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Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive S.W.
PO Box 47250
Olympia, Washington 98504-7250

RE: Docket UE-060649

I. SUMMARY

The U.S. Environmental Protection Agency is pleased to provide comments on the draft amended rule in docket UE-060649, *Public Utility Regulatory Policies Act Standards for Interconnection to Electric Utility Delivery Systems*.

As noted in EPA's July 25, 2006 comments, EPA has developed a *Clean Energy-Environment Guide to Action* which describes 16 policies and strategies that are delivering economic and environmental results for states. Interconnection standards are among the policies featured in the *Guide to Action* because states and energy users have identified it as a significant factor affecting the success of new clean distributed generation projects. In addition, EPA provides technical assistance to state policy makers as they consider interconnection standards. Through these activities, we are pleased to share successful elements of interconnection rules that states have implemented.

II. COMMENTS

Section 480-108-001:

In EPA's work with state policy makers and clean energy project developers, EPA has found that these stakeholders are pursuing standard interconnection rules which apply to systems larger than 300 kW to help support increased clean energy supply. FERC, in addition to several states, has developed standard interconnection rules for systems larger than 300 kW, as shown below:

- The FERC Small Generator Interconnection Rule, 20 MW capacity limit
- Connecticut, 25 MW
- Minnesota, 10 MW
- New Jersey and New York, 2 MW
- Wisconsin, 15 MW

In addition, States with interconnection rules have frequently utilized a tiered system to differentiate the technical and application requirements between various system sizes. For example, New Jersey has a three tier system which addresses specific procedures and timelines for each tier. FERC also utilizes a tier system for review processes; there is a “fast track” process for systems smaller than 2 MW and a 10 kW inverter process for small inverter-based systems.

Section 480-108-020:

The draft amended rule proposes a prohibition of interconnection to grid network distribution systems without any opportunities to pursue projects further that could make sense for the grid; this is stringent in comparison to other state and model rules. For example, the MidAtlantic Distributed Resources Initiative (MADRI) model rule and the Oregon draft Standard Small Generator Interconnection Rule (Oregon draft rule) both allow, at a minimum, the customer to request a study to assess the impact of the project on the grid, among other issues.

In addition, the draft amended rule proposes that all interconnection to spot network distribution systems require review and written pre-approval by the utility. The MADRI model rule and Oregon draft rule allow interconnection to spot network distribution systems a fast track option, if the generator has reverse power relays that prevent feeding power into the network/grid. For other cases, the customer can request a study and may subsequently be able to interconnect.

Section 480-108-030 and Section 480-108-035:

Many state interconnection rules address both the application process and the technical requirements for interconnecting DG projects. These process requirements, including timelines and fees, provide enhanced certainty, both financial and duration, for the energy user as they move through the project development process.

The fees in the draft amended rule are similar to many successful states rules. However, additional clarity around the customer deposit (amount or percentage of estimated costs) would provide helpful certainty for the customer.

The timelines in the draft amended rule differ significantly from many successful states rules. It should be noted that all timelines in the draft amended rule are for the applicant/customer and none for the utility. Many states including California, Illinois, Minnesota, New York, and Oregon’s draft rule, as well as the FERC Small Generator Interconnection Rule and MADRI model rule, all include timelines for both the utility and applicant/customer.

Section 480-108-040:

The draft amended rule states that interconnection of generating facilities to individual distribution feeders is limited to 10% of the feeder’s peak capacity and that the utility has the discretion to allow additional generation interconnection beyond these stated limits. Other state and model rules, such as Oregon’s draft rule and the MADRI model rule, do

not have maximum load restrictions, rather there is a load maximum for a fast track screen. If the customer does not pass the screen, they can request a study and may subsequently be able to interconnect. This type of certainty would be helpful to customers as they move through the project development process.

III. CONCLUSION

Again, EPA congratulates Washington for continuing this process as standardized interconnection rules are a key component in increasing the amount of clean energy supply. Please contact me if EPA can assist by providing further information or experiences from other states.

Respectfully submitted,



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