

England, NYISO, or PJM), Energy Resource Interconnection Service would allow the Interconnection Customer to place a bid to sell into the market and the Generating Facility would be dispatched if the bid is accepted. In all other areas, no transmission delivery service would be assured, but the Interconnection Customer may obtain point-to-point transmission service or gain access to secondary network transmission service, pursuant to the Transmission Provider's Tariff. The Interconnection Studies to be performed for Energy Resource Interconnection Service would identify the Interconnection Facilities required as well as the Network Upgrades needed to allow the proposed Generating Facility to operate at full output. In addition, the Interconnection Studies would identify the maximum allowed output of the Generating Facility without Network Upgrades.

754. In contrast, Network Resource Interconnection Service would require the Transmission Provider to undertake the Interconnection Studies and Network Upgrades needed to integrate the Generating Facility into the Transmission System in a manner comparable to that in which the Transmission Provider integrates its own generators to serve native load customers. If the Transmission Provider is an RTO or ISO with market-based congestion management, it would have to integrate the Generating Facility in the same manner as all other Network Resources.

755. The Transmission Provider would study the Transmission System at peak load, under a variety of severely stressed conditions, to determine whether, with the Generating Facility at full output, the aggregate of generation in the local area can be delivered to the aggregate of load, consistent with the Transmission Provider's reliability criteria and procedures. Under this approach, the Transmission Provider would assume that some portion of the capacity of existing Network Resources is displaced by the output of the new Generating Facility.

756. Network Resource Interconnection Service provides for all of the Network Upgrades that would be needed to allow the Interconnection Customer to designate its Generating Facility as a Network Resource and obtain Network Integration Transmission Service. Thus, once an Interconnection Customer has obtained Network Resource Interconnection Service, any future transmission service request for delivery from the Generating Facility would not require additional studies or Network Upgrades. However,

Network Resource Interconnection Service itself does not convey any delivery service and the Interconnection Customer would not be required to identify a specific buyer (or sink). If the Interconnection Customer wishes to obtain the delivery component of transmission service, it would have to do so pursuant to the Transmission Provider's Tariff.

757. Requests for long-term transmission service for deliveries outside the Transmission Provider's system may require additional Interconnection Studies and Network Upgrades. Network Resource Interconnection Service would allow the Generating Facility to be used to provide Ancillary Services and, should the Transmission System become congested, the Generating Facility would be subject to the same congestion management procedures that apply to all other Network Resources. Article 4.1.2.3 of the NOPR LGIA states that "[d]epending on how the cost allocation issue is resolved, the [Interconnection Customer] may be allocated congestion rights based on the construction of upgrades."

758. Proposed LGIA Article 4.3 also provides for generator balancing service arrangements and refers to other articles that address payment for certain services provided by the Interconnection Customer.

Comments

759. Several commenters, primarily Transmission Providers, object to the proposed requirement that Interconnection Customers be allowed to request Network Resource Interconnection Service. NRECA-APPA and others argue that, contrary to the Commission's assertion, Network Resource Interconnection Service would convey transmission delivery rights to the Interconnection Customer in the form of a permanent right to the future use of the Transmission System's delivery capacity. APS contends that Network Resource Interconnection Service would provide delivery service rights that are greater than any available under Order No. 888, and claims that Network Resource Interconnection Service may require a Transmission Provider to expand transmission capacity beyond any foreseeable needs of network load and to hold that capacity indefinitely. LG&E Energy believes that Network Resource Interconnection Service could result in substantial overbuilding of the Transmission System as a result of the requirement that transmission be upgraded to accommodate any Interconnection Customer taking

Network Resource Interconnection Service to serve any load on the system. However, TAPS is concerned that Network Resource Interconnection Service does not provide for the capacity expansions that may be needed to allow network customers to access their Network Resources without congestion. It claims that the NOPR's treatment of Network Resource designation and network service is inconsistent with the OATT Network Integration Transmission Service, which requires a demonstration of load-specific deliverability from designated Network Resources. TAPS states that Network Resource Interconnection Service lacks such a deliverability test and, as a result, would be a service under which the Network Resource designation is meaningless from a load serving entity's point of view. It claims that while Network Resource Interconnection Service would grant some rights to the Interconnection Customer, it leaves the load serving entity to bear all the risk of congestion between its Network Resources and its load.

760. PSNM notes that for an Interconnection Customer to secure delivery rights using Network Integration Transmission Service under the OATT, the Generating Facility must be designated as a Network Resource. The Interconnection Customer also must pay separately for point-to-point service when not providing service as a Network Resource. PSNM claims that the language in the NOPR LGIA would undo that requirement. Western objects to the fact that Network Resource Interconnection Service would impose no obligation on an Interconnection Customer to serve network load or to meet network operating obligations, such as providing Ancillary Services, and would not require an Interconnection Customer to participate in regional planning processes. Dairyland Power states that Article 4.1.2 of the NOPR LGIA seems to presuppose that Network Resource Interconnection Service may be used only in conjunction with Network Integration Transmission Service under the OATT, but the LGIA is not explicit. It asks the Commission to clarify the purpose of Network Resource Interconnection Service and how it may actually be used.

761. Central Maine claims that the exact products or services required to be offered are not clearly defined. Industrial Energy asserts that the acknowledgment of potential congestion in the Network Resource Interconnection Service description seems to contradict the further