

NIPPC comments on GI Queue Reform
By e-mail to: techforum@bpa.gov

Thank you for the opportunity to submit comments.

NIPPC supports the proposal to begin a TC-25 Tariff Revision process to reform BPA's Generation Interconnection Queue agreements and procedures. NIPPC also supports the decision to move forward with interconnection queue reform prior to any FERC order on changes to the interconnection processes in the *pro forma* Open Access Transmission Tariff.¹

NIPPC supports the proposal to transition to a cluster study mechanism for generator interconnections. NIPPC also cautiously supports BPA's decision to consider a first-ready/first-served process for generator interconnections. NIPPC's cautious conceptual support arises out of recognition that its members must review the specific details of any first-ready/first-served proposal -- and consider how BPA's proposals align with the generation development process -- before they can reach a conclusion about an actual proposal.

NIPPC recognizes that BPA must also develop a proposal to handle the transition from a serial queue model to a first ready/first served cluster model. NIPPC believes that the timing, eligibility criteria, and other specific details of the transition proposal will be just as important to its members as the specific details of the permanent changes to the interconnection process. NIPPC looks forward to working with staff and other stakeholders to devise both a transition mechanism and a permanent process that balances all the competing interests in this arena.

If BPA staff has any questions or needs clarification regarding these comments, NIPPC encourages staff to contact Henry Tilghman (hrt@tilghmanassociates.com).

1. SCOPE

NIPPC encourages BPA to address all of the factors below in developing a proposal to adopt a first-ready/first served model for BPA's interconnection queue:

- Accuracy of preliminary interconnection cost estimates – customers will not be able to secure a power purchase or commit to other readiness criteria in the absence of accurate information regarding the interconnection costs of their generation project;
- Transparency -- interconnection studies are too often based on black box utility engineering judgement. NIPPC urges BPA to consider in this process how it can enhance the transparency of its study assumptions, processes, and results. In

¹ In the event FERC issues an Order reforming interconnection processes, NIPPC anticipates BPA will initiate a process to consider and incorporate additional changes to the *pro forma* OATT.

particular, study reports should clearly identify reliability violations, how those violations were identified, and what alternatives were considered as part of developing the interconnection plan of service and the allocation of interconnection costs;

- Transition – NIPPC urges BPA to recognize that some customers are far enough along in the existing process that they should be allowed to continue the serial process. The criteria BPA develops for participation in a transition cluster study must consider the relative commitment and investment customers have made in the existing interconnection process; but that there should also not be any significant delay in moving forward with the transition cluster study and subsequent cluster studies;
- Utility procurement processes – the interconnection process and utility procurement processes must align, to the extent possible, in a way that allows them to mutually support each other. First-ready/first-served requirements must reflect the reality of project development and resource procurement processes in the region;
- Coordination with other BPA processes – First, BPA should consider whether a customer’s commitment in TSEP (i.e. an executed Preliminary Engineering Agreement, an executed Environmental Study Agreement or have provided financial security related to a Plan of Service construction) should be considered in whether a customer meets the readiness criteria for purposes of an interconnection cluster study or whether the customer should be entitled to credit towards interconnection deposits for any deposits or financial security submitted for TSEP (while still being responsible for the customer’s share of the actual study costs for the interconnection cluster study). Second, BPA should begin to consider how the different processes that BPA and its customers rely on to ensure that load in the region is safely and reliably served at reasonable cost in compliance with state energy policies all work together. The interconnection process does not function in isolation – though the *pro forma* OATT may treat it so; rather transmission planning, transmission expansion, and interconnection are all components of a larger process to ensure that generation capacity is available to meet load. While NIPPC acknowledges that reforms to transmission planning and construction should be out of scope for this process, NIPPC encourages BPA to use this process to consider how an interconnection cluster study process will work in coordination – rather than conflict – with transmission planning and transmission expansion.
- Timely execution -- BPA must recognize the impact delays in completing interconnection studies will have on BPA’s customers (not only the interconnection customer, but the transmission or power customer relying on that generator to meet its energy and capacity needs). If BPA moves to adopt a first-ready/first-served cluster study for interconnections, BPA must ensure that it has sufficient staff and resources to deliver interconnection cluster study reports to the region on time and that accurately identify a project’s interconnection costs.

2. PROCESS

With regard to BPA's proposed process, NIPPC suggests minor changes to the timing of the customer comments deadlines and/or the scheduling of the customer-led workshops. NIPPC agrees that there is value for all stakeholders to have the opportunity to review and consider the written comments of other stakeholders. This is rarely possible when the deadline for customer comments on BPA's presentation coincides with the date of the following customer-led workshop. Stakeholders do, however, need adequate time to consider BPA's presentations and prepare comments; in NIPPC's case, that timeline must allow sufficient time for members to review and provide feedback on NIPPC's initial draft of comments. NIPPC suggests that the existing two weeks provides the appropriate amount of time for stakeholders to provide comments to BPA; nevertheless, NIPPC could accept a shorter deadline of 10 days to submit comments in response to BPA's presentations. NIPPC's preferred alternative, however, would be to retain the existing deadline for stakeholder comments but schedule the customer-led workshops to be held three weeks after each BPA-led workshop. This change would continue to allow stakeholders sufficient time to develop and submit comments fully vetted by all of their members; as well as time for all stakeholders, including BPA staff, to consider customer comments prior to the customer-led workshop.