

the draft Interconnection Facilities Study Report and a draft LGIA, to the extent practicable, in the form of the *pro forma* LGIA. Within 30 Calendar Days after the issuance of the draft Interconnection Facilities Study report and a draft *pro forma* LGIA, the Transmission Provider shall submit the completed draft of the LGIA.

#### Comments

231. Central Maine believes that 30 days is an unreasonable time frame in which to prepare such technically detailed documents as the appendices to the interconnection agreement, and it should therefore be increased to 60 days.

#### Commission Conclusion

232. Central Maine has not convinced us of the difficulty of preparing the interconnection agreement appendices in 30 Calendar Days or shown a need to extend the time in which to prepare them to 60 Calendar Days. Accordingly, the Commission retains the proposed 30 Calendar Day requirement for the Transmission Provider to tender the completed interconnection agreement.

233. *Section 11.2—Negotiation*—Proposed LGIP Section 11.2 provided that the Transmission Provider and the Interconnection Customer be required to negotiate the terms contained in the appendices to the interconnection agreement for up to 60 Calendar Days after tender of the final Interconnection Facilities Report. If the Interconnection Customer determines that negotiations are at an impasse, it could either request termination of the negotiations and request submission of the unexecuted interconnection agreement to the Commission, or initiate Dispute Resolution procedures. If the Interconnection Customer requests termination of the negotiations, but within 60 Calendar Days thereafter fails to request either the filing of the unexecuted LGIA or initiate Dispute Resolution, it would be deemed to have withdrawn its Interconnection Request.

#### Comments

234. FirstEnergy contends that the provisions of this section unduly restrict the ability of the Parties to negotiate a resolution. It argues that proposed LGIP Section 11.2 provides no recourse for the Transmission Provider in circumstances where the negotiations are at an impasse and the Interconnection Customer neither terminates the Interconnection Request nor continues to negotiate in good-faith. FirstEnergy recommends that Section 11.2 of the NOPR IA be revised to include the following language: “Unless

otherwise agreed to by the Parties, if the Interconnection Customer has not executed the Interconnection Agreement, requested the filing of an unexecuted [interconnection agreement], or initiated Dispute Resolution procedures within 60 days of the tender of the completed draft of the LGIA Appendices, the Interconnection Customer will have been deemed to have withdrawn its Interconnection Request.

#### Commission Conclusion

235. The Commission agrees with FirstEnergy that there could be circumstances where the Parties could be unduly restricted in their negotiations and therefore adopts the language proposed by FirstEnergy in the Final Rule LGIP.

236. *Section 11.3—Execution and Filing*—Proposed LGIP Section 11.3 would have the Interconnection Customer demonstrate Site Control to the Transmission Provider, and provides specific milestones as evidence of Site Control. It would also provide that the Transmission Provider file the LGIA as soon as practicable, but not later than ten Business Days after receiving either the two executed originals of the LGIA, or the request by the Interconnection Customer to file an unexecuted LGIA.

#### Comments

237. Mirant does not oppose requiring an Interconnection Customer to maintain Site Control and provide reasonable evidence that the Interconnection Customer has met some of the specified milestones. However, it asks the Commission to clarify what constitutes “reasonable evidence” of Site Control. Other commenters, including PJM and PJMTO, assert that the Commission should give the Interconnection Customer more milestones to meet.

238. PJM opposes letting an Interconnection Customer deposit \$250,000 instead of demonstrating meaningful progress and believes that doing so can lead to clogging and gaming of the queue.

239. Central Maine requests that the Commission extend from ten to 30 days the obligation to file, as additional time is needed to prepare the filing. It claims that neither Party would be adversely affected by such an extension.

#### Commission Conclusion

240. We shall modify Proposed LGIP Section 11.3 to better reflect the Commission’s unexecuted agreement

procedure in the OATT.<sup>62</sup> Accordingly, the unexecuted agreement should contain terms and conditions deemed appropriate by the Transmission Provider for the Interconnection Request. But the LGIA approach differs from the OATT approach, since the Parties’ obligations may be significantly different in the LGIA context. The OATT unexecuted agreement provision requires the Transmission Provider to commence providing service as long as the Transmission Customer agrees to compensate the Transmission Provider at the rate the Commission ultimately determined to be just and reasonable. Since the LGIA involves obligations different from those in the OATT, including facilities construction that may be undertaken by either Party, it is appropriate to give both Parties more flexibility to determine whether to proceed under the non-disputed terms of their unexecuted agreement. Once the unexecuted agreement is filed, if the Parties agree to proceed with design, procurement, and construction of facilities and upgrades under the agreed upon terms of the unexecuted agreement, they may proceed pending Commission action.

241. In response to Mirant’s request to clarify what constitutes “reasonable evidence” of Site Control, the Commission notes that the Final Rule definition of the term specifically lists the types of documentation that reasonably demonstrates evidence of Site Control.

242. PJM proposes to eliminate the \$250,000 additional deposit if the Interconnection Customer is unable to provide evidence of Site Control. It would also have the Generating Facility lose its place in the queue if the Interconnection Customer misses a milestone. We find that the deposit is a sufficient showing that the Interconnection Customer is serious about the project and will continue to work to meet the requirements of Site Control and other milestones. Finally, this section provides sufficient milestones and penalties to reasonably ensure that the Interconnection Customer is intent on completing the project.

243. Central Maine has not provided any support for its request to extend the time from ten to 30 days to meet the filing obligations. Accordingly, the Final Rule retains the ten Business Days requirement.

244. *Section 12—Construction of Transmission Provider’s Interconnection Facilities and Network Upgrades*—Proposed LGIP Section 12 required the

<sup>62</sup> See Section 15.3 of the OATT.