

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of	)	
	)	DOCKET NO. UE-060649
Public Utility Regulatory Policies Act Standards	)	
	)	COMMENTS OF THE INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES
Standards for Interconnection to Electric Utility Delivery Systems	)	

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**I. INTRODUCTION**

1           The Industrial Customers of Northwest Utilities (“ICNU”) submits the following Comments to the Washington Utilities and Transportation Commission (“WUTC” or the “Commission”) regarding the Commission’s proposed rules for interconnections to electric utility delivery systems. While the proposed amendments to Chapter 480-108 of the Washington Administrative Code represent a step in the right direction, ICNU believes that the WUTC should further attempt to make the State’s standards as similar as possible to those already adopted by the Federal Energy Regulatory Commission (“FERC”). Specifically, the WUTC should require: 1) a tiered system drawing the same distinctions between large and small interconnections as FERC; 2) a “fast track” option and “10 kilowatts (“kW”) Inverter” option; 3) standardized procedures and applications for facilities larger than 300 kW; and 4) provisions for facilities under 300 kW regarding the recovery of costs for transmission upgrades that benefit an electrical company’s other customers.

## II. BACKGROUND

2                   On June 6, 2006, the WUTC issued a notice requesting comments on whether the Commission should adopt new or revised regulations regarding interconnection of customer-owned generation facilities to investor-owned electric utility delivery systems. On August 11, 2006, a number of parties submitted comments, including ICNU. ICNU recommended that the Commission adopt uniform standards similar to those already adopted by FERC and other states to promote administrative efficiency.

3                   A joint proposal by Puget Sound Energy, Avista Corporation, and certain non-jurisdictional public utilities and cooperatives (collectively, the “Load Serving Utilities”) also was submitted to the Commission. That proposal recommended that the WUTC adopt certain standards for facilities up to 300 kW of capacity. The Commission held a workshop on December 15, 2006, to address the proposal, which resulted in the current draft of proposed rules.

## III. COMMENTS

### A.     **The Commission Should Adopt the Same Distinctions Between Large and Small Interconnections as FERC**

4                   The Load Serving Utilities recommended that the Commission draw 300 kW as the distinction between large and small interconnections. Under the proposed rules, all interconnections less than 300 kW are governed by the standards set out in Chapter 480-108 of the Washington Administrative Code. For interconnections greater than 300 kW, however, discretion is given to each individual utility to develop its own standards. FERC also has developed a tiered system, but FERC has drawn the distinction

between large and small interconnections at 20 MW, with a “Fast Track” process for interconnections of less than 2 MW and a “10 kW Inverter” process. Standardization of Small Generator Interconnection Agreements and Procedures, 111 FERC ¶ 61,220, at P 45 (2005) (“Order 2006”). Moreover, FERC has standard procedures and forms for all interconnections, including those larger than 20 MW.

5                   The Load Serving Utilities argue that interconnections larger than 300 kW are too complex, and that each utility should be allowed to take into account their unique circumstances. The Load Serving Utilities, however, have not demonstrated what those difficulties entail. FERC conducted a lengthy rulemaking proceeding in establishing national interconnection standards, and did not identify any difficulty with interconnections greater than 300 kW. Accordingly, to promote uniformity and administrative ease, and to prevent discrimination among interconnection customers, the Commission should follow the already-established national standards developed by FERC.

**1.       The Commission Should Adopt a “Fast Track” and “10 kW Inverter” Process for Interconnections with Less Than 300 kW of Capacity**

6                   In Order 2006, FERC stressed harmonizing state and federal standards for interconnections to remove the “roadblocks to the interconnection of Small Generating Facilities” and “promote consistent, nationwide interconnection rules.” Id. at P 4. Specifically, FERC stated that it hopes that states currently without interconnection rules would adopt the “Fast Track” process and “10kW Inverter” process. Id. In order to promote uniformity in state and federal interconnection rules, the Commission should adopt rules similar to the Fast Track and 10 kW Inverter processes.

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The FERC Fast Track process applies to interconnection customers with capacity of no more than 2 MW. In lieu of scoping meetings and interconnection studies similar to those contained in proposed WAC § 480-108-035, the Fast Track process only requires technical screens designed to quickly identify any issues. Id. at P 45. If the technical screens do not identify any issues with the interconnection, or if there are no safety or reliability concerns, the utility must offer the customer an interconnection agreement. Id. If the technical screens fail and there are safety or reliability concerns, then the utility and the customer meet to identify what upgrades are necessary for interconnection, similar to the process provided in proposed WAC § 480-108-035. Id.

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Under the 10 kW Inverter process, the same technical screens used in the Fast Track process are used for inverter-based generators no larger than 10 kW, but the process includes a “simplified application form, interconnection procedures, and a brief set of terms and conditions.” Id. at P 46. Thus, the 10 kW Inverter process is an “all-in-one” process that does not require an interconnection agreement separate from the application. Unless the technical screens show reliability and safety concerns, the utility must approve the application and interconnection. Id.

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These two processes were developed after substantial comments by numerous parties at FERC. The Load Serving Utilities have not demonstrated why these processes would not work for the State of Washington. In the absence of such demonstration, the WUTC should adopt both the Fast Track and 10 kW Inverters processes in the Commission’s final rule.

**2. If the Commission Adopts the 300 kW Tier, the Commission Should Adopt Standardized Procedures for Interconnections Larger Than 300 kW**

10 FERC has implemented uniform interconnection standards for interconnections of 20 MW or larger. FERC stated that uniform procedures and agreements for large interconnections are necessary to “minimize opportunities for undue discrimination and expedite the development of new generation, while protecting reliability and ensuring that rates are just and reasonable.” Standardization of Generator Interconnection Agreements and Procedures, 104 FERC ¶ 61,103 at P. 11 (2003) (“Order 2003”). Accordingly, the Commission should adopt uniform procedures and agreements for all interconnections with capacity greater than 300 kW.

11 Under the proposed rules, although a utility is required to offer standard forms for applications and agreements under proposed WAC § 480-108-070(8), there are no standard fees, and forms and procedures could vary from utility to utility. In order to promote uniformity, reduce confusion and prevent discrimination, the Commission should adopt standards that apply to all utilities, similar to the procedures adopted by FERC in Order 2003.

**B. The Commission Should Adopt a Cost-Recovery Standard for Network Upgrades for Interconnections Less Than 300 kW**

12 Under FERC’s interconnection standards, when the interconnection of a small generator requires the utility to make network upgrades, the utility is required to pay for the upgrades. Order 2006 at P 40. FERC’s procedure requires the interconnection customer to first fund the network upgrades, but the utility is required to

reimburse the customer. Id. FERC recognized that, in most cases, the interconnection of small generators will not result in network upgrades. Id.

13                   For interconnections greater than 300 kW, proposed WAC § 480-108-070(6) requires utilities to pay for interconnections that are “shown to provide quantifiable benefits to an electrical company’s other customers[.]” No such provision, however, exists for interconnection customers with less than 300 kW of capacity. Although, as FERC recognizes, network upgrades for smaller interconnections will be rare, interconnection customers with less than 300 kW of capacity should be reimbursed for network upgrades that benefit a utility’s other customers.

### III. CONCLUSION

14                   The Commission should strive to adopt interconnection standards as similar as possible to those already adopted by FERC to promote uniformity. ICNU appreciates the opportunity to submit these comments.

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Respectfully submitted,

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