

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Remedying Undue Discrimination through
Open Access Transmission Service and
Standard Electricity Market Design

Docket No. RM01-12-000

Standardization of Generator
Interconnection Agreements and
Procedures

Docket No. RM02-1-000

Standardization of Small Generator
Interconnection Agreements and
Procedures, Advance Notice of
Proposed Rulemaking

Docket No. RM02-12-000

NOTICE OF POSSIBLE DISCUSSION ITEMS FOR
JANUARY 21, 2003 QUEUING TECHNICAL CONFERENCE

(December 17, 2002)

1. As announced on December 3, 2002, a technical conference is scheduled for January 21, 2003 in the Commission Meeting Room (Room 2C) at the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. The conference is open to the public and registration is not required; however, those planning to attend are asked to notify the Commission of their intent at www.ferc.gov/queuing-registration. FERC Commissioners may attend and participate in the discussions. The conference will run from approximately 9:30 am to 4:00 pm.

Background

2. On April 24, 2002, the Commission issued the Standardization of Generator Interconnection Agreements and Procedures Notice of Proposed Rulemaking (Interconnection NOPR) in Docket No. RM02-1-000 which addressed interconnection agreements and procedures for generators of all sizes. Subsequently, supporters of small generators asked the Commission to consider developing streamlined procedures and requirements that would allow small generators to avoid the unnecessary delay that they claim would occur if they were subjected to the more extensive interconnection studies and other procedures required for large generators. The Commission subsequently severed the subject of interconnection of generators up to and including 20 MW from the Interconnection NOPR and initiated another docket, RM02-12-000 (Small Generator

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Interconnection Rulemaking). The Commission issued an Advance Notice of Proposed Rulemaking (Small Generator ANOPR) in this docket on August 16, 2002.

3. During the course of the Interconnection NOPR Proceeding, the Small Generator Interconnection ANOPR proceedings, as well as the Commission's Standard Market Design NOPR (SMD NOPR) proceeding in Docket No. RM01-12-000, participants have raised a number of significant issues concerning queuing procedures for interconnection requests.

4. The purpose of the technical conference is to explore these issues in greater detail and to provide us with the information we need to adopt consistent policies for wholesale electric markets in each of these related rulemakings. The technical conference is intended to be a working session that focuses on clarifying areas of concern with the referenced proceedings, resolving differences, and devising solutions to the difficult issues that have been identified. To make the conference successful, we encourage participants to come prepared to offer concrete solutions to the issues raised and to support alternative proposals.

Opportunity for Self-Nomination to Present at Technical Conference

5. Persons interested in speaking should file a request to speak on or before December 30, 2002 by e-mailing their request to Norma.McOmbler@ferc.gov. The request to speak must include the name of the speaker; his or her title; the person or entity the speaker represents; area of interest; and the speaker's mailing address, telephone number, facsimile number and e-mail address. Speakers will be selected to allow staff to hear diverse, constructive concrete solutions. Hence, not all self-nominated speakers may be invited to speak. Since time allotted for the conference is limited, interested speakers are encouraged to coordinate their efforts with others who may have similar positions.

6. The Attachment to this Notice sets forth possible topics for discussion. As further details related to this technical conference develop, subsequent notices will be issued.

Linwood A. Watson, Jr.
Deputy Secretary

ATTACHMENT: POSSIBLE TOPICS FOR DISCUSSION

1. Provide information on existing queues.
 - A. Summarize the rules that govern the queue of a specific transmission provider: how a generator's queue position is determined; how small generators (20 MW) are handled in the queue; what milestones must be met to retain queue position; what events trigger a change in queue position or removal from the queue; how inactive projects are treated; how queue position determines responsibility for costs of studies and upgrades; how queue position determines entitlements to financial transmission rights or other property rights; how a change in the queue position of one generator affects the cost responsibility of others; and how Qualifying Facilities are treated.
 - B. Would proposed restrictions on the Critical Energy Infrastructure Information Rulemaking proceeding (Docket Nos. RM02-4-000, PL02-1-000) affect parties' ability to site plants or interconnect cleanly?
 - C. What siting and grid operations information is needed to obtain a position in the queue, where is this information kept, and what are the rules for accessing this information?
 - D. Describe any differences in the way small and large generators are treated for queuing purposes.
 - E. Describe any differences in the way "energy resources" and "network (or capacity) resources" are treated for queuing purposes.
 - F. Discuss whether generator interconnection requests and transmission service requests are included in the same queue. If not, describe the relationship between the two queues. What is the relationship between the transmission planning process and the administration of the queue(s)?
 - G. Describe the current status of the interconnection queue, including: location, size, queue position, date of request and expected completion date of each active project; and the number, size, queue position and date of request of any projects that are inactive.

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- H. Do all TOs and ISOs/RTOs conduct the same interconnection studies, grid impact studies or other analyses for new project interconnection?
2. Describe good and bad experiences with queues.
- A. Provide examples of good and bad experiences with queues. Panelists should be as specific as possible regarding the facts of their experiences. Of particular interest are examples of problems associated with the following: undue discrimination on the part of transmission providers; inappropriate or unrealistic milestones; inequitable cost assignments; study procedures or other requirements that lead to unnecessary project delays or increased costs; and lack of flexibility in the queuing rules.
 - B. Identify any problems that are specific to small generators or to large generators.
 - C. Describe any problems created by providing the generator with the option to interconnect as either an energy resource or a network (capacity) resource.
 - D. Describe any problems associated with the need to manage both interconnection requests and transmission service requests within the context of an overall transmission planning and expansion process.
3. How can queue administration be improved?
- A. Identify options for improving queue administration, such as: common study/analytical techniques and tools; procedures for ensuring that the projects of independent generators are treated comparably with those of the transmission provider; treatment of inactive projects; procedures for coordinating the upgrades needed for projects in the queue with the transmission planning process; rules for assigning cost responsibility and property rights to generators in the queue; treating interconnection requests on a clustered basis as opposed to strict first-come, first-served; use of milestones to maintain queue position; and a list of actions or events that can trigger a change in queue position.
 - B. Should small and large non gas-fired generators receive different queuing treatment? If so, how should it be different?

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- C. Should the Commission standardize specific queue management practices or should it allow regional variations that are governed by a set of core principles?
- D. Should queue position be treated as a property right which can be transferred?