Commission considers electricity standards under 2005 Energy Policy Act

The commission will convene a workshop on **Friday, Dec. 15, 2006, at 9:30 a.m**. to further address the comments and proposal by the load-serving utilities that were received on Aug. 11, 2006. Workshop participants should be prepared to address the following topics:

Benton Rural Electric's comments on Standards for Interconnection to Electricity Utility Delivery Systems Docket UE-060649

1. What criteria should be used to distinguish customers eligible to apply for interconnection to a utility's distribution system from customers eligible to apply for interconnection to the utility's transmission system under FERC rules?

   The size and/or capacity of the generation facility would be the determining criteria that would distinguish which customers are eligible for transmission or distribution interconnection. Interconnection to the transmission system is much more costly and requires additional protection and automation. Transmission interconnection certainly does not lend itself to standardized interconnection policies.

2. Should standards governing distribution-level interconnections be limited in application to net-metered facilities and if so, why?

   Yes- Interconnection complexity and cost significantly increase with the capacity or size of the generation installation. Distribution connections could be larger than 10 MVA, and the amount of energy available during faults must be dealt with differently. Net metering should be for small generator installations, those with limited ability to contribute to fault current. Net metering was proposed because the FERC PURPA 210 rules regarding qualifying facility interconnection were more complex and anticipated the interconnection of larger generation facilities. In addition the calculation of "avoided cost" under PURPA 210 was prohibitive for small "eco-friendly" producers. However, the provisions for recognition of the generation produced by Net metering facilities while straight forward and simplistic, do not fairly reflect the true costs of service. Under net metering the utility ends up spreading the true cost of providing power or acquiring the generation from the net metering project to other non-generating members of the utility. The question of how far (above 100KW?) to extend the provisions of net metering can only be answered by determining how much subsidy is appropriate for utilities to offer a net metering power producer. One must also answer the question regarding safety and liability issues that are also inherent with any generation facility.

3. Should standards governing distribution-level interconnections apply to interconnection of qualifying facilities (QF) under the Public Utility Regulatory Policies Act and if not, why not?

   NO-absolutely not. PURPA 210 projects are projects that would exceed the capacity or size anticipated under net metering or standardized distribution-level interconnection policies being discussed. The PURPA 210 requirements have been in place for over 25 years and prompted a significant amount of qualifying generation to be developed and interconnected.

Under PURPA 210 there are no project size limitations and as such standardized interconnection would not be applicable.

4. Do the engineering requirements and limitations relevant to distribution-level interconnections up to 300 kW vary among utility distribution systems? If so, what characteristics of the distribution system cause the engineering requirements and limitations to vary? How might this be addressed via rule?

   First we do not support standardized distribution-level interconnections above 100KW which is the current statutory requirement. While requirements and limitations for net metering may not vary by utility, the application of standardized requirements and limitations will certainly vary based upon the infrastructure in existence at the location of interconnection. As such even 100KW may create electrical disturbances depending on the distance and capacity of the existing infrastructure. Each situation will likely be unique and as such will not lend themselves to an administrative rule.

5. Do the engineering requirements and limitations relevant to distribution-level interconnections up to 2 MW vary among utility distribution systems? If so, what characteristics of the distribution system cause the engineering requirements and limitations to vary? How might this be addressed via rule?

   *There can be no standardized distribution-level interconnections for generation facilities of this size. Installations of up to 2 MW will drive system analysis and stability studies that will ultimately determine the type of interconnection necessary, and the costs of such interconnections. The application of standardized requirements and limitations for interconnection above 100KW will certainly vary based upon the infrastructure in existence at the location of interconnection. Each situation will likely be unique and as such will not lend themselves to an administrative rule***.**

6. Should the requirement of an external disconnect switch contained in WAC 480-108 be retained?

   Yes- While each installation will be different there is absolutely no way that the safety and protection of electrical workers can be maintained without some form of electrical disconnect. For smaller installations made under the net metering policy, the disconnect may be waived if adequate documentation is available and the installation has been verified by Labor & Industries that equipment can not generate back into the system. However for projects that are interconnected under PURPA 210, the disconnect must be required.

7. Should utilities be allowed the option to require an interconnecting customer to bear the cost of a dedicated distribution transformer if one is deemed necessary by the utility?

   Absolutely- Yes.

8. Given the Commission's general authority to address disputes (WAC 480-107) what, if any, additional dispute resolution processes are needed to apply specifically to generator interconnection?

   Cooperatives in Washington State are not under the jurisdiction of the Utility Commission and would urge avoidance of another level of oversight to existing FERC rules.