

104 FERC ¶ 61,104
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 35

[Docket No. RM02-12-000]

Standardization of Small Generator Interconnection Agreements and Procedures

(July 24, 2003)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The Federal Energy Regulatory Commission (Commission) is proposing to amend its regulations under the Federal Power Act (FPA) to require public utilities that own, operate, or control facilities for transmitting electric energy in interstate commerce to file revised Open Access Transmission Tariffs containing standard interconnection procedures and a standard interconnection agreement for small generators. Specifically, the Commission is proposing in this Notice of Proposed Rulemaking that such public utilities shall provide interconnection service to Small Generating Facilities (i.e., devices used for the production of electricity having a capacity of no more than 20 megawatts), including their own generation, under the procedures set forth in the proposed standard interconnection procedures and according to a standard interconnection agreement. Any non-public utility that seeks voluntary compliance with the reciprocity condition of a jurisdictional transmission tariff may satisfy this condition by adopting this procedures and agreement.

DATES: Comments are due [insert date that is 45 days after publication in the FEDERAL REGISTER]. Comments should be double spaced and include an executive summary. In order to facilitate the evaluation of comments, commenters are encouraged to file their comments electronically in WordPerfect, MS Word, Portable Document Format (PDF), or ASCII format.

ADDRESSES: Comments may be filed electronically via the eFiling link on the Commission's web site at <http://www.ferc.gov>. Commenters unable to file comments electronically must send an original and 14 copies of their comments to: Federal Energy Regulatory Commission, Office of the Secretary, 888 First Street N.E., Washington, DC, 20426. Comments should reference Docket No. RM02-12-000. Please refer to the

Comment Procedures Section of the preamble for additional information on how to file comments.

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Standardization of Small Generator Interconnection
Agreements and Procedures

Docket No. RM02-12-000

NOTICE OF PROPOSED RULEMAKING

(July 24, 2003)

I. INTRODUCTION

1. This Notice of Proposed Rulemaking (NOPR) proposes the addition of Standard Small Generator Interconnection Procedures (Proposed SGIP) and a Standard Small Generator Interconnection Agreement (Proposed SGIA) to the Open Access Transmission Tariffs (OATTs) of jurisdictional public utilities.¹ The Commission expects that this rulemaking will reduce interconnection time and costs for Interconnection Customers and Transmission Providers, prevent undue discrimination, preserve reliability, increase energy supply, lower wholesale prices for customers by increasing the number and variety of new generation resources that will compete in the wholesale electricity market, and facilitate development of non-polluting alternative energy sources (such as photovoltaic, fuel cell, and wind generators).

2. The Proposed SGIP sets forth the procedures that Interconnection Customers and Transmission Providers would be required to follow during the interconnection process.²

¹Provisions of the Proposed SGIP are referred to as "Sections" whereas provisions of the Proposed SGIA are referred to as "Articles."

²Unless otherwise defined in this Preamble, capitalized terms used in this NOPR have the meanings specified in Section 1 of the Proposed SGIP and Article 1 of the Proposed SGIA. The term Generating Facility means the specific device for which the Interconnection Customer has requested interconnection. The owner of the Generating Facility is referred to as the Interconnection Customer. The entity with which the Generating Facility is interconnecting is referred to as the Transmission Provider. The term Small Generator is intended to refer to any energy resource having a capacity of no more than 20 megawatts, or the owner of such a resource. Likewise, Large Generator

(continued...)

Included in the Proposed SGIP are (1) the application form (referred to as the Interconnection Request), (2) Super-Expedited Procedures for interconnecting Precertified Small Generating Facilities no larger than 2 MW to a Low-Voltage Transmission System (*i.e.*, less than 69 kilovolts), (3) Expedited Procedures for interconnecting Small Generating Facilities larger than 2 MW but no larger than 10 MW to a Low-Voltage Transmission System, (4) procedures for interconnecting Small Generating Facilities to a High-Voltage Transmission System (*i.e.*, 69 kilovolts and above) and Small Generating Facilities larger than 10 MW interconnecting with a Low-Voltage Transmission System.

3. The Proposed SGIA sets forth the legal rights and obligations of each Party, addresses cost responsibility issues, establishes Milestones for the completion of the interconnection, and lays out a process for the resolution of disputes.

4. In this NOPR, we propose standard procedures and a standard agreement to be used by a public utility to interconnect a Small Generator with the utility's transmission facilities or with its jurisdictional distribution facilities for the purpose of selling electric energy at wholesale in interstate commerce.

A. Background

5. This NOPR responds to business and technology changes in the electric industry. Where the electric industry was once primarily the domain of large, vertically integrated utilities generating power at large centralized plants, advances in technology have created a burgeoning market for small power plants that may offer economic, reliability, or environmental benefits.

6. With these developments in mind, the Commission continues to work to encourage fully competitive bulk power markets. The effort took its first significant step with Order No. 888,³ which required public utilities to provide other entities comparable

²(...continued)

refers to any energy resource having a capacity of more than 20 megawatts, or the owner of such a resource.

³Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, Order No. 888, 61 FR 21540 (May 10, 1996), FERC Stats. and Regs. ¶ 31,036 (1996), order on reh'g, Order No. 888-A, 62 FR 12274 (Mar. 14,

(continued...)

access to their transmission systems, and continued with Order No. 2000,⁴ which began the process of developing Regional Transmission Organizations (RTOs). The Commission has taken numerous actions to establish and protect robust, seamless, and competitive wholesale electricity markets.⁵ Concurrent with the issuance of this NOPR, the Commission is issuing a Final Rule establishing standard interconnection procedures and a standard agreement for large generators to further encourage fully competitive bulk power markets and much-needed investment in generation.⁶

7. The Commission continues to seek the establishment of robust competitive wholesale electric markets.⁷ A recent Commission White Paper stated the Commission's intent to focus on the formation of RTOs and Independent System Operators (ISOs) and on ensuring that RTOs and ISOs have good wholesale market rules in place.⁸ It proposed to require all public utilities to join an RTO or ISO. Further, the White Paper stated that all RTOs and ISOs would, with limited exceptions, be required to implement a wholesale market platform consisting of elements that must be in place for well-

³(...continued)

1997), FERC Stats. & Regs. ¶ 31,048 (1997), order on reh'g, Order No. 888-B, 81 FERC ¶ 61,248 (1997), order on reh'g, Order No. 888-C, 82 FERC ¶ 61,046 (1998), aff'd in relevant part sub nom. Transmission Access Policy Study Group v. FERC, 225 F.3d 667 (D.C. Cir. 2000), aff'd sub nom. New York v. FERC, 535 U.S. 1 (2002).

⁴Regional Transmission Organizations, Order No. 2000, 65 FR 810 (Jan. 6, 2000), FERC Stats. & Regs. ¶ 31,089 (1999), order on reh'g, Order No. 2000-A, 65 FR 12088 (Mar. 8, 2000), FERC Stats. & Regs. ¶ 31,092 (2000), aff'd sub nom. Public Util. Dist. No. 1 v. FERC, 272 F.3d 607 (D.C. Cir. 2001).

⁵E.g., Remedying Undue Discrimination Through Open Access Transmission Service and Standard Electricity Market Design, Notice of Proposed Rulemaking, 67 FR 55452 (Aug. 29, 2002), FERC Stats. and Regs. ¶ 32,563 (2002).

⁶Standardization of Generator Interconnection Agreements and Procedures, Final Rule, Docket No. RM02-1-000 (issued concurrently with this NOPR).

⁷E.g., Remedying Undue Discrimination Through Open Access Transmission Service and Standard Electricity Market Design, Notice of Proposed Rulemaking, 67 FR 55542 (Aug. 29, 2002), FERC Stats. & Regs. ¶ 32,563 (2002).

⁸White Paper: Wholesale Power Market Platform, Docket No. RM01-12-000 (Apr. 28, 2003) (White Paper).

functioning wholesale markets: (1) regional independent grid operation, (2) a regional transmission planning process, (3) fair cost allocation for existing and new transmission, (4) market monitoring and market power mitigation, (5) spot markets to meet real-time energy needs, (6) transparency and efficiency in congestion management, (7) firm transmission rights; and (8) a regional approach to ensuring resource adequacy. Also, an RTO or ISO may propose participant funding for transmission upgrades for a generator interconnection, and, for a transitional period not to exceed a year, a region may use participant funding as soon as an independent entity has been approved by the Commission and the affected states.

B. Generator Interconnections

8. While the subject of generator interconnection arose in the Order No. 888 rulemaking, no explicit reference to it appeared in the OATT. Nevertheless, interconnection is a critical component of open access transmission service, and the Commission must ensure that interconnection service is provided under just and reasonable terms and conditions.

9. Entities seeking to interconnect generators have been hindered by the lack of standard interconnection procedures and agreements. Standard interconnection procedures limit opportunities for public utilities that own both generation and transmission to favor their own generation and help produce just and reasonable interconnection charges for generators. A standard interconnection agreement reduces market entry costs for generators and offers them access to regional energy markets on standard terms.

10. As discussed below, after the Commission initiated its interconnection NOPR in Docket No. RM02-1-000, Standardization of Generator Interconnection Agreements and Procedures, it became apparent that the rule as proposed might not sufficiently encourage the development of small generators, and that there needed to be a separate interconnection agreement and set of procedures designed specifically for small generators.

11. The effort to generically address Small Generator interconnection issues presents numerous challenges. The electric industry is faced with the competing needs for, on the one hand, maintaining electric system reliability and, on the other hand, encouraging increased generation, including generation using innovative technologies. To encourage small generators to participate in the interstate wholesale market, the interconnection process should be affordable and the terms and conditions should be clear, but these goals must not compromise the reliability of the electric system.

C. Large Generator Interconnection Rulemaking

12. The Commission issued an Advance Notice of Proposed Rulemaking (ANOPR) in Docket No. RM02-1-000⁹ (Large Generator Interconnection ANOPR) that was originally intended to develop standard generator interconnection procedures and a standard agreement for generators of all sizes. The Commission also initiated a collaborative process in which members of the electric industry and government (collectively, stakeholders) could draft standard interconnection procedures and interconnection agreement documents. Public meetings of these stakeholders culminated in the development of a Large Generator Interconnection Procedures (Consensus LGIP) and a Large Generator Interconnection Agreement (Consensus LGIA), which were filed with the Commission.¹⁰

13. The Commission then issued a Large Generator Interconnection NOPR.¹¹ The Commission proposed standard interconnection procedures for generators, which is referred to here as the Proposed LGIP. It also proposed a standard interconnection agreement for all generators, which is referred to here as the Proposed LGIA. Both would be incorporated into existing and future OATTs. The Proposed LGIP and Proposed LGIA generally followed the consensus documents filed with the Commission, but the Commission also resolved, for purposes of the NOPR, several issues that were left unresolved in the consensus documents. A Large Generator Interconnection Final Rule is being issued concurrently with the issuance of this NOPR.

D. Small Generator Interconnection ANOPR, Process, and Comments

14. Although the Proposed LGIP and Proposed LGIA provided for the expedited treatment of Small Generating Facilities, some commenters argued that the Commission

⁹Standardizing Generator Interconnection Agreements and Procedures; Advance Notice of Proposed Rulemaking, 66 FR 55140 (Nov. 1, 2001), FERC Stats. & Regs. ¶ 35,540 (2002). The previously cited rulemaking is referred to here as the Large Generator Interconnection rulemaking, to distinguish it from the Small Generator Interconnection rule proposed here.

¹⁰While these consensus documents reflected significant agreement, they also identified disputed provisions and left a number of issues unresolved.

¹¹Large Generator Interconnection NOPR, IV FERC Stats. & Regs. ¶ 32,560 (2002).

should adopt separate standard interconnection procedures and agreements that address the unique concerns of Small Generators.¹² Small Generator Commenters proposed simplified standard procedures and agreements that would allow quicker, less costly, and simpler interconnection for Small Generating Facilities no larger than 2 MW, and different procedures and agreements for units larger than 2 MW but no larger than 20 MW. Persuaded that different procedures and agreements for Small Generators are needed, we severed consideration of Small Generating Facilities from the Large Generator Interconnection rulemaking and issued its Small Generator Interconnection ANOPR in August 2002.¹³

15. The Small Generator Interconnection ANOPR proposed two small generator interconnection procedures and two small generator interconnection agreements, with the distinction between the two sets of documents being the size of the Small Generator. These documents (hereafter, respectively, ANOPR SGIPs and ANOPR SGIAs) were offered by the Small Generator Commenters in their comments to the Large Generator Interconnection NOPR. We encouraged interested parties to pursue consensus on the ANOPR SGIPs and ANOPR SGIAs. To that end, the Commission convened a series of public meetings designed to enable the parties to discuss and reach as much agreement as possible.

16. The public meetings culminated in the negotiating parties¹⁴ preparing two sets of standard small generator interconnection procedures and agreements (Coalition SGIPs and Coalition SGIAs, respectively) and submitting them to the Commission in November 2002. While the Coalition members reached consensus on some issues, significant disagreements remained. The documents nonetheless helped inform the Commission of the various challenges that confront both the owners of Small Generators and

¹²Those commenters included The Solar Energy Industries Association, the U.S. Fuel Cell Council, the American Solar Energy Society, the U.S. Combined Heat and Power Association, the International District Energy Association, and the American Wind Energy Association (collectively, Small Generator Commenters).

¹³Standardization of Small Generator Interconnection Agreements and Procedures; Advance Notice of Proposed Rulemaking, 67 FR 54749 (Aug. 26, 2002), FERC Stats. & Regs. ¶ 35,544 (2002).

¹⁴The negotiating parties included representatives of small generators, the National Association of Regulatory Utility Commissioners, and transmission and distribution providers (collectively, "Coalition").

Transmission Providers. Public comments on the Small Generator Interconnection ANOPR were filed in December 2002.

II. DISCUSSION

17. The results of the negotiations during the Small Generator Interconnection ANOPR process, the ANOPR comments, and the technical conference on queuing form the basis for the Proposed SGIP and Proposed SGIA that are included in this NOPR.

18. Coalition members drafted two Coalition SGIAs, one for Small Generating Facilities no larger than 2 MW, and a second for Small Generating Facilities larger than 2 MW but no larger than 20 MW. Likewise, they developed two sets of Coalition SGIPs. Although there was significant overlap between the two Coalition SGIAs as well as the two Coalition SGIPs, the Coalition members did not consolidate these four documents. To simplify the interconnection process and eliminate duplication, this NOPR offers a single Proposed SGIP and a single Proposed SGIA. The former incorporates different procedures for the processing of Interconnection Requests for Small Generating Facilities of various sizes.

19. Coalition members were often unable to reach consensus on an issue and the Commission needed to resolve the issue for the purpose of this NOPR. The Commission carefully evaluated the positions the Coalition members presented in the November 2002 consensus document as well as the ANOPR comments filed the following month. The Commission also acknowledges that NARUC has developed a model small generator interconnection procedures and agreement that is similar in many ways to the proposal contained in this NOPR. The NARUC model and its comments were very helpful in the development of this proposal.

20. Also, where appropriate, we are proposing some provisions and definitions identical or similar to those in the Large Generator Interconnection Final Rule (and the OATT) to ensure as much consistency as is reasonable between the large and small generator tariff provisions.¹⁵ We invite comment on this approach, and ask interested parties to address whether Large Generators and Small Generators should be treated differently with respect to those parts of the Proposed SGIP and Proposed SGIA that follow the Final Rule LGIP and Final Rule LGIA.

¹⁵See, e.g., Articles 4.1, 5.1.2, 5.1.2.1, 5.2, 6.1-6.9, 6.12-6.20, 7, and 8 of the Proposed SGIA.

21. The Coalition presents various procedures to determine whether certain Small Generators may interconnect safely with a Transmission Provider's Transmission System. In the Coalition's proposed SGIPs, some procedures would evaluate requests to interconnect Small Generators to a Transmission Provider's Distribution System, while others would evaluate requests to interconnect with its Transmission System. The Commission here proposes instead to use the voltage level of the Transmission Provider's Transmission System at which the interconnection is to be made as one basis for determining which procedure may be employed¹⁶ – Low-Voltage procedures would apply to interconnections made at voltage levels below 69 kV, and High-Voltage procedures would apply to interconnections made at voltage levels of 69 kV and above. The Commission believes that this will assist the Parties by making clear which procedure applies to a particular Interconnection Request.

A. The Commission's Small Generator Interconnection Proposal

22. This NOPR includes a Proposed SGIP and a Proposed SGIA. The Proposed SGIP describes the process for evaluating the proposed interconnection. After the process is successfully completed, the Parties would then execute the Proposed SGIA, which sets forth the contractual rights and obligations of the Parties. To explain the contents of the Proposed SGIA and Proposed SGIP, we next present: (1) a discussion of our legal authority over a Small Generator's interconnection to a public utility's Transmission System, (2) a summary of the proposed interconnection process,¹⁷ and (3) a discussion of significant issues that arose during the Small Generator Interconnection ANOPR process and how we propose to resolve them.

1. Jurisdiction

23. At the outset, it is important to clarify several terms when discussing the question of jurisdiction. "Local distribution" is a legal term; under FPA Section 201(b)(1), the

¹⁶The other basis is generator size.

¹⁷To aid the reader, the Appendices contain flow charts that depict the interconnection process. Appendix 1 depicts the Super-Expedited Procedures for interconnecting Small Generating Facilities no larger than 2 MW to a Low-Voltage Transmission System. Appendix 2 depicts the procedures for interconnecting Small Generating Facilities to a High-Voltage Transmission System and Small Generating Facilities larger than 2 MW to a Low-Voltage Transmission System.

Commission lacks jurisdiction over local distribution facilities.¹⁸ "Distribution" is an unfortunately vague term, but it is usually used to refer to lower-voltage lines that are not networked and that carry power in one direction. Some lower-voltage facilities are "local distribution" facilities not under our jurisdiction, but some are used for jurisdictional service such as carrying power to a wholesale power customer for resale and are included in a public utility's OATT (although in some instances, there is a separate OATT rate for using them, sometimes called a Wholesale Distribution Rate).

24. This NOPR proposes to apply the NOPR SGIA and NOPR SGIP in a manner consistent with the Large Generator Interconnection Final Rule. This is different from the authority proposed in the Small Generator Interconnection ANOPR, where, consistent with the jurisdiction proposed in the Large Generator Interconnection NOPR, we proposed to assert jurisdiction when the owner of a generator seeks to interconnect with a distribution facility to make a wholesale sale of electricity in interstate commerce.¹⁹ Several commenters to the Small Generator Interconnection ANOPR object to the Commission asserting jurisdiction over interconnections to distribution facilities, both legally and as a matter of policy.²⁰ They argue, among other things, that the FPA reserves jurisdiction over local distribution facilities to the States and that the Commission lacks sufficient staff and expertise to regulate numerous Small Generator interconnections to Distribution Systems. These matters, they say, are best left to the States. Most of these commenters do not distinguish between distribution facilities owned by jurisdictional public utilities and those owned by non-public utilities.

25. The proposed rule proposes to apply to interconnections to the facilities of a public utility's Transmission System that, at the time the interconnection is requested, may be used either to transmit electric energy in interstate commerce or to sell electric

¹⁸16 U.S.C. 824(b)(1) (2000).

¹⁹Standardization of Generator Interconnection Agreements and Procedures, Notice of Proposed Rulemaking, 67 FR 22250 (May 2, 2002), FERC Stats. & Regs. ¶ 32,560 at 34,178 n.22 (2002).

²⁰E.g., Baltimore Gas & Electric Co., Commonwealth of Massachusetts Department of Telecommunications and Energy, Connecticut Department of Public Utility Control, Edison Electric Institute, FirstEnergy, NARUC, Public Service Commission of Wisconsin, and Southern Company Services Inc.

energy at wholesale in interstate commerce pursuant to a Commission-filed OATT.²¹ In other words, the standard interconnection procedures and contract terms would apply when an Interconnection Customer that plans to engage in a sale for resale in interstate commerce or to transmit electric energy in interstate commerce requests interconnection to facilities owned, controlled, or operated by the Transmission Provider or the Transmission Owner, or both, that are used to provide transmission service under an OATT that is on file at the Commission at the time the Interconnection Request is made. Therefore, the NOPR proposes to apply to a request to interconnect to a public utility's facilities used for transmission in interstate commerce. It also would apply to a request to interconnect to a public utility's "distribution" facilities used to transmit electric energy in interstate commerce on behalf of a wholesale purchaser pursuant to a Commission-filed OATT. But in such a case where the "distribution" facilities have a dual use, *i.e.*, the facilities are used for both wholesale sales and retail sales, the NOPR would apply to interconnections to these facilities only for the purpose of making sales of electric energy for resale in interstate commerce.²²

26. For those Small Generator interconnections that would not be subject to the Final Rule SGIP and Final Rule SGIA, the Commission will make the Final Rule documents available as a guideline. The standardization of small generator terms and conditions would benefit all customers nationwide by encouraging the development of small generation, including generation using innovative technologies.

27. Finally, the Commission proposes to apply the reciprocity requirements in Order No. 888 to this proceeding. Under the reciprocity provision in Section 6 of the OATT, if the public utility seeks transmission service from a non-public utility to which it provides

²¹For purposes of this paragraph, the term "Commission-filed OATT" means a tariff that is on file at, and has been approved by, the Commission.

²²The Commission will exercise exclusive jurisdiction only over the Commission-jurisdictional service. See *Laguna Irrigation District*, 95 FERC ¶ 61,305 at 62,039 (2001) *aff'd sub nom. Pacific Gas & Electric Co. v. FERC*, 44 Fed. Appx. 170 (9th Cir. 2002); *Tex-La Electric Cooperative of Texas, Inc.*, 67 FERC ¶ 61,019 at 61,055-56, *final order*, 69 FERC ¶ 61,269 (1994) (both noting that the Commission asserts jurisdiction over the service when the facilities are not purely "transmission" facilities). Accordingly, the Commission will continue to exercise exclusive jurisdiction over the rates, terms, and conditions of the Commission-jurisdictional service provided over the dual use "distribution" facility, but the Commission will not assert jurisdiction over all uses of that facility, because the regulation of "local distribution" of electricity to end users is reserved to the States.

open access transmission service, the non-public utility that owns, controls, or operates transmission facilities must provide comparable transmission service that it is capable of providing on its own system. A non-public utility that has adopted a "safe harbor" Tariff to comply with a reciprocity condition may add to its Tariff an interconnection agreement and interconnection procedures that substantially conform or are superior to the Final Rule SGIP and Final Rule SGIA if it wishes to continue to qualify for safe harbor treatment. A non-public utility that owns, controls, or operates transmission and that has not filed with the Commission a safe harbor Tariff and seeks transmission service from a public utility must either satisfy its reciprocity obligation under a bilateral agreement or seek a waiver of the OATT reciprocity condition from the public utility.

2. Summary of the Interconnection Process for Small Generating Facilities

28. To interconnect its Generating Facility with a Transmission Provider's Transmission System, an Interconnection Customer must first submit an Interconnection Request to the Transmission Provider. When the Transmission Provider deems the Interconnection Request complete, the Interconnection Request would be placed in the Transmission Provider's queue with other pending interconnection requests.

29. The Proposed SGIP divides Interconnection Requests into two groups according to whether the interconnection is to a High-Voltage Transmission System (69 kV or above) or a Low-Voltage Transmission System (below 69 kV). Interconnections to Low-Voltage Transmission Systems would be further divided into three groups depending on the size of the Small Generator being interconnected: (1) Small Generating Facilities larger than 10 MW but no larger than 20 MW, (2) Small Generating Facilities larger than 2 MW but no larger than 10 MW, and (3) Small Generating Facilities no larger than 2 MW.

30. The review of the proposed interconnection of a Small Generator with a High-Voltage Transmission System or a Small Generator larger than 10 MW with a Low-Voltage Transmission System would proceed as follows. Once the Interconnection Request is deemed complete, the Parties would conduct a Scoping Meeting to review the Interconnection Request and also review existing studies of the Transmission Provider's Transmission System that are relevant to the Interconnection Request. Interconnection Studies, including the Interconnection Feasibility Study, Interconnection System Impact Study, and Interconnection Facilities Study, would next be performed to evaluate the

proposed interconnection.²³ These studies identify any Adverse System Impact²⁴ to the Transmission Provider's Transmission System that may occur as a result of the interconnection, and the Transmission System modifications that need to be made to address them. The Interconnection Customer pays for the Transmission Provider's actual costs of performing each study, and the Proposed SGIP includes time periods within which the studies must be completed. If the Interconnection Customer agrees to pay for any necessary modifications, the Transmission Provider must proffer an SGIA to the Interconnection Customer.

31. Although the activities performed in the Small Generator process are the same as those in the Large Generator Interconnection Final Rule, the time lines proposed here are shorter. Accordingly, a Small Generator is likely to be interconnected more quickly under the Proposed SGIP than under the Final Rule LGIP.

32. For Small Generating Facilities larger than 2 MW but no larger than 10 MW interconnecting with a Transmission Provider's Low-Voltage Transmission System, the proposed interconnection would be evaluated using the Proposed SGIP's Expedited Screening Criteria. If the proposed interconnection passes the screening criteria and the Transmission Provider agrees that the Generating Facility can be safely interconnected with its Low-Voltage Transmission System, the former shall proffer an SGIA to the Interconnection Customer. However, if the Transmission Provider believes that the Generating Facility cannot be safely interconnected, irrespective of whether the proposed interconnection passes or fails the Expedited Screening Criteria, the Parties would follow the same procedures for Small Generating Facilities larger than 10 MW interconnecting with Low-Voltage Transmission Systems; *i.e.*, conduct a Scoping Meeting and perform Interconnection Studies. The Transmission Provider, after consulting with the Interconnection Customer, may determine whether a particular Generating Facility in this

²³The Interconnection Feasibility Study evaluates on a preliminary basis the impact of the proposed interconnection to the Transmission Provider's Transmission System. The Interconnection System Impact Study evaluates in detail the impact of the proposed interconnection on the safety and reliability of Transmission Provider's Transmission System and, if applicable, Affected Systems. The Interconnection Facilities Study determines the required modifications to the Transmission Provider's Transmission System, including the detailed costs and scheduled completion dates for such modifications, that would be required to accommodate the Interconnection Request.

²⁴An Adverse System Impact means that technical or operational limits on conductors or equipment have been exceeded, which may compromise the safety or reliability of the electric power system.

class of Small Generators may be interconnected absent a Scoping Meeting and Interconnection Studies. This is because, although the proposed interconnection may pass the Expedited Screening Criteria, it may nonetheless cause an Adverse System Impact, depending upon where the Small Generator is physically located on the Transmission Provider's Transmission System. Since this cannot be reflected in the screening criteria, the Transmission Provider may evaluate the proposed interconnection in greater detail and, if it is concerned about an Adverse System Impact to its Transmission System, require that a Scoping Meeting be held and Interconnection Studies be conducted.

33. However, in order to encourage the Parties to use the Expedited Screening Criteria to the fullest extent possible, the Commission proposes that, if the Interconnection Feasibility Study conducted under these conditions indicates no Adverse System Impact, the Transmission Provider must bear the cost of the Interconnection Feasibility Study. If an Adverse System Impact is identified, however, the Interconnection Customer must pay for the cost of the Interconnection Feasibility Study.

34. Interconnections of Precertified Small Generating Facilities no larger than 2 MW with the Transmission Provider's Low-Voltage Transmission System would be evaluated under the Proposed SGIP's Super-Expedited Procedures. A Precertified Small Generator is one that has been certified by a national testing laboratory as having met applicable consensus industry and safety standards. If a proposed interconnection passes all the Super-Expedited Screening Criteria, the Transmission Provider would proffer an SGIA to the Interconnection Customer. If the proposed interconnection fails the Super-Expedited screening criteria: (1) the Transmission Provider could permit the interconnection anyway, after evaluating other factors such as the physical location of the Generating Facility on its Transmission System, or (2) the Interconnection Customer could ask the Transmission Provider to perform an Additional Review, to be paid for by the Interconnection Customer.

35. The Additional Review is an expedited engineering evaluation limited to six hours of engineering time that is intended to identify minor modifications to Transmission Provider's Transmission System that may permit the Generating Facility to interconnect safely and reliably. If the Additional Review indicates that minor modifications to Transmission Provider's Transmission System can indeed be made that would permit the Generating Facility to interconnect safely and reliably, and the Interconnection Customer agrees to pay for the modifications, the Transmission Provider would provide the Interconnection Customer an SGIA. If the Additional Review does not indicate that the Generating Facility can be interconnected safely and reliably, the Parties would follow

the procedures for Small Generating Facilities larger than 2 MW but no larger than 10 MW interconnecting with Low-Voltage Transmission Systems.

36. Once the steps called for in the Interconnection Procedures are completed, the Transmission Provider would provide a best estimate of costs to be paid by the Interconnection Customer to effect the interconnection, and the Parties would negotiate Milestones for completing the interconnection, all of which would be incorporated into the SGIA. The SGIA would become effective upon execution by the Parties, subject to acceptance by the Commission, if necessary.²⁵

37. The Commission next discusses several issues that either divided the parties seeking to reach consensus during the Small Generator ANOPR process or on which the Commission departs from the consensus position.

3. Maximum Capacity of a Small Generator (Proposed SGIP Section 1, Proposed SGIA Article 1)

38. Consistent with the Large Generator Interconnection Final Rule and the Small Generator Interconnection ANOPR, Small Generating Facilities no larger than 20 MW are considered Small Generating Facilities under the Proposed SGIA and Proposed SGIP. The Commission proposes to treat as a single Generating Facility the aggregated generation at a site for which an Interconnection Customer seeks a single Point of Interconnection.

39. The Commission recognizes that 10 MW is used as the threshold for small generators in Texas, California, New York and Ohio. In addition, several entities, such as the PJM Interconnection, Electric Reliability Council of Texas, and the California Independent System Operator use 10 MW as the threshold because generators under

²⁵Under Order No. 2001, if an executed interconnection agreement conforms with a Commission-approved standard form of interconnection agreement, the utility does not have to file it with the Commission but must report it in the Electric Quarterly Reports. See Revised Public Utility Filing Requirements, Order No. 2001, 67 FR 31043 (2002), FERC Stats. & Regs. ¶ 31,127 at P 178 (2002); reh'g denied, Order 2001-A, 100 FERC ¶ 61,074 (2002); reconsideration and clarification denied, Order No. 2001-B, 100 FERC ¶ 61,342 (2002); further order, Order No. 2001-C, 101 FERC ¶ 61,314 (2002). An interconnection agreement must be filed only if it contains terms and conditions that deviate from the utility's generic, Commission-approved interconnection agreement or is filed in unexecuted form.

10 MW are considered less likely to affect reliability and safety. In this NOPR, the Commission likewise proposes special procedures for generators no larger than 10 MW. The Commission, however, proposes to adopt the higher 20 MW threshold, which is used by the Midwest Independent System Operator, in this rulemaking because it would encourage the development of a greater number of Small Generators and promote the development of innovative small generation technologies.

40. Regarding Interconnection Requests that propose to increase the capacity at an existing Generating Facility, the Commission proposes that the new total capacity would determine how the Interconnection Request should be evaluated. For example, if an Interconnection Customer seeks to increase the capacity of an existing Generating Facility from 2 MW to 5 MW by the addition of a second generator, the Interconnection Request would be evaluated as if it were for a 5 MW Generating Facility. Likewise, the Commission proposes that if an Interconnection Customer seeks to increase the size of an existing Generating Facility from 10 MW to 25 MW, the Interconnection Request would be evaluated as if it were a request for a 25 MW Generating Facility. In this case, the Interconnection Request would not be eligible for evaluation under the Proposed SGIP, but rather the Final Rule LGIP. We also invite comment on whether single projects with multiple points of interconnection (as might occur for a windfarm or an industrial cogeneration project serving multiple facilities) should be treated as separate projects or as a single project for queuing and Interconnection Study purposes.

41. Some Interconnection Requests could specify a level of capacity below the maximum capacity of the Generating Facility. We seek comment on how such Interconnection Requests should be addressed. For example, should an interconnection request for a device with a maximum capacity of 22 MW but seeking an interconnection for only 20 MW (and agreeing to restrict delivery to the Transmission Provider's Transmission System below that level) be evaluated under the Final Rule SGIP or the Final Rule LGIP?

4. Precertification of Small Generating Facilities No Larger than 2 MW (Proposed SGIP Section 3.1)

42. A small number of states have procedures to precertify Small Generator equipment that meet specified operational and safety standards in order to expedite interconnections.²⁶ Precertification eliminates the need for the Transmission Provider to study the equipment for safety and reliability purposes.

²⁶The New York Department of Public Service, for example, maintains a list of approved equipment on its web site.

43. Precertification of the Interconnection Customer's equipment does not mean that the Generating Facility can be immediately interconnected to the Transmission Provider's Transmission System. Before a Precertified Generating Facility may be interconnected, it must first be determined that the interconnection would have no Adverse System Impact on the Transmission Provider's Transmission System. The purpose of Precertification is to ensure the safety of the Generating Facility itself, not the safety or reliability of the Generating Facility's interconnection to the Transmission Provider's Transmission System.

44. Although precertification presumably has expedited the development of small generation in states where such programs exist, there is no national precertification program. Manufacturers tell us that they face the cost and delay associated with having their equipment evaluated in each state. Moreover, many states lack procedures for evaluating equipment. In these states, generator equipment is evaluated on a case-by-case basis by the Transmission Provider in the course of evaluating each Interconnection Request.

45. The Coalition proposes a single, uniform, nationwide precertification process for Small Generating Facilities no larger than 2 MW that would encourage the development of small generation while ensuring the safety of the electric system. The Coalition proposes that the Commission itself certify equipment and maintain a registry of equipment that has been certified.

46. This NOPR does not propose to adopt the Coalition's proposal in its entirety. In the Proposed SGIP, a Precertified Generating Facility is defined as one that has been tested by a nationally recognized testing laboratory to consensus industry standards in order to ensure that it will operate in a safe manner. The Commission in this NOPR concludes that certifying equipment and maintaining a registry should be done by an industry-recognized testing organization, not this agency. Accordingly, rather than establish and maintain a list of precertified equipment, as proposed by the Coalition, the Commission encourages cooperation and information sharing among the States and industry participants regarding the precertification of generating equipment. This would eliminate duplication of effort and encourage small generation development, while advancing the movement toward a nationwide set of precertification standards.

47. The Commission recognizes that the IEEE Standards Board approved IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems on June 12, 2003 to create uniform standards to interconnect distributed generation for safe and reliable operation. Together with other technical industry documents, IEEE

1547 could serve as the basis for a national standard for precertification. The Coalition proposed other documents that might be relevant to equipment precertification. The Commission requests comments about what role, if any, the Commission should have in assessing which entity or entities could perform this precertification function.

5. Use of Screening Criteria (Proposed SGIP Sections 3.3 and 4.3)

48. Screening criteria simplify the process of evaluating the interconnection of certain Small Generating Facilities to the Transmission Provider's Transmission System. Their purpose is to identify quickly those proposed interconnections that can be implemented with minimal or no impact on the Transmission Provider's Transmission System and can, therefore, be completed quickly. An example of a Super-Expedited Screening Criterion is that the capacity of a Small Generator proposed for a radial circuit shall not exceed five percent of that circuit's annual peak load.

49. The Coalition developed four screening criteria: (1) primary screening criteria, (2) secondary screening criteria, (3) distribution impact screening criteria, and (4) transmission impact screening criteria. The first three only apply to proposed interconnections with the Transmission Provider's Distribution System. Not all parties in the ANOPR process supported the use of all four Coalition screening criteria, especially the last two.

50. The Proposed SGIP includes two screening criteria to evaluate proposed interconnections with a Transmission Provider's Low-Voltage Transmission System (i.e., below 69 kV): (1) Super-Expedited Screening Criteria for the smallest generating facilities, and (2) Expedited Screening Criteria for somewhat larger but still small generating facilities. Although both screening criteria use similar evaluation standards, the latter are easier to satisfy than the former. The Commission does not propose screening criteria for: (1) Small Generating Facilities of any size interconnecting with the Transmission Provider's High-Voltage Transmission System and (2) Small Generating Facilities larger than 10 MW interconnecting with the Transmission Provider's Low-Voltage Transmission System. Because of the potential for an Adverse System Impact, such requests to interconnect are best evaluated using the Scoping Meeting and Interconnection Studies.

51. A proposed interconnection that fails the Super-Expedited Screening Criteria may still qualify for interconnection by being evaluated using the Additional Review and three sequential Interconnection Studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study. A

proposed interconnection that fails the Expedited Screening Criteria may still qualify for interconnection by being evaluated using three sequential studies: the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study.

a. Super-Expedited Screening Criteria (Appendix 1 to the Proposed SGIP)

52. The Super-Expedited Screening Criteria²⁷ are designed to evaluate proposed interconnections for Precertified Small Generating Facilities no larger than 2 MW that are to be interconnected with the Transmission Provider's Low-Voltage Transmission System. If the proposed interconnection passes the Super-Expedited Screening Criteria, the Interconnection Customer and Transmission Provider would sign an Interconnection Agreement without any further review. However, if the proposed interconnection does not pass, the Interconnection Customer can request an Additional Review to be followed by, if necessary, an Interconnection Feasibility Study, Interconnection System Impact Study, and Interconnection Facilities Study.

b. Expedited Screening Criteria (Appendix 2 to the Proposed SGIP)

53. The Expedited Screening Criteria²⁸ are used to evaluate the proposed interconnection of Small Generating Facilities larger than 2 MW but no larger than 10 MW with the Transmission Provider's Low-Voltage Transmission System. If the proposed interconnection passes the Expedited Screening Criteria and the Transmission Provider believes that it can interconnect the Generating Facility safely and reliably, the Interconnection Customer would sign an Interconnection Agreement without any further review. However, if the Generating Facility does not pass the Expedited Screening Criteria, or if the Transmission Provider believes that the interconnection will undermine the safety and reliability of its Transmission System even though the proposed interconnection passes the Expedited Screening Criteria, the Parties would conduct a Scoping Meeting to determine the appropriate Interconnection Studies to be performed. However, as stated above, in order to encourage the Parties to use the Expedited Screening Criteria to the fullest extent possible, the Commission proposes that, if a

²⁷The Coalition SGIP referred to Super-Expedited Screening Criteria as the Primary Screening Criteria.

²⁸The Coalition SGIP referred to Expedited Screening Criteria as the Distribution Impact Screening Criteria.

subsequent Interconnection Feasibility Study indicates no Adverse System Impact, the Transmission Provider must bear the cost of the Interconnection Feasibility Study. If an Adverse System Impact is identified, however, the Interconnection Customer would have to pay for the Interconnection Feasibility Study.

6. Dispute Resolution (Proposed SGIP Section 2.11 and Proposed SGIA Article 8)

54. In the Small Generator Interconnection ANOPR, the Commission proposed that the Parties use the Commission's alternative dispute resolution service or any other informal services available to them to resolve disputes. The Commission also proposed that the outcome of the dispute resolution process would be binding if the Interconnection Customer so chooses.

55. The Coalition SGIAs and SGIPs propose using Technical Masters to help resolve disputes between the Parties. According to the Coalition proposal, these Technical Masters would be certified by the Commission and provided by the Commission to the Parties at minimal or no cost. The Coalition proposal identifies Technical Masters as "engineers with expertise in electric power transmission and distribution interconnection requirements who are qualified and independent."²⁹

56. Several commenters³⁰ to the ANOPR take exception to the Commission's proposal that arbitration be binding if the Interconnection Customer so chooses. They argue that the Parties should be able to retain their rights of appeal when using the arbitration process.

57. The Proposed SGIP and Proposed SGIA would adopt the dispute resolution process in the Large Generator Interconnection Final Rule. The Commission endorses the use of Technical Masters and agrees that they must have the requisite expertise to review, and where possible, resolve technical issues raised by the Parties. The proposed Dispute Resolution procedures satisfy these requirements.³¹ The Commission, however,

²⁹Coalition SGIP, Attachment A Procedures Section 6, and Attachment B Procedures Section 1.11 (Nov. 12, 2002).

³⁰E.g., Bonneville Power Administration, Avista Corp., Central Maine Power Company, Public Service Company of New Mexico, and Public Service Electric and Gas Company.

³¹"[A]rbitrators shall be knowledgeable in electric utility matters, including
(continued...)"

declines to adopt the Coalition's proposal that it certify Technical Masters. Instead, the Commission proposes to maintain on its website a list of Technical Masters who may be called upon by the Parties in the event of a technical dispute. However, the Commission will neither evaluate nor certify persons that wish to be placed on the list.

58. With respect to the Interconnection Customer's ability to elect that arbitration be binding, we propose to adopt the language contained in the Large Generator Interconnection Final Rule, which provides that external arbitration would be binding on the Parties. However, the Arbitrator's final decision must be filed with the Commission if it affects jurisdictional rates, terms and conditions of service, Interconnection Facilities, or Upgrades. Parties may comment on this proposal and explain whether and why large and small generators should be treated differently.

7. Queuing (Proposed SGIP Sections 4.4 and 4.7)

59. The Commission proposes that each Transmission Provider maintain a single queue per geographic area. A queue sequentially lists Interconnection Requests based upon the date and time they are complete. The Queue Position of each Interconnection Request determines the order of performing Interconnection Studies for each generator, if required, and the Interconnection Customer's cost responsibility for any Upgrades to the Transmitting Provider's Transmission System necessary to accommodate the Interconnection Request.

60. Queuing was discussed at a January 21, 2003 Technical Conference convened by Commission staff. Some conference participants suggested that the Commission require the use of a single queue for each geographic area, with Interconnection Requests being evaluated in the order in which they are received. Such an approach, it was argued, is fair, makes the queue easier to administer, and allows more efficient processing of Interconnection Requests, including the use of clustering and other study techniques. Clustering of studies allows a Transmission Provider to study multiple Interconnection Requests at the same time. Clustering may reduce study costs and allow multiple Interconnection Customers to share the cost of Upgrades. Other conference participants

³¹(...continued)

electric transmission and bulk power issues, and shall not have any current or past substantial business or financial relationships with any party to the arbitration (except prior arbitration)." Article 27.2 of the LGIA in Standardization of Generator Interconnection Agreements and Procedures, Final Rule, Docket No. RM02-1-000 (issued concurrently with this NOPR).

suggested creating multiple queues based on generator size. This approach, they argued, would prevent small generator interconnections, with their comparatively short study times, from being unreasonably delayed by large generators ahead of them in the queue.

61. While we here propose that each Transmission Provider maintain a single queue per geographic area, a Small Generator's Queue Position does not necessarily determine how long it takes to actually interconnect. In the Proposed SGIP, if a proposed interconnection passes either the Super-Expedited Screening Procedures or the Expedited Screening Procedures, the Interconnection Customer would have no cost responsibility for Upgrades. Accordingly, the Small Generator could be interconnected very quickly, regardless of its Queue Position.

62. If the proposed interconnection does not pass either the Super-Expedited Screening Procedures or the Expedited Screening Procedures, Interconnection Studies will be required to evaluate the proposal. And, if Upgrades are required, Queue Position may affect the Interconnection Customer's cost responsibility for the Upgrades. This is because Upgrades for interconnections higher in the queue may affect the need for Upgrades for interconnections lower in the queue. This would impact the cost of the interconnection for a particular Small Generator. However, as such costs for Small Generating Facilities may be relatively small or localized, we would permit the Interconnection Customer to ask to be interconnected out of queue order if it agrees to pay the full cost of the required Upgrades.

8. Parties to the Proposed SGIA (Proposed SGIA Article 9)

63. In general, the Commission does not address issues in this NOPR that were treated in the Large Generator Interconnection Final Rule unless parties propose that Small Generating Facilities be treated differently. However, in the Small Generator ANOPR process, parties raised this issue repeatedly, and for this reason the Commission includes a discussion of the issue.

64. Representatives of Interconnection Customers and representatives of Transmission Providers could not agree on whether the Transmission Owner should be a signatory to the SGIA, if the Transmission Provider and the Transmission Owner are different entities. The Commission proposes here the same approach taken in the Final Rule LGIA; that is, if the Transmission Owner is not also the Transmission Provider, both parties should sign the SGIA. We believe that this would better define the relationship among the Parties in one document, protect the Interconnection Customer and, therefore, facilitate the development of new generation resources. In an RTO or ISO where the Transmission Provider is not the Transmission Owner, the RTO's or ISO's compliance filing would be able to propose a modified interconnection agreement that

provides different respective rights and obligations in the region. In other cases, we do not believe that the three party agreement would create an undue burden for either entity. Accordingly, the Commission proposes to require that both the Transmission Owner and the Transmission Provider, if applicable, sign the SGIA.

9. Affected Systems (Proposed SGIP Section 2.8)

65. The Coalition's proposal acknowledges that the interconnection of a Small Generator with a Transmission Provider's Transmission System may directly or indirectly affect other electric systems. Interconnection Customers generally prefer that the Transmission Provider be responsible for coordinating and performing all necessary Interconnection Studies and equipment Upgrades with the owner or operator of the Affected System.³² Interconnection Customers also prefer that their interconnections not be made conditional on the completion of these studies and Upgrades. Transmission Providers, however, maintain that while they would use their best efforts to coordinate and complete necessary Affected System Interconnection Studies and Upgrades in time for the interconnection of a Small Generator, they cannot compel the owner/operator of the Affected System to perform within the specified time lines.

66. The Commission proposes to continue treating interconnection and delivery as separate aspects of transmission service and allowing Interconnection Customers to request interconnection separately from the delivery component of transmission service. In the vast majority of circumstances, interconnection alone is unlikely to affect the reliability of another electric system, especially if the generator being interconnected is a Small Generator. However, in those rare instances in which the mere interconnection itself may cause a reliability or safety problem on an Affected System, the Commission proposes to adopt the approach of Order No. 888 for Upgrades required to protect Affected Systems from reliability problems due to delivery service.³³ Under Order No. 888, the Transmission Provider is required to assist the customer in coordinating with the

³²The Proposed SGIA and the Proposed SGIP define Affected System as "an electric system other than the Transmission Provider's Transmission System that may be affected by the proposed interconnection."

³³See Section 21 of the OATT. See also *Tampa Electric Co.*, 103 FERC ¶ 61,047 (2003), and *Nevada Power*, 97 FERC ¶ 61,227 (2001), *reh'g denied*, 99 FERC ¶ 61,347 (2002); *but see* *American Electric Power Service Corporation*, 102 FERC ¶ 61,336 (2003).

Affected System any Upgrades needed to protect the reliability of that system.³⁴ Also, we will allow the Transmission Provider to coordinate completion of Network Upgrades to its own Transmission System with the completion of the necessary Affected System Upgrades.³⁵

67. Under Order No. 888, economic losses (*i.e.*, extra generating costs from having to redispatch generation) do not justify delaying the provision of the delivery component of transmission service, and the Commission proposes to adopt the same standard here for interconnections. As mentioned in the OATT, the Commission's Dispute Resolution Service is available should the Interconnection Customer wish to challenge the Transmission Provider's decision to delay construction pending completion of the Affected System's Upgrades.³⁶

68. We also note that NERC Planning Standards already provide that Transmission Providers should work together to minimize effects on each other's systems. Whenever a Transmission Provider adds its own new generation to its Transmission System, it may cause reliability or safety effects on other systems that require coordination with the Affected Systems. A Transmission Provider must offer any Interconnection Customer service that is comparable to the service it provides for interconnections of its own generation.

69. The Commission notes that the proposed treatment of Affected Systems is comparable to that contained in the Large Generator Interconnection Final Rule and requests comments on if and why this approach should be modified for Small Generator interconnections.

³⁴Section 21.1 of the OATT states that: "The Transmission Provider will undertake reasonable efforts to assist the Transmission Customer in obtaining such arrangements, including without limitation, provider any information or data required by such other electric system pursuant to Good Utility Practice."

³⁵Section 21.2 of the OATT states that: "Transmission Provider shall have the right to coordinate construction on its own system with the construction required by others. The Transmission Provider, after consultation with the Transmission Customer and representatives of such other systems, may defer construction of its new transmission facilities, if the new transmission facilities on another system cannot be completed in a timely manner."

³⁶See Section 21.2 of the OATT.

10. Pricing / Cost Recovery for Upgrades (Proposed SGIA Article 5)

70. The Commission's current interconnection pricing policy for Transmission Systems that are operated by non-independent entities is to allocate the costs of the new facilities based on whether they are at or beyond the Point of Interconnection. Those transmission facilities that are at or beyond the Point of Interconnection are considered Network Upgrades, and are initially paid for by the Interconnection Customer. The costs are then refunded to the Interconnection Customer by the Transmission Provider in the form of transmission credits (with interest), with the result being that the costs of the Network Upgrades are rolled into the prices paid by all transmission customers.³⁷ Interconnection Facilities (meaning facilities on the Generating Facility's side of the Point of Interconnection) are considered sole use facilities and, accordingly, are directly assigned to and paid for by the Interconnection Customer.³⁸ Consistent with the Large Generator Interconnection Final Rule, we propose to retain this current pricing policy for Small Generating Facilities interconnecting with a Transmission System operated by a non-independent entity. The Commission seeks comments on whether this approach is appropriate for Small Generator interconnections. We also invite commenters to recount their recent experiences with interconnecting distributed generators to the Distribution System, in particular the process for determining whether Distribution Upgrades were necessary, and the cost assignment of those Upgrades.

71. For the Transmission Provider, such as an RTO or ISO, that is an independent entity, our current policy, and the policy that we adopted in the Large Generator Interconnection Final Rule, is to allow flexibility regarding the interconnection pricing policy that an independent entity may propose to adopt, subject to Commission approval. Also in that Final Rule, we permitted a Regional State Committee to establish criteria that an independent entity would use to determine which transmission system upgrades, including those required for generator interconnections, should be subject to incremental pricing ("participant funding") and which should not. The Large Generator Interconnection Final Rule also permitted, for a period of transition to the start of RTO or ISO operations, not to exceed a year, participant funding to be used for Network Upgrades for a generator interconnection as soon as an independent entity has been approved by the Commission and the affected states. The Commission proposes to adopt the same policies for Small Generating Facilities that interconnect with a Transmission

³⁷See *Consumers Energy Co.*, 95 FERC ¶ 61,233, reh'g denied, 96 FERC ¶ 61,132 (2001).

³⁸See *Public Service Company of Colorado*, 59 FERC ¶ 61,311 (1992), reh'g denied, 62 FERC ¶ 61,013 (1993).

System operated by an independent entity. We seek comments on whether this approach is appropriate for Small Generating Facilities which interconnect to a Transmission System.

72. Because a Small Generating Facility may interconnect to a Transmission Provider's jurisdictional distribution facility for the purpose of making a sale of electricity at wholesale in interstate commerce, this NOPR also addresses cost recovery for Distribution Upgrades at or beyond the Point of Interconnection.³⁹ Consistent with the Large Generator Interconnection Final Rule, we here propose that the costs of Distribution Upgrades would be directly assigned to the Interconnection Customer. This is because Distribution Upgrades do not generally benefit all users. Distribution facilities generally deliver electricity to particular localities, and do not serve a bulk delivery service for the entire system as is the case for transmission facilities. Accordingly, it is not appropriate that all users share the cost of Distribution Upgrades. Rather, the Interconnection Customer itself should be solely responsible for the cost of Distribution Upgrades.

11. Liability, Indemnity, Force Majeure, and Insurance (Proposed SGIA Articles 6.13, 6.14, and 6.16)

73. In the Large Generator Interconnection Final Rule, the Commission adopted indemnification and Force Majeure provisions different from those applied to transmission service that appear in the OATT, and added a new provision limiting liability for consequential damages. This NOPR proposes a similar approach. The Commission asks commenters to address whether Small Generators should be treated differently from Large Generators with respect to liability, indemnity, and Force Majeure.⁴⁰

74. Consistent with the Large Generator Interconnection Final Rule that is being issued concurrently with the issuance of this NOPR, we are including a provision in the proposed SGIA requiring the Parties to maintain minimum insurance coverage. However, we are not proposing specific coverage amounts in this NOPR. We request comments on whether the Small Generator Interconnection Final Rule should also

³⁹The costs of all Interconnection Facilities, whether owned by the Small Generator or the Transmission Provider, are directly assigned to the Interconnection Customer.

⁴⁰The White Paper proposed that the Final Rule in Docket No. RM01-12-000 would limit the liability of Regional Transmission Organizations, Independent System Operators, and transmission owners that belong to RTOs and ISOs.

include an insurance provision, and, if so, whether the provision should differ from the one contained in the Final Rule LGIA, what kind of insurance should be required, and at what level of coverage. Commenters should address how best to balance any need for insurance against the costs of insurance since such costs may discourage Small Generating Facilities from participating in the wholesale market.

75. The Commission also asks commenters to address two other issues regarding this proposed provision: first, should required insurance coverage coincide with the size of the facility? For example, a 20 MW generator would be subject to higher coverage amounts than a 10 MW generator, which itself would be subject to higher coverage amounts than a 5 MW generator. Similarly, should there be a megawatt cutoff that would exempt certain Small Generators (*e.g.*, those below a certain size) from some or all of the minimum insurance requirements. Second, should coverage types and amounts vary according to the type of generator so that, for example, solar or wind facilities would require different insurance coverages than gas-fired facilities.

12. Variations From the Final Rule on Compliance.

76. Regarding variations allowed from the Final Rule SGIP and Final Rule SGIA, consistent with the approach adopted in the Large Generator Interconnection Final Rule, we propose to apply a regional differences rationale to accommodate variations from the Final Rule during compliance, but with certain restrictions. We propose that a non-independent transmission provider (such as a Transmission Provider that owns generators or has Affiliates that own generators) and an RTO or ISO should be treated differently because an independent RTO or ISO does not raise the same level of concern regarding undue discrimination. Accordingly, we propose to allow an RTO or ISO greater flexibility than that allowed under the regional differences rationale to propose variations from the Final Rule provisions, as further discussed below.

77. Because we intend to supplement rather than supplant any standardization work that regional reliability groups already have undertaken regarding interconnection, we propose to permit a Transmission Provider, on compliance, to offer variations based on existing regional reliability requirements as part of its regional differences justification. Because we seek greater standardization of interconnection terms and conditions, we propose to permit a non-independent Transmission Provider to use the regional differences justification only due to established regional reliability standards.

78. For other proposed deviations from the Final Rule SGIP and Final Rule SGIA not made in response to established regional reliability requirements, we propose that a non-independent transmission provider justify variations in non-price terms and conditions of the Final Rule SGIP and Final Rule SGIA using the approach taken in Order No. 888,

which allows them to propose variations on compliance that are "consistent with or superior to" the OATT.

79. To clarify, if on compliance a non-RTO or ISO Transmission Provider offers a variation from the Final Rule SGIP and Final Rule SGIA and the variation is in response to established (*i.e.*, approved by the Applicable Reliability Council) reliability requirements, then it would have to justify its variation using the regional difference rationale. If the variation is for any other reason, the non-RTO or ISO Transmission Provider must present its justification for the variation using the "consistent with or superior to" rationale that the Commission applies to variations from the OATT in Order No. 888.

80. With respect to an RTO or ISO, at the time its compliance filing is made, as discussed above, we propose to allow it to seek "independent entity variations" from the Final Rule pricing and non-pricing provisions. This is a balanced approach that recognizes that an RTO or ISO has different operating characteristics depending on its size and location and is less likely to act in an unduly discriminatory manner than a Transmission Provider that is a market participant. The RTO or ISO therefore would have greater flexibility to customize its interconnection procedures and agreements to fit regional needs.

81. Last, we invite comment on whether the proposed rule as drafted makes adequate provision to meet the needs of the breadth of small generation technologies and fuel types (within the scope of those matters which are within the responsibility of this agency).

B. Summary of the Proposed SGIP and the Proposed SGIA

1. Standard Small Generator Interconnection Procedures (Proposed SGIP)

82. The Proposed SGIP sets forth the procedures that Interconnection Customers and Transmission Providers would be required to follow during the interconnection process, culminating in the signing of an interconnection agreement by the Parties.

83. **Section 1. Definitions** – Section 1 of the Proposed SGIP and Article 1 of the Proposed SGIA contain defined terms. For the sake of consistency, the proposed SGIP and proposed SGIA contain one common set of terms.

84. **Section 2. General Provisions** – Proposed Section 2 contains directions on which sections of the Proposed SGIP govern the interconnection of various sizes of Small Generating Facilities. Site Control, Material Modifications to a proposed Generating Facility, the coordination of studies between the Transmission Provider and Affected Systems, and the use of a single Point of Interconnection for multiple generators are also addressed. The Transmission Provider shall maintain records of all Interconnection Requests received, the times required to complete Interconnection Request approvals and disapprovals, and explanations for the actions taken on the Interconnection Requests.

85. **Section 3. Super-Expedited Procedures for Interconnecting a Small Generating Facility No Larger than 2 MW to a Low-Voltage Transmission System**⁴¹ – The Transmission Provider shall use the Super-Expedited Screening Criteria to evaluate Interconnection Requests submitted under Section 3. Interconnection Customers whose Interconnection Requests fail the Super-Expedited Screening Criteria may request Additional Review and, if necessary, follow the procedures specified in Section 4.

86. **Section 4. Procedures for Interconnecting a Small Generating Facility to a High-Voltage Transmission System and a Small Generating Facility Larger than 2 MW to a Low-Voltage Transmission System**⁴² – Proposed Section 4.3 sets forth special Expedited Procedures for Small Generating Facilities no larger than 10 MW interconnecting with Low-Voltage Transmission Systems, using the Expedited Screening Criteria. Proposed Section 4.4 describes queuing priority. Proposed Sections 4.5 - 4.8 describe the accelerated procedures (as compared with the procedures in the Large Generator Interconnection Final Rule) for interconnecting Small Generating Facilities to High-Voltage Transmission Systems and Small Generating Facilities Larger than 10 MW to Low-Voltage Transmission Systems. These procedures include a Scoping Meeting and various Interconnection Studies that are used to evaluate Interconnection Requests.

87. **Charts** – Charts include a diagram of a typical Small Generating Facility installation and flowcharts depicting the Proposed Section 3 and Section 4 procedures.

88. **Appendices** – Appendix 1 lists the Super-Expedited Screening Criteria that are applicable to the interconnection of Precertified Small Generating Facilities no larger than 2 MW with Low-Voltage Transmission Systems. Appendix 2 lists the Expedited

⁴¹See Appendix A for a flowchart depicting this procedure.

⁴²See Appendix B for a flowchart depicting this procedure.

Screening Criteria that are applicable to the interconnection of Small Generating Facilities no larger than 10 MW with Low-Voltage Transmission Systems. Appendices 3-5 are pro forma agreements for the Interconnection Feasibility Study, the Interconnection System Impact Study, and the Interconnection Facilities Study, respectively. The Commission does not expect that these agreements would be filed with the Commission when executed. Appendix 6 is the standard Interconnection Request (Application Form). Appendix 7 is the Standard Small Generator Interconnection Agreement.

2. Standard Small Generator Interconnection Agreement (Proposed SGIA)

89. The Proposed SGIA sets forth the legal rights and obligations of each Party, addresses cost responsibility issues, establishes Milestones for the completion of the interconnection, and lays out a process for the resolution of disputes.

90. **Article 1. Definitions** – Section 1 of the Proposed SGIP and Article 1 of the Proposed SGIA contain defined terms. For the sake of consistency, the Proposed SGIP and Proposed SGIA contain one common set of terms.

91. **Article 2. Scope and Limitations of Agreement** – Proposed Article 2 describes responsibilities of the Parties to construct, interconnect, operate, and maintain the Generating Facility and the Transmission Provider's Transmission System.

92. **Article 3. Inspection, Testing, Authorization, and Right of Access** – Proposed Article 3 describes Generating Facility testing and inspection requirements. The Transmission Provider must provide written authorization before the Interconnection Customer begins Parallel Operation. Proposed Article 3 also gives the Transmission Provider certain limited rights to access Interconnection Customer's property.

93. **Article 4. Effective Date, Term, Termination, and Disconnection** – Proposed Article 4 describes the Term of the Proposed SGIA and also addresses default (including cure), termination, and temporary disconnection rights.

94. **Article 5. Cost Responsibility, Milestones, Billing, and Payment** – Proposed Article 5 assigns financial responsibility for the costs of owning, operating, maintaining, repairing, and replacing the Interconnection Customer's Interconnection Facilities, and operating, maintaining, repairing, and replacing Transmission Provider's Interconnection Facilities. The Transmission Provider and the Interconnection Customer shall agree on Milestones related to the construction of the facilities for which each Party is responsible. Financial security arrangements and billing and payment obligations also are described.

95. **Article 6. Miscellaneous** – Proposed Article 6 contains a number of provisions, including: that the laws of the state where the Point of Interconnection is located will govern, the SGIA may be amended upon agreement of the Parties as approved by the Commission, expectations regarding system infrastructure and operational security, and provisions for successors or assigns. Also included are provisions governing rights of third party beneficiaries, waiver, notice and communications between the Parties, severability, Force Majeure, default, the use of subcontractors, consequential damages, environmental releases, and insurance. Several of these provisions were not included in the Coalition SGIA. Commenters are requested to speak to whether these provisions should be modified in the Final Rule SGIA to accommodate the needs of Small Generators.

96. **Article 7. Confidentiality** – Proposed Article 7 describes how Confidential Information must be treated by the Parties.

97. **Article 8. Disputes** – Proposed Article 8 describes the Dispute Resolution procedure.

98. **Article 9. Signatures** – Proposed Article 9 provides for signatures of the Interconnection Customer, Transmission Provider and, if applicable, the Transmission Owner.

99. **Appendices** – The proposed SGIA includes the following additional information: (1) description and costs of the Generating Facility, Interconnection Facilities, and metering equipment, (2) a one-line diagram depicting the Generating Facility, Interconnection Facilities, metering equipment, and Upgrades, (3) Milestones, (4) additional operating requirements for the Transmission Provider's Transmission System and Affected Systems needed to support the Interconnection Customer's needs, and (5) the Transmission Provider's description of its Network Upgrades and Distribution Upgrades and a best estimate of their costs.

III. PUBLIC REPORTING BURDEN AND INFORMATION COLLECTION STATEMENT

100. The following collections of information contained in this proposed rule are being submitted to the Office of Management and Budget (OMB) for review under Section 3507(d) of the Paperwork Reduction Act of 1995. The Commission identifies the information provided under Part 35 as FERC-516A.

101. Comments are solicited on the Commission's need for this information, whether the information would have practical use, the accuracy of the provided burden estimates, ways to enhance the quality, use, and clarity of the information to be collected, and any suggested methods for minimizing respondents' burden, including the use of automated information techniques. The following burden estimate includes the cost of preparing and submitting tariff changes to comply with the Commission's proposed regulation.

Public Reporting Burden: Estimated Annual Burden:

Data Collection	Number of Respondents	Number of Responses	Hours Per Response	Total Annual Hours
FERC-516A				
Reporting	176	1	25	4,400
Recordkeeping	176	1	2	352
Totals				4,752

Total Annual Hours for Collection (Reporting + Recordkeeping) =

4,400 hours (176 respondents x 1 filing x 25 hours) + 352 hours (176 respondents x 1 filing x 2 hours to develop interconnection agreement format) = 4,752 hours.

Information Collection Costs: The Commission seeks comment on the costs to comply with these requirements. It has projected the average annualized cost for all respondents to be:

Annualized Startup Costs – Staffing requirements to review and prepare an interconnection agreement = \$220,000 (176 respondents x \$1,250 (25 hours @ \$50 hourly rate))

Annualized Costs (Operation & Maintenance) – The cost is equal to \$5,984 (176 respondents x \$34 (2 hours @ \$17 hourly rate)).

Total Annualized Costs (Startup and O&M) = \$225,984

102. OMB regulations require OMB to approve certain information collection requirements imposed by agency rule. 5 CFR 1320.11. Accordingly, pursuant to OMB regulations, the Commission is providing notice of its proposed information collections to OMB.

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Title: FERC-516A, Small Generator Interconnection Procedures and Agreement.

Action: Proposed Data Collections.

OMB Control No: To be determined

The Applicant shall not be penalized for failure to respond to this collection of information unless the collection of information displays a valid OMB control number.

Respondents: Business or other for profit.

Frequency of Responses: One-time implementation.

Necessity of Information: The proposed rule would revise the reporting requirements contained in 18 CFR Part 35. The Commission is proposing a standard SGIP and standard SGIA that public utilities must adopt. The adoption of these procedures and agreement will: (1) reduce interconnection time and costs for Interconnection Customers and Transmission Providers, (2) limit opportunities for Transmission Providers to favor their own generation, (3) ease entry for new generation, and (4) encourage needed investment in the generation and transmission infrastructure.

103. Interconnection plays a growing crucial role in bringing much needed generation into the market to meet the needs of electricity customers. However, requests for interconnection frequently result in complex technical disputes about interconnection feasibility, cost and cost responsibility. The Commission expects that a standard SGIP and standard SGIA will reduce interconnection costs and time for Interconnection Customers and Transmission Providers, resolve most interconnection disputes, minimize opportunities for undue discrimination, foster increased development of economic generation, and improve system reliability.

104. Internal Review: The Commission has assured itself, by means of internal review, that there is specific, objective support for the burden estimates associated with the information requirements. The Commission's Office of Markets, Tariffs and Rates will use the data included in filings under Section 203 and 205 of the Federal Power Act to evaluate efforts for the interconnection and coordination of the U.S. electric transmission system and to ensure the orderly implementation of the interconnection procedures and interconnection agreement as well as for general industry oversight. These information requirements conform to the Commission's plan for efficient information collection, communication, and management within the electric power industry.

105. Interested persons may obtain information on the reporting requirements by contacting the following: Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426 [Attention: Michael Miller, Office of the Executive Director, Phone: (202) 502-8415, fax: (202) 273-0873, E-mail: michael.miller@ferc.gov.]

106. For submitting comments concerning the collection of information(s) and the associated burden estimate(s), please send your comments to the contact listed above and to the Office of Management and Budget, Attention: Desk Officer for the Federal Energy Regulatory Commission, fax: (202) 395-7285, e-mail pamelabeverly@oirasubmission@omb.eop.gov

IV. ENVIRONMENTAL ANALYSIS

107. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.⁴³ The Commission concludes that promulgating the proposed rule would not present a major federal action having a significant adverse impact on the human environment under the Commission's regulations implementing the National Environmental Policy Act.⁴⁴ The proposed rule falls within the categorical exemption provided in the Commission's regulations for approval of actions under Section 205 of the Federal Power Act relating to the filing of schedules containing all rates and charges for any transmission or sale for resale subject to the Commission's jurisdiction, plus the classification, practices, contracts and regulations that affect rates, charges, classifications and services.⁴⁵ Consequently, neither an environmental assessment nor an environmental impact statement is required.

V. REGULATORY FLEXIBILITY ACT CERTIFICATION

108. The Regulatory Flexibility Act of 1980 (RFA)⁴⁶ generally requires a description and analysis of proposed rules that will have significant economic impact on a substantial

⁴³Order No. 486, Regulations Implementing the National Environmental Policy Act, 52 FR 47897 (Dec. 17, 1987), FERC Stats. & Regs. Preambles 1986-1990 ¶ 30,783 (1987).

⁴⁴18 CFR Part 380 (2003).

⁴⁵18 CFR 380.4(a)(15)(16) (2003).

⁴⁶5 U.S.C. 601-612 (2000).

number of small entities. This rule applies to public utilities that own, control or operate interstate transmission facilities, not to electric utilities per se. The total number of public utilities that, absent waiver, would have to modify their current open access transmission tariffs by filing the Interim Tariff is 176.⁴⁷ Of these only 6 public utilities, or less than two percent, dispose of 4 million MWh or less per year.⁴⁸ The Commission does not consider this a substantial number, and in any event, these small entities may seek waiver of these requirements.⁴⁹

VI. COMMENT PROCEDURES

109. The Commission invites interested persons to submit comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss.

110. Comments are due [insert date that is 45 days after publication in the FEDERAL REGISTER]. Comments must refer to Docket No. RM02-12-000, and must include the commenter's name, the organization they represent, if applicable, and their address. Comments may be filed either in electronic or paper format. Comments should be double spaced and include an executive summary.

111. To facilitate the Commission's review of the comments, commenters are requested to identify each specific issue posed by the NOPR that their discussion addresses and to

⁴⁷The sources for this figure are FERC Form No. 1 and FERC Form No. 1-F data.

⁴⁸Id.

⁴⁹The Regulatory Flexibility Act defines a "small entity" as "one which is independently owned and operated and which is not dominant in its field of operation." See 5 U.S.C. 601(3) and 601(6)(2000); 15 U.S.C. 632(a)(1) (2000). In Mid-Tex Elec. Coop. v. FERC, 773 F.2d 327, 340-343 (D.C. Cir. 1985), the court accepted the Commission's conclusion that, since virtually all of the public utilities that it regulates do not fall within the meaning of the term "small entities" as defined in the Regulatory Flexibility Act, the Commission did not need to prepare a regulatory flexibility analysis in connection with its proposed rule governing the allocation of costs for construction work in progress (CWIP). The CWIP rules applied to all public utilities. The Small Generator interconnection rules will apply only to those public utilities that own, control or operate interstate transmission facilities. These entities are a subset of the group of public utilities found not to require preparation of a regulatory flexibility analysis for the CWIP rule.

use headings that clearly identify the relevant Proposed SGIA article and Proposed SGIP section. Additional issues that commenters wish to raise should be identified separately. The Commission also invites commenters to explain the rationale for their support for any proposal in this NOPR.

112. Comments may be filed electronically via the eFiling link on the Commission's web site at <http://www.ferc.gov>. The Commission accepts most standard word processing formats, and commenters may attach additional files with supporting information in certain other file formats. Commenters filing electronically do not need to make a paper filing. Commenters that are not able to file comments electronically must send an original and 14 copies of their comments to: Federal Energy Regulatory Commission, Office of the Secretary, 888 First Street N.E., Washington, DC, 20426.

113. All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

VII. DOCUMENT AVAILABILITY

114. In addition to publishing the full text of this document in the Federal Register, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (<http://www.ferc.gov>) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, N.E., Room 2A, Washington, DC 20426.

115. From FERC's Home Page on the Internet, this information is available in the Federal Energy Regulatory Records Information System (FERRIS). The full text of this document is available on FERRIS in PDF and WordPerfect format for viewing, printing, and/or downloading. To access this document in FERRIS, type the docket number excluding the last three digits of this document in the docket number field.

116. User assistance is available for FERRIS and the FERC's website during normal business hours from our Help line at (202) 502-8222 or the Public Reference Room at (202) 502-8371 Press 0, TTY (202) 502-8659. E-Mail the Public Reference Room at public.referenceroom@ferc.gov.

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List of Subjects in 18 C.F.R. Part 35

Electric power rates, Electric utilities, Reporting and recordkeeping requirements.

By direction of the Commission.

Magalie R. Salas,
Secretary.

In consideration of the foregoing, the Commission proposes to amend Part 35, Chapter I, Title 18, Code of Federal Regulations, as follows:

PART 35 – FILING OF RATE SCHEDULES

1. The authority citation for part 35 continues to read as follows:

Authority: 16 U.S.C. 791a-825r, 2601-2645; 31 U.S.C. 9701; 42 U.S.C. 7101-7352.

2. In § 35.28, paragraph (g) is added to read as follows:

§ 35.28 Non-discriminatory open access transmission tariff.

* * * * *

(g) Standard interconnection procedures and agreement for small generators.

(1) Every public utility that is required to have on file a non-discriminatory open access transmission tariff under this section must amend such tariff by adding the standard small generator interconnection procedures and agreement contained in Order No. _____, FERC Stats. & Regs. ¶ _____ (Final Rule on Small Generator Interconnection) or such other small generator interconnection procedures and agreement as may be approved by the Commission consistent with Order No. _____, FERC Stats. & Regs. ¶ _____ (Final Rule on Small Generator Interconnection).

(i) The amendment required by the preceding subsection must be filed no later than [insert date that is 60 days after the effective date of the Final Rule].

(ii) Any public utility that seeks a deviation from the standard interconnection procedures and agreement contained in Order No. _____, FERC Stats. & Regs. ¶ _____ (Final Rule on Small Generator Interconnection), must demonstrate that the deviation is consistent with the principles of Order No. _____, FERC Stats. & Regs. ¶ _____ (Final Rule on Small Generator Interconnection).

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(2) The non-public utility procedures for tariff reciprocity compliance described in paragraph (e) of this section are applicable to the standard small generator interconnection procedures and agreement.

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Note: The following appendices will not be published in the Code of Federal Regulations.

Appendix A

**Flow Chart of Super-Expedited Procedures
for Interconnecting a Small Generating Facility No
Larger than 2 MW to a Low-Voltage Transmission System**

Appendix B

**Flow Chart of Procedures for Interconnecting a Small
Generating Facility to a High-Voltage Transmission System and a Small
Generating Facility Larger than 2 MW to a Low-Voltage Transmission System**

Appendix C

**Standard Small Generator Interconnection Procedures (SGIP),
Including Standard Small Generator Interconnection Agreement (SGIA)
(Applicable to Generating Facilities no larger than 20 MW)**