

Provider's limited transmission planning resources are used to perform studies for interconnections that are likely to be completed. NYTO believes that the additional study work required to conduct concurrent studies is not accounted for in the Interconnection Feasibility, System Impact or Facilities Study sections of the NOPR LGIP. It states that additional time would be required to conduct the concurrent studies if the Transmission Provider is required to offer this option. Also, Cal ISO asks whether two deposits will be required if an Interconnection Customer requests that the Interconnection Request be studied as both Network Resource Interconnection Service and Energy Resource Interconnection Service.

788. BPA observes that the NOPR LGIP included very strict timelines for completion of various studies and provided for no meaningful milestones or other means by which the Transmission Provider can ensure that only bonafide Interconnection Requests remain in the queue. It states that this places a Transmission Provider with a large number of Interconnection Requests in a very difficult position, and the more concurrent studies the Interconnection Customer can require the Transmission Provider to perform on a single request, the more difficult this position becomes. BPA believes that requiring concurrent studies is purely for the convenience of the Interconnection Customer, and that it is not unreasonable to require the Interconnection Customer to choose early in the process what kind of resource it intends to develop.

789. Georgia Transmission believes that it is appropriate to allow the Interconnection Customer to request concurrent studies throughout the Interconnection Feasibility Study stage, but allowing the parallel studies to continue beyond that point simply gives the Interconnection Customer more time to decide what type of Interconnection Service product to contract for, while greatly increasing the study burden on the Transmission Provider. Georgia Transmission claims that the Interconnection System Impact Study is a much more complex and involved study than the Interconnection Feasibility Study. Further, to accommodate the Interconnection Customer's desire to study multiple Interconnection Service products, Georgia Transmission claims that the Transmission Provider must conduct multiple studies not only for the first Interconnection Customer, but for all other Interconnection Customers proceeding through the interconnection

process to reflect the multiple service characteristics of the first Interconnection Customer. If these other Interconnection Customers also request the Transmission Provider to concurrently study multiple service options, the Transmission Provider study burden "quickly snowballs out of control."¹²⁰ At this stage of the Interconnection Study process, the cost of studying the multiple service options greatly outweighs the benefits to the Interconnection Customer.

790. TVA argues that allowing an Interconnection Customer to request that the Transmission Provider study both types of Interconnection Services may double the work of the Transmission Provider at each stage up to the Interconnection Facilities Study stage. It finds this troubling in light of the NOPR's proposed milestones frames and the possibility of the Transmission Provider having to pay liquidated damages for failure to meet the deadlines.

791. Interconnection Customers, however, express very different views. For example, Tenaska states that the choice between Network Resource Interconnection Service and Energy Resource Interconnection Service will be dictated by the Interconnection Customer's wholesale power customer. It argues that marketing efforts for new generation projects are not completed until late in the development process, making it impossible for the Interconnection Customer to know with certainty which service it requires. Tenaska asks that the Interconnection Customer be afforded maximum flexibility to choose between the two interconnection Services and recommends that, instead of making the Interconnection Customer choose prior to executing the Interconnection Facilities Study Agreement, the Final Rule LGIP should allow the Interconnection Customer to defer its choice until the execution of the interconnection agreement.

Commission Conclusion

792. While conducting complex Interconnection Studies can be burdensome for the Transmission Provider, the Commission is not amending NOPR LGIP Section 3.2 to eliminate the Interconnection Customer's option to have its request studied as Energy Resource Interconnection Service as long as it has also requested to be studied as Network Resource Interconnection Service. This is a valuable option for the Interconnection Customer because it

provides key information to support its investment decisions, and thus helps to meet the Commission's goal of encouraging the development of a new generation.

793. The Commission also recognizes that the Interconnection System Impact Study is more complex than the Interconnection Feasibility Study. However, the Commission does not believe that it would be reasonable to require the Interconnection Customer to choose between the two services prior to executing the Interconnection System Impact Study Agreement, as several commenters propose. Once the Interconnection Customer has asked to be studied for Network Resource Interconnection Service, a service that is far more comprehensive than Energy Resource Interconnection Service, the incremental burden created by also having to conduct an Interconnection System Impact Study for the simpler Energy Resource Interconnection Service should not be great. It is for this reason that the Commission disagrees with Georgia Transmission's contention that having to study multiple options will have a significant snowball effect on the overall study burden. Moreover, the Transmission Provider will be fully compensated for all of the costs that it incurs in conducting a more expansive study. As for the risk that the Transmission Provider faces by allowing the Interconnection Customer to make this choice, such risk is mitigated by the fact that the Commission is not making the Transmission Provider subject to liquidated damages under the Final Rule LGIP.¹²¹

Revisions to the Final Rule LGIP and Final Rule LGIA

794. In the Final Rule, the Commission is modifying various provisions of the NOPR LGIP and NOPR LGIA to provide greater clarity and to make other minor changes with respect to scope of service and interconnection products, as discussed above. In addition, the Commission is incorporating in the Final Rule LGIP certain provisions concerning product definitions and study requirements that were included in the NOPR LGIA but not the NOPR LGIP. These provisions are being added to the Final Rule LGIP because they directly relate to the process of obtaining an interconnection. They appear as new Sections 3.2.1 and 3.2.2 in the Final Rule LGIP.

¹²¹ Liquidated damages in the LGIP are further discussed in part II.C.8.b(4).

¹²⁰ Comments of Georgia Transmission at 18.