

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

Improvements to Generator Interconnection)
Procedures and Agreements)

RM22-14-000

REPLY COMMENTS OF THE AMERICAN COUNCIL ON RENEWABLE ENERGY

The American Council on Renewable Energy (“ACORE”), a national nonprofit organization dedicated to advancing the critical importance of renewable energy and to advocating for the market structures, policies and financial innovations designed to advance renewable energy deployment, hereby submits these Reply Comments pursuant to the Federal Energy Regulatory Commission’s (“FERC” or “Commission”) June 16, 2022 Notice of Proposed Rulemaking, issued in the above-captioned proceeding.¹

In addition to these comments, ACORE also supports the reply comments being filed today by the Interconnection Cost Consumer Protection Coalition.

I. COMMENTS

A. Numerous Commenters Stress the Importance of Incorporating Interconnection into the Transmission Planning Process

ACORE agrees with the many commenters from diverse perspectives who emphasized the importance of incorporating interconnection needs into a comprehensive long-term transmission planning process.² This nexus between improvements in transmission planning and

¹ *Improvements to Generator Interconnection Procedures and Agreements*, Docket No. RM22-14-000, 179 FERC ¶ 61,194 (2022) (“NOPR”).

² See the Reply Comments of Americans for a Clean Energy Grid (ACEG) in this NOPR for multiple examples of such comments.

interconnection processes further supports the need for a strong final rule on transmission planning. In our reply comments on the Transmission Planning NOPR, ACORE responded to the multiple calls for a less prescriptive and more flexible final rule by pointing out that excess flexibility would detract from the benefits of improved transmission planning.³

Ironically, some of the entities requesting such flexibility in the Transmission Planning NOPR are now correctly stating the importance of addressing interconnection needs through transmission planning. For example, the Edison Electric Institute states that the “concurrent proposal to require long-term, scenario-based transmission planning should result in comprehensive, proactively built transmission solutions such that the network upgrades identified in interconnection studies are better reflective of the incremental investment needed to interconnect generators, thereby reducing queue backlogs.”⁴ But in the Transmission Planning NOPR, EEI asks for regional flexibility and objects to “a prescriptive process.”⁵ EEI and other commenters’ acknowledgement of the critical need for comprehensive long-term transmission planning detracts from the validity of arguments for excess flexibility.

B. The Identification of Best Practices and Greater Transparency are Integral to Interconnection Process Reforms

ACORE recommended in our initial comments in this NOPR that “the Commission initiate a proceeding to establish uniform, transparent, and reasonable interconnection study assumptions and criteria that allow for reproducible study results,” and that such criteria

³ ACORE Reply Comments, *Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection*, RM21-17-000 (September 19, 2022) at 4. (“Transmission Planning NOPR”)

⁴ EEI Initial Comments at 2-3.

⁵ EEI Transmission Planning NOPR Initial Comments at 5.

“incorporate best practices, such as the use of automation, to reduce the time to conduct the studies.”⁶ For example, an initiative between Southwest Power Pool, Amazon Web Services and NextEra to better automate interconnection studies is an example of a best practice that could be adopted by other regions.⁷

A related point is the need for greater transparency of the data that feeds into both the interconnection and transmission planning processes, as recommended in Google’s comments, especially in non-RTO/ISO regions.⁸

ACORE also generally support’s American Electric Power’s proposal for a technical conference that would include discussions of what information would be most useful to developers, what information is feasible to provide, and how it can best be shared.⁹

C. Accounting for Alternative Transmission Technologies in Interconnection Studies will Achieve Efficiencies and Reduce Interconnection Costs

ACORE agrees with the WATT Coalition that “advanced transmission technologies should be considered as a routine matter in interconnection processes in all regions under the Commissions’ jurisdiction.”¹⁰ Several commenters objected to any requirement for the interconnection studies to incorporate such technologies, describing such a requirement as burdensome, even under the NOPR’s weaker requirement for such inclusion to occur at the

⁶ ACORE Initial Comments at 5.

⁷ *Artificial intelligence could speed interconnection, says Amazon executive*, PV Magazine (October 17, 2022), <https://pv-magazine-usa.com/2022/10/17/artificial-intelligence-could-speed-interconnection-says-amazon-executive/>

⁸ Google LLC Initial Comments at 3-4.

⁹ American Electric Power (AEP) Initial Comments at 15.

¹⁰ WATT Coalition Initial Comments at 2.

request of the interconnection customers.¹¹ Many of these parties also recommend waiting for the outcome of a number of ongoing FERC proceedings on grid enhancing technologies.

An evaluation of these alternative technologies within the interconnection study process would not be a burden but an integral part of the studies. Because these technologies can reduce the costs of interconnection, they will likely reduce the number of project withdrawals and associated restudies.¹² Given the benefits of incorporating grid enhancing technologies in the interconnection studies, there is no justification for “waiting” for other Commission proceedings to conclude.

D. Readiness Requirements Should be Consistent with Project Development Timelines

As noted in our initial comments, ACORE does not object to the inclusion of readiness requirements for interconnection customers. But such requirements must be aligned with the timing of project development and interconnection. ACORE therefore urges the Commission to revise such requirements in the final rule to match the reality of developers’ timelines. A key issue in this regard that was identified by a number of commenters is the proposal to allow a signed Power Purchase Agreement (“PPA”) to indicate readiness.¹³ Such a measure of readiness does not match the sequencing of project development because the PPA is not typically arranged with an offtaker until the full interconnection costs are known, which occurs later in the process.

¹¹ EEI Initial Comments at 20-21; MISO Transmission Owners Initial Comments at 30-32; AEP Initial Comments at 50.

¹² WATT Coalition Initial Comments at 2.

¹³ Enel Initial Comments at 4; Invenenergy Initial Comments at 13; California ISO Initial Comments at 18; Longroad Initial Comments at 16.

E. The Commission Should Reject the Colorado Public Utilities Commission Proposal

The Colorado Public Utilities Commission (PUC) requests that the Commission “allow RTOs and transmission providers to *prioritize* generation projects that are selected under conditions of scarcity and through competitive solicitation processes serving native load customers as overseen by state regulators or other neutral third parties.”¹⁴ According to the Colorado PUC: “The problem appears to be more about rationing access to a resource made increasingly scarce through increased renewable product demand, not solely improving queue management process.”¹⁵

Such an approach would be unjust, unreasonable, and unduly discriminatory. The Federal Power Act (FPA) does not grant a state utility commission or a transmission provider the right to select which interconnection customers plan to make the “best” use of the transmission system. This is especially problematic outside of an RTO/ISO where the utility is also the transmission provider, allowing it to discriminate in favor of its own procured resources. The fact that the Colorado PUC envisions its load serving utilities taking a larger role in developing new generating resources further exacerbates the discriminatory implications by allowing them to select affiliate-owned projects to receive such preferences.¹⁶

¹⁴ Colorado PUC Initial Comments at 3 (emphasis added); *see also id.* at 27.

¹⁵ *Id.* at 14.

¹⁶ *Id.* at 19.

F. FERC Should Only Grant Flexibility Where the Existing Process Can be Demonstrated to Achieve the Goals of the NOPR Proposals

Given that many RTOs/ISOs are in the process of reforming their interconnection processes, ACORE appreciates that there should be some flexibility for existing processes to comply with the NOPR if such processes are expected to achieve or exceed the goals of the NOPR. But at the same time, excess flexibility in the final rule, such as Southern Company's proposal that the Commission only issue a list of general principles, would greatly detract from the achievement of benefits.¹⁷ A consistent minimum set of requirements, along with the prior recommendation for common interconnection study methodologies and best practices, will be essential across all transmission providers, including both RTO/ISO and non-RTO/ISO regions.

II. CONCLUSION

ACORE greatly appreciates the opportunity to submit these comments and urges the Commission to expeditiously finalize both this rulemaking and issue a comprehensive transmission planning rule. We also reiterate our prior recommendation that the Commission initiate a rulemaking to improve the cost allocation of interconnection network upgrades.

Respectfully submitted,

/s/ Elise Caplan

Elise Caplan

Director of Electricity Policy

American Council on Renewable Energy

1150 Connecticut Ave NW, Suite 401

Washington, D.C. 20036

caplan@acore.org

Dated: December 14, 2022

¹⁷ Southern Company Initial Comments at 2.