

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

**Improvements to Generator Interconnection )  
Procedures and Agreements )                 Docket No. RM22-14-000  
)**

**COMMENTS OF WIRES**

Pursuant to the Notice of Proposed Rulemaking (“NOPR” or “Interconnection NOPR”) issued by the Federal Energy Regulatory Commission (“Commission” or “FERC”) on June 16, 2022 in the above-captioned proceeding,<sup>1</sup> WIRES, on behalf of its members, hereby submits the following comments.

**I. INTRODUCTION**

WIRES is a non-profit trade association of investor-, publicly-, and cooperatively-owned Transmission Providers and developers, transmission customers, regional grid managers, and equipment and service companies. WIRES promotes investment in electric transmission and consumer and environmental benefits through development of electric transmission infrastructure.<sup>2</sup> Since its inception, WIRES has focused on supporting investment in needed and beneficial transmission infrastructure – investments that Congress and the Commission have recognized are critical to establishing a reliable, resilient, cost-effective, modern, and clean bulk power system.<sup>3</sup> As part of its effort to educate and inform policymakers on important

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<sup>1</sup> *Improvements to Generator Interconnection Procedures and Agreements*, Notice of Proposed Rulemaking, 179 FERC ¶ 61,194 (2022) (“Interconnection NOPR”).

<sup>2</sup> For more information about WIRES, please visit [www.wiresgroup.com](http://www.wiresgroup.com).

<sup>3</sup> This filing is supported by the full supporting members of WIRES but does not necessarily reflect the views of the RTO/ISO associate members of WIRES.

transmission issues and the challenges facing the grid, WIRES has produced numerous studies showing the tremendous benefits transmission investment provides and that the need for new transmission has never been greater.<sup>4</sup>

Electric transmission investment in the United States remains critical to realizing the benefits of efficient and reliable electric service while enabling the ongoing transition to new generating sources, sometimes located remotely from load, to power an increasingly electrified economy. There are several factors the Commission must consider with any proposed changes to existing generator interconnection processes including the need to help ensure the ability of the transmission system to reliably serve firm transmission use, the evolution in the nation’s resource mix, an increase in the number of new resources seeking transmission service, shifts in load patterns, the impact of increasing extreme weather events on the bulk power system, climate change impacts and the need for resilience, the increasing electrification of the economy, and the challenges associated with implementing changes to transmission planning, cost allocation, and interconnection processes.

For these reasons, WIRES actively participated in and provided extensive comments on various issues raised in the Commission’s Advance Notice of Proposed Rulemaking (“ANOPR”) issued pursuant to section 206 of the Federal Power Act (“FPA”)<sup>5</sup> to reexamine regional

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<sup>4</sup> See e.g., The Brattle Group, *Employment and Economic Benefits of Transmission Infrastructure Investment in the U.S. and Canada* (May 2011); The Brattle Group, *The Benefits of Electric Transmission: Identifying and Analyzing the Value of Investments*, (July 2013) (Brattle Benefits Report); The Brattle Group, *Well-Planned Electric Transmission Saves Customer Costs: Improved Transmission Planning is Key to the Transition to a Carbon-Constrained Future* (June 2016) (“Brattle Planning Study”); London Economics International, Inc., *How Does Electric Transmission Benefit You?* (Jan. 2018); The Brattle Group, *Recognizing the Role of Transmission in Electric System Resilience* (May 2018); The Brattle Group, *The Coming Electrification of the North American Economy* (Mar. 2019); ScottMadden, Inc., *Informing the Transmission Discussion: A Look at Renewables Integration and Resilience in Selected Regions of the United States* (Jan. 2020) (“ScottMadden Report”); London Economics International, Inc., *Repowering America: Transmission Investment for Economic Stimulus and Climate Change* (May 2021).

<sup>5</sup> 16 U.S.C. § 824e.

transmission planning, cost allocation, and generator interconnection processes to fully account for the future energy needs of customers, and of the nation.<sup>6</sup> The Commission’s ANOPR raised important issues at a critical time as the grid is undergoing a transformation to meet state and national clean energy mandates and goals, the needs of an increasingly electrified economy, and reliability and resilience challenges of increasing frequency and ferocity posed by climate change and extreme weather driven events. This transformation is occurring rapidly, but the pace and exact nature of these changes are uncertain and highly dependent on a number of variables, including federal, state, and local policies. While WIRES supported the Commission’s initiative to review and improve transmission planning, cost allocation and generator interconnection processes to better prepare for the future, WIRES urged the Commission to avoid trying to fix what is not broken or, notwithstanding the best of intentions, inadvertently create unintended consequences or counterproductive measures.

Following consideration of the comments submitted in response to the ANOPR, the Commission proposed changes to existing regional transmission planning and cost allocation processes and noted that it would continue to review the record and address any possible inadequacies with respect to generator interconnection processes in subsequent proceedings.<sup>7</sup> Subsequently, the Commission issued the Interconnection NOPR proposing reforms to the Commission’s *pro forma* Large Generator Interconnection Procedures (“LGIP”), *pro forma* Small Generator Interconnection Procedures (“SGIP”), *pro forma* Large Generator Interconnection Agreement (“LGIA”), and *pro forma* Small Generator Interconnection

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<sup>6</sup> *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Advance Notice of Proposed Rulemaking, 176 FERC ¶ 61,024 (2021) (“ANOPR”).

<sup>7</sup> *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, Notice of Proposed Rulemaking, 179 FERC ¶ 61,028 (2022) at P 10 (“Transmission Planning NOPR”).

Agreement (“SGIA”) to address interconnection queue backlogs, improve certainty, and prevent undue discrimination for new technologies.

In particular, the Commission proposes changes to the LGIP and LGIA to (1) implement a first-ready, first-served cluster study process,<sup>8</sup> (2) increase the speed of interconnection queue processing, and (3) incorporate technological advancements into the interconnection queue process.<sup>9</sup> FERC also proposes changes to the SGIP and SGIA to incorporate alternative transmission technologies into the interconnection queue process and to provide modeling and performance requirements for non-synchronous generators.<sup>10</sup> Importantly, the Commission recognized that transmission providers have already undertaken efforts to address interconnection queue management issues and emphasized that the Interconnection NOPR was not intended to divert or slow progress on those efforts.<sup>11</sup>

In general, WIRES supports core aspects of the proposed rule. To the extent the Commission’s proposal is likely to facilitate expediting the interconnection of ready generation, WIRES supports the Commission’s effort. However, WIRES submits the following comments to seek clarification of certain aspects of the proposal, or in certain instances where the proposal is at odds with the Commission’s goal of expediting the interconnection of ready customers to the transmission system in a reliable, efficient, transparent, and timely manner, WIRES asks the Commission to revise or reconsider its proposed reforms.

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<sup>8</sup> The Commission explained that “[a] first-ready, first-served cluster study process includes the following elements: increased access to information prior to entering the queue; a mechanism to study interconnection requests in groups; and increased financial commitments and readiness requirements to enter and proceed through the queue.” Interconnection NOPR at P 4 fn. 8. The first-ready, first-served cluster study process differs from the existing first-come, first-served serial study process, which “assigns interconnection requests an individual queue position based solely on the date of entry into the queue and does not include access to information prior to entering the queue.” *Id.*

<sup>9</sup> Interconnection NOPR at P 4.

<sup>10</sup> *Id.* at P 5.

<sup>11</sup> *Id.* at P 6.

## II. COMMENTS

### A. Proposed Reforms to Implement a First-Ready, First-Served Cluster Study Process

The Commission proposes to require transmission providers to eliminate the serial first-come, first-served study process and instead use a first-ready, first-served cluster study process.<sup>12</sup> As part of these reforms, the Commission proposes to adopt more stringent financial commitments and readiness requirements for interconnection customers to remain in the interconnection queue as a way of discouraging speculative interconnection requests and allow transmission providers to focus on processing viable interconnection requests and better approximate the cost of the interconnection study process.<sup>13</sup> These reforms include increasing the total study deposit amounts submitted in the interconnection process,<sup>14</sup> imposing more stringent site control requirements,<sup>15</sup> requiring a commercial readiness framework,<sup>16</sup> and requiring transmission providers to assess withdrawal penalties to interconnection customers in certain circumstances.<sup>17</sup>

WIRES generally supports the Commission's proposal to move away from a first-come, first-served serial study process and instead prioritize interconnection of resources that demonstrate readiness. The existing backlogged queue is largely a result of efforts to implement legacy first-come, first-served processes, along with a significant number of renewable generation requests, and experience has shown that these structures have led to delays,

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<sup>12</sup> *Id.* at P 64.

<sup>13</sup> *Id.* at P 103.

<sup>14</sup> *Id.* at PP 106-110.

<sup>15</sup> *Id.* at PP 115-123.

<sup>16</sup> *Id.* at PP 128-137.

<sup>17</sup> *Id.* at PP 140-148.

uncertainty, and frequent restudies as generation is changed or drops out of the queue. By contrast, a process that focuses on review of projects that are ready to move forward is likely to create a more efficient generator interconnection process that could address the backlog problems flagged by the Commission. Reducing or eliminating the need to study speculative or non-viable projects avoids wasting time and resources and should prove helpful in reducing backlogs. Similarly, the Commission's proposal to require withdrawal penalties, with increasing penalties at later stage withdrawals, on interconnection customers should further reduce delays and disruptions to study processes.

With respect to the proposed rule, it is important for the Commission to accommodate efforts that are already underway in several regions to adopt or implement already approved generator interconnection reforms consistent with the Commission's objectives in the instant NOPR and designed to improve queue processing and ensure that interconnecting generators that are prepared to go forward with their projects are prioritized in the interconnection process. For instance, PJM, MISO, and SPP all have generator interconnection queue reforms underway.<sup>18</sup> Additionally, in non-RTO/ISO regions, Duke Energy Carolinas, LLC, Duke Energy Progress, LLC, Dominion Energy South Carolina Inc., PacifiCorp, Public Service Company of New Mexico, Public Service Company of Colorado, and Tri-State Generation and Transmission Association, Inc. have all implemented interconnection queue reforms.<sup>19</sup> Regional efforts like

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<sup>18</sup> See PJM Interconnection, L.L.C., Tariff Revisions for Interconnection Process Reform, Request for Commission Action by October 3, 2022, and Request for 30-Day Comment Period, Docket No. ER22-2110-000 (June 14, 2022); see also PJM Interconnection, L.L.C., Submission of Response to Deficiency Letter, Docket No. ER22-2110-001 (Sept. 29, 2022) (PJM Deficiency Response Letter); Midcontinent Independent System Operator, Inc., Comments ANOPR docket at n. 206 (Oct. 12, 2021); Southwest Power Pool, Inc., Comments ANOPR docket at 20 (Oct. 12, 2021).

<sup>19</sup> *Duke Energy Carolinas, LLC*, 176 FERC ¶ 61,075 (2021); *Dominion Energy S.C., Inc.*, Docket No. ER22-301-000 (Dec. 28, 2021); *PacifiCorp*, 171 FERC ¶ 61,112 (2020); *Pub. Serv. Co. of N.M.*, 136 FERC ¶ 61,231 (2011); *Pub. Serv. Comm'n of Colo.*, 169 FERC ¶ 61,182 (2019); *Tri-State Generation & Transmission Ass'n, Inc.*, 173 FERC ¶ 61,015 (2020).

these involve extensive stakeholder engagement as well as time and resource commitments from all parties involved. Moreover, the Commission acknowledged that in the last few years it has approved proposals from several transmission providers to transition away from a first-come, first-served serial study process to a first-ready, first-served cluster study process.<sup>20</sup> The Interconnection NOPR appropriately recognizes the fact that various efforts are currently underway that could resolve many of the issues raised in this proceeding:

We recognize that transmission providers have undertaken efforts to address interconnection queue management issues. This NOPR is not intended to divert or slow the potential progress represented by those efforts. We will review any filings that result from those efforts based on the record before us in those proceedings and not based on whether they comply with the proposed reforms in this NOPR. We note that any compliance obligations arising out of any final rule in this docket on the issues addressed herein will be evaluated in light of the independent entity variation for RTO/ISO regions and the consistent with or superior standard for non-RTO regions.<sup>21</sup>

To the extent these ongoing efforts appear likely to accomplish the Commission's goals of expediting the interconnection process, WIRES believes the Commission should accommodate these efforts rather than slow down or preempt these initiatives by enforcing standardization with the proposed *pro forma*.

### **B. Informational Studies for Prospective Developers**

The Commission proposes to require transmission providers to offer an informational interconnection study to prospective interconnection customers at their request that provides cost estimates for the transmission provider's interconnection facilities and network upgrade costs specific to the interconnection scenario detailed in the study agreement.<sup>22</sup> Prospective

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<sup>20</sup> Interconnection NOPR at P 21 and fn.69.

<sup>21</sup> *Id.* at P 6.

<sup>22</sup> *Id.* at P 42.

interconnection customers are limited to five separate informational study requests at a time, and the transmission provider would have 45 days to complete the study.<sup>23</sup>

The informational interconnection study requirement, as proposed by the Commission, is likely to provide minimal benefits to prospective interconnection customers while imposing significant burdens on transmission providers. Transmission providers need to be able to focus on processing the existing queue backlog and completing studies of queue projects that have actually entered the queue. Furthermore, the same utility planning personnel are expected to face expanded work requirements borne of the Commission's other ongoing initiatives (e.g., long-term transmission planning). Imposing a requirement to perform up to five informational studies within 45 days upon request will require transmission providers who already face "overwhelming" demands on their resources<sup>24</sup> to divert those resources from interconnection studies and other transmission planning functions to perform these informational studies. At the same time, the informational studies produced within the short 45-day period are likely to be of little benefit to interconnection customers as they would not account for other interconnecting projects entering the interconnection queue to the extent any such projects are not known at the time when the studies are performed.<sup>25</sup> As the informational studies will only divert resources and add to the burdens on resource-constrained transmission providers while not adding meaningful value to requesting interconnection customers, the Commission should not make the informational studies a requirement for transmission providers.

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<sup>23</sup> *Id.* at P 43, 44.

<sup>24</sup> *Id.* at P 102.

<sup>25</sup> Not only would such informational studies provide limited information of value to interconnection customers, they threaten to create distracting and resource-consuming disputes. Such complaints can arise when cluster studies performed as part of the formal interconnection process reveal network upgrade costs that are meaningfully different from those estimated in informational studies.



### C. Elimination of the Reasonable Efforts Standard

Currently under the LGIP, transmission providers are required to use reasonable efforts in processing and analyzing interconnection requests, including completing various studies within certain prescribed timeframes.<sup>26</sup> While the *pro forma* LGIP currently does not include any penalties or financial consequences if a transmission provider fails to meet any of these deadlines (in recognition of the fact that the complexities of the process do not lend themselves to specific timelines as identically suited for every project), in the proposed rule, the Commission proposes to eliminate the reasonable efforts standard for transmission providers completing interconnection studies and instead establish firm study deadlines and penalties for failure to meet those deadlines except in situations where force majeure is determined to be applicable.<sup>27</sup> The Commission further clarified that it would apply penalties to RTOs/ISOs as well as to other transmission providers.<sup>28</sup>

The reasonable efforts standard is just and reasonable because it recognizes the fact that the interconnection study process is subject to decisions and actions taken by entities beyond the control of the transmission provider and that the exigency of each case calls for individually tailored time considerations to reach optimal results. The interconnection study process involves analyzing the particular features and characteristics of each interconnecting resource along with the system impacts on the transmission network. The process is complex, and the study process is subject to modification based on withdrawals and changes to the request parameters of

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<sup>26</sup> *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 104 FERC ¶ 61,103 (2003), *order on reh'g*, Order No. 2003-A, 106 FERC ¶ 61,220, *order on reh'g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh'g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff'd sub nom. Nat'l Ass'n of Regul. Util. Comm'rs v FERC*, 475 F.3d 1277 (D.C. Cir. 2007); *pro forma* LGIP sections 2.2, 6.3, 7.4, and 8.3.

<sup>27</sup> Interconnection NOPR at P 168-169.

<sup>28</sup> *Id.* at P 171.

interconnecting generators under study. As a result, changes that are beyond the control of the transmission provider occur and can (and do) result in changes and constructive “delays” to study timelines. Because the reasonable efforts standard accounts for changes that are beyond the control of the transmission provider but cause disruptions and delays to study timeline schedules, it provides for a just and reasonable approach to examining schedule delays.

As a result, the Commission should reconsider its proposals to eliminate the reasonable efforts standard and to add the strict penalties scheme for missed study deadlines because they will impose an unjust and unreasonable burden on transmission providers resulting in adverse consequences that will be counterproductive to expediting interconnection queue processing. At the outset, the rigid penalty provision proposed by the Commission is not just and reasonable because its strict liability approach would sanction transmission providers for missing interconnection study deadlines for reasons that are beyond the control of the transmission provider. The Interconnection NOPR’s only exception for missing a study deadline is for instances involving force majeure.<sup>29</sup> Strict liability for penalties would only accomplish the objective of meeting interconnection study deadlines if the penalties are imposed upon entities with absolute control over the interconnection study process. Imposing penalties on transmission providers for missing study deadlines if the reason for missing a deadline is beyond the control of the transmission provider will not accomplish the purpose underlying the penalties. As a result, if the Commission insists on imposing penalties, it should consider allowing for exceptions beyond force majeure, such as for good cause shown.

One consequence of the Commission’s elimination of the reasonable efforts standard in favor of a strict liability penalties regime will, by necessity, require transmission providers to take a more rigid approach to management of the interconnection queue. In order to adhere to

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<sup>29</sup> *Id.*

strict study deadlines and avoid imposition of penalties, transmission providers will be penalized for exercising flexibility to accommodate requests by interconnecting parties for project redesigns or to modify their requests if such changes would result in delays to the process and potential penalties.

Finally, it is not at all clear how the Commission's proposal to apply penalties to RTOs/ISOs will accomplish its goal of expediting interconnection study timelines to help eliminate the queue backlog. The Commission acknowledges that as not-for-profit entities, RTOs/ISOs would need to recover the costs of any penalties from others – and not necessarily entities that are responsible for or contributed to the delays that will have caused the penalties.<sup>30</sup> Simply as a matter of formulating incentives, imposing a penalty on an entity that will not ultimately bear the cost of that penalty will fail to achieve the purpose of the penalty. Moreover, establishing a penalties scheme through which the cost of the penalties are passed through and borne by entities not responsible for the underlying violation would not satisfy the Commission's obligation to establish a just and reasonable rate, term or condition of service as required under FPA section 206.

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<sup>30</sup> *Id.* at PP 171-172.

### III. CONCLUSION

WIRES respectfully submits these comments for consideration by the Commission as it considers further action on the proposed rule.

Respectfully submitted,

A handwritten signature in black ink that reads "Larry Gasteiger". The signature is written in a cursive style and is positioned above a solid horizontal line.

Larry Gasteiger  
Executive Director  
WIRES  
529 Fourteenth Street, NW  
Suite 1280  
Washington, DC 20045  
Mobile: (703) 980-5750  
[lgasteiger@exec.wiresgroup.com](mailto:lgasteiger@exec.wiresgroup.com)

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