

Request.⁵⁴ They disagree with the proposed LGIP Section 3.3.1 provision that allows for the posting of an additional \$10,000 deposit in lieu of the demonstration of Site Control. For example, PJM states that Site Control is a strong indication of a serious project and is essential for establishing a queue that will consist of projects that are likely to be completed. PJM claims that this is not a burdensome requirement, and that every one of the 285 requests for generator interconnection that it has received since 1999 has included evidence of Site Control at the Interconnection Feasibility Study stage. Edison Mission believes that the Interconnection Customer must have uninterrupted Site Control throughout the interconnection process. It states that a \$10,000 deposit is not sufficient to discourage Interconnection Customers from filing premature Interconnection Requests (in order to secure a favorable Queue Position) and only later find themselves to be unable to secure Site Control. Edison Mission further contends that such a minimal deposit requirement may encourage Interconnection Customers, not acting in good faith, to speculate in interconnection rights by placing deposits for Interconnection Requests at promising locations. It believes that such speculation will frustrate other Interconnection Customers that obtain a site but are locked out of interconnection due to the superior Queue Position of a Party that merely posted a deposit. Edison Mission predicts that this will become an even greater issue as market designs based on locational marginal pricing become the norm.

97. Cleco believes that the only deposit that should be refundable is the \$10,000 deposit paid in lieu of demonstrating Site Control, not the original deposit initiating an Interconnection Request. Moreover, Cleco states that the Commission should make clear that the \$10,000 deposited in lieu of Site Control should be refundable if the Interconnection Customer demonstrates Site Control within the time period specified in Section 3.3.3.

98. Central Maine takes exception to allowing an Interconnection Customer to remain in the queue for a period not to exceed ten years from the date of receipt of the Interconnection Request; it says this period is too long. FirstEnergy recommends replacing "Regional Expansion Planning Period"

with "Transmission Provider Expansion Planning Period." Salt River Project seeks clarification as to how to reconcile a situation where the original In-Service Date is ten years out and there is then a three year extension.

99. Some commenters, including American Wind Energy, Edison Mission, NMA, Peabody, and WEPCO, contend that the development time for certain large scale coal, wind power, and other types of projects raise special issues. For example, they want the ten year restriction eliminated because their equipment is not "off-the-shelf," and siting and permitting can exceed ten years. Some commenters also want the Commission to revise Section 3.3.1 to allow them up to nine months after the Interconnection Request is made to submit final design specifications. They contend that because large non-gas-fired generators are unique and not "off-the-shelf," completion of the final design specifications requires nine or more months after the Interconnection Request is submitted.

Commission Conclusion

100. We retain the proposed text that requires a demonstration of Site Control or a posting of an additional deposit of \$10,000. There may be instances when requiring Site Control could unduly delay the interconnection process.

101. We also share Edison Mission's concern that some participants may attempt to game the system by filing Interconnection Requests at multiple sites knowing that Site Control is unlikely to be obtainable at every site. However, under NOPR LGIP Section 11.3, the Interconnection Customer must provide reasonable evidence of Site Control within 15 Business Days after the receipt of the Final Interconnection Agreement or post additional security of \$250,000, which will be applied toward future construction costs when the demonstration of Site Control is made. This is sufficient incentive for an Interconnection Customer to refrain from engaging in the speculative behavior suggested by Edison Mission.

102. With respect to the ten-year period for allowing an Interconnection Customer to remain in the queue, we believe that ten years should be adequate time to complete the siting, permitting and construction requirements for all plants unless major permitting delays are encountered. Large non-gas-fired projects (e.g., coal or oil projects) generally take eight years or less to complete. Thus, a ten-year period gives large projects at least a two year buffer. Moreover, we note that numerous Interconnection Customers

and Transmission Providers negotiated this time limit during the Consensus process. Finally, if an Interconnection Customer believes it needs additional time to complete its project, it should seek the approval of the Transmission Provider to extend the In-Service Date. Accordingly, the Commission clarifies that the term of the Final Rule LGIP Section 3.3.1 is ten years, or longer if the Parties agree, with such agreement not to be unreasonably withheld.

103. Regarding the need for additional time for some Interconnection Customers to complete design specifications, the Commission is not convinced that an exception should be made in the Final Rule LGIP to allow an Interconnection Customer proposing to construct a large non-gas-fired Generating Facility to submit final design specifications nine months after the Interconnection Request is made. The Interconnection Customer should have its design substantially completed prior to submitting its Interconnection Request so that it does not block or disrupt the queuing process. The Transmission Provider is not able to act on an Interconnection Request unless it includes all necessary information, and to give one class of Interconnection Customers extra time to submit design specifications would be unfair to other Interconnection Customers in the queue.

104. As to FirstEnergy's recommendation, the Commission clarifies that, in the absence of a regional expansion planning period, the appropriate expansion planning period would be that of the Transmission Provider.

105. *Section 3.3.4—Scoping Meeting* (In the NOPR: Initial Scoping Meeting)—Proposed LGIP Section 3.3.4 would have required the Transmission Provider to hold a Scoping Meeting with the Interconnection Customer no later than 30 Calendar Days from receipt of the Interconnection Request. The purpose of the Scoping Meeting would be to discuss alternative interconnection options, including potential feasible Points of Interconnection. The Interconnection Customer would designate its Point of Interconnection and one or more alternative Points of Interconnection on the basis of information gathered at the Scoping Meeting. Section 3.3.4 would also provide that the Interconnection Customer may forgo the Interconnection Feasibility Study and proceed directly to an Interconnection System Impact Study.

Comments

106. Several commenters, including El Paso, Entergy, FirstEnergy, and

⁵⁴ E.g., BPA, Central Maine, Cleco, Edison Mission, Georgia Transmission, NYTO, PJM, PJMTO, and Salt River Project.