energy Vice President, Utility-Scale Policy and Business Development
- Brian George, Google Global Energy Market Development and Policy, US Federal Lead

Moderator:

• **Caitlin Marquis**, Advanced Energy United Managing Director, Wholesale Markets





How We Got Here

- issues to create "more holistic transmission planning and cost allocation and generator interconnection processes"
- transmission planning and cost allocation was issued in April 2022 is still pending
- modification
- No. Order 2023 is published in the Federal Register

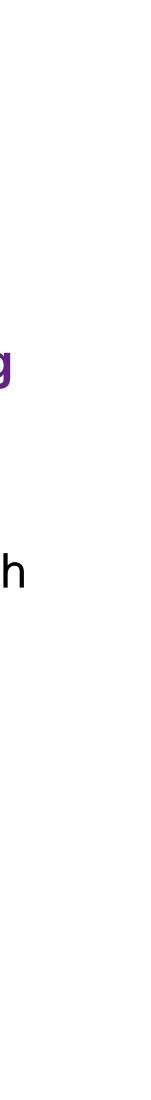


• In July 2021 FERC released an **Advanced Notice of Proposed Rulemaking** (RM21-17) addressing

 FERC separated the proposals into separate proceedings, releasing a Notice of Proposed Rulemaking related to interconnection queue management in June 2022 (AD22-14); a separate NOPR on

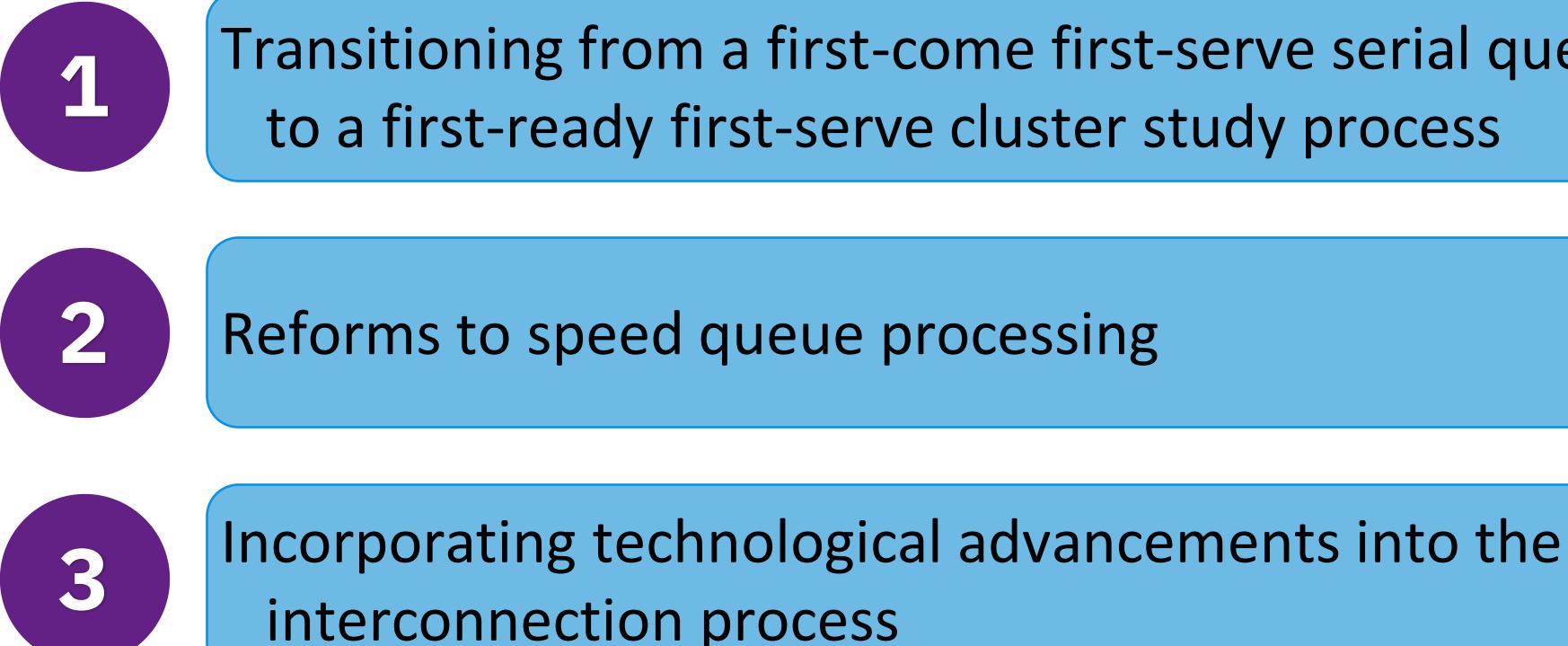
• FERC released Order 2023 on July 27, 2023, enshrining many of the proposals in the NOPR, some with

• Requests for rehearing will be filed later this month; Compliance Filings are due to be filed 90 days after



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FERC Proposed and Finalized Three Areas of Reform





Transitioning from a first-come first-serve serial queue process





Information access:

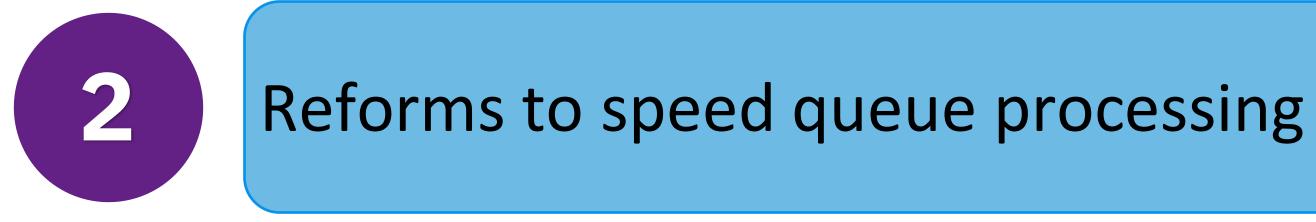
Requires publicly posted information to inform decisions by interconnection customers (does not adopt NOPR proposal for informational interconnection study)

Sets parameters for new cluster study process: ullet

- 45-day cluster request window, 60-day customer engagement window, 150-day cluster lacksquarestudy, 150 day re-study, and 60-day Interconnection Agreement negotiation period
- New procedures for allocating study costs and network upgrade costs, with significant discretion left to transmission providers
- Enhanced financial commitments and readiness requirements for developers (does not adopt ulletNOPR proposal to include non-financial commercial readiness requirements)
- Requirements for transitioning to the new cluster study process



Transitioning from a first-come first-serve serial queue process



Repeals the Reasonable Efforts Standard

- Imposes interconnection study deadline and penalty requirements for transmission providers
- Penalty amounts were increased from NOPR proposal, but their implementation was pushed back from 1st cluster study after transition to the 3rd
- Adopts a standardized "affected systems" study process lacksquare
 - Sets deadlines (150 days for study, 60 days for restudy) and requires use of ERIS study assumptions for affected systems studies
 - Does not allow for any withdrawal exemption if affected systems cost ulletestimates increase by any threshold





Accommodates hybrid and storage resources:

- Allows more than one generating facility to co-locate on a shared site behind a single point of interconnection and share a single interconnection request
- Allows addition of a generating facility at the same POI without triggering material modification if the original interconnection service level does not change
- Allows use of operating assumptions for storage that reflect proposed charging behavior
- Requires consideration of Alternative Transmission Technologies:
 - Synchronous condensers, voltage source converters, advanced conductors, tower lifting
 - Does not require consideration of Dynamic Line Ratings or storage as transmission



Future Interconnection Policy Priorities

These policies were highlighted in Commissioner Clements concurrence:

- "Deeper Reforms"
 - Linking the interconnection process to overall transmission planning
 - Align the interconnection process with competitive resource solicitations
 - Facilitate a "focused" interconnection process
- "General Improvements"
 - Refine study assumptions including ERIS/NRIS and energy injection by resource type
 - Improve interconnection efficiency with automation, including web-based application process and automated data submissions
 - Reduction in delays and cost overruns in network upgrades





Panel Discussion







Transforming Policy. Expanding Markets.





Thank You

Questions?

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