

withdrawal along with a written explanation. In either instance, the Interconnection Customer would lose its Queue Position and pay all of the Transmission Provider's prudently incurred costs up to the withdrawal. The Transmission Provider would be required to update its OASIS queue posting and to refund the Interconnection Customer any portion of the Interconnection Customer's deposits or study costs that exceeds the costs that the Transmission Provider has incurred, including interest. In the event of a withdrawal, the Interconnection Customer would be able to request all information the Transmission Provider developed for any completed Interconnection Studies, up to the date of withdrawal of the Interconnection Request, subject to the confidentiality provisions of Section 13.1.

Comments

124. FirstEnergy and WEPCO assert that an Interconnection Customer should be given a reasonable amount of time to address purported deficiencies before a Transmission Provider deems a request withdrawn because the purported deficiency may not have been adequately communicated to the Interconnection Customer.

125. Cinergy requests that this section be modified to require that a Transmission Provider provide written notice to the Transmission Owner of any Interconnection Customer withdrawal notice it receives or, alternatively, that the Interconnection Customer provide notice to both the Transmission Provider and the Transmission Owner.

126. When an Interconnection Customer withdraws its application, NYTO supports having the Interconnection Customer pay the Transmission Provider all monies due to the Transmission Provider before it is allowed to obtain any Interconnection Study data or results. Duke Energy argues that an Interconnection Customer's responsibility for prudently incurred costs terminates either when the Transmission Provider receives the Interconnection Customer's notice of withdrawal or, in the event the Interconnection Customer is deemed to have withdrawn its application for interconnection, when the Transmission Provider provides notice of withdrawal.

127. PJM believes that the proposed language implies that if an Interconnection Customer disputes its loss of Queue Position, it would remain in the queue pending Dispute Resolution. PJM advocates instead the approach the Commission has accepted in the PJM Tariff, that is, when an

Interconnection Customer is disqualified from the queue, it is eliminated from the queue unless and until a Dispute Resolution process restores its position.

Commission Conclusion

128. The Commission agrees with FirstEnergy and WEPCO that Interconnection Customers should be given an opportunity to address any deficiencies before their requests are deemed withdrawn by the Transmission Provider. Proposed LGIP Section 3.6 is revised in the Final Rule LGIP accordingly.

129. The Commission agrees with Duke Energy that an Interconnection Customer's responsibility for a Transmission Provider's prudently incurred cost terminates at the earlier of either when the Transmission Provider receives the Interconnection Customer's notice of withdrawal or when the Transmission Provider provides a notice of withdrawal after deeming an Interconnection Request to be withdrawn. The Commission also agrees with NYTO that when the Interconnection Customer withdraws its application, it must pay all monies due to the Transmission Provider before it is allowed to obtain any Interconnection Study data or results.

130. We agree with PJM that it is unreasonable for an Interconnection Customer to maintain its Queue Position pending Dispute Resolution. In most cases, Dispute Resolution and any related litigation would create delays, and it would be unfair to delay the projects of lower queued Interconnection Customers while a higher-queued Interconnection Customer's Queue Position is in dispute. The Commission clarifies this section in the Final Rule LGIP accordingly.

131. *Section 4—Queue Position*—Proposed LGIP Section 4 would establish the Interconnection Customer's Queue Position (*i.e.*, the chronological priority assigned to an Interconnection Request), which would be used to determine both the order in which studies are performed and the cost responsibility for the facilities necessary to accommodate the Interconnection Request. At the Transmission Provider's option, Interconnection System Impact Studies would be performed serially as Interconnection Requests are received or in clusters, as discussed below. Proposed LGIP Section 4 also described when a Queue Position can be transferred to another entity, and when an Interconnection Customer could

modify its Interconnection Request without losing its Queue Position.

132. *Section 4.1—General*—Proposed LGIP Section 4.1 required the Transmission Provider to assign a Queue Position to the Generating Facility based on the date and time of receipt of a valid Interconnection Request. However, if the sole reason that an Interconnection Request is deemed invalid is lack of information required in the Interconnection Request, and if the Interconnection Customer provides such information in accordance with Section 3.3.3 of the proposed LGIP, the Transmission Provider would then be required to assign the Interconnection Customer a Queue Position based on the date and time that the Interconnection Request was initially filed. The Queue Position of each Interconnection Request would be used to determine the order of performing the Interconnection Studies, which would determine the cost responsibility for the facilities necessary to accommodate the Interconnection Request. This is because the facilities needed for one Interconnection Customer are affected by the facilities needed for other generators that come before it in the queue.

Comments

133. TVA observes that the level of commitment by Interconnection Customers to complete an interconnection varies. A change in the request of a higher queued Generating Facility will affect lower queued generators because it may require restudies. It states that the "first-come, first-served" method rewards an Interconnection Customer that simply is the first in line, even if it has not done the preparation to make a complete and legitimate Interconnection Request. According to TVA, this is costly and unfair to other Interconnection Customers. It also asserts that if an Interconnection Customer seeks to change its Point of Interconnection, it should be placed in a lower position in the queue. Ameren has similar concerns and states that it has a high withdrawal rate for Interconnection Requests. It claims that fewer restudies would be needed if a Transmission Provider could study only "serious" requests.

134. American Wind Energy believes that projects in the queue when the Final Rule takes effect should receive equal treatment under the new rule. It states that since summer 2000 several developers have accelerated their projects and have executed interconnection agreements. These developers should be able to have their