



**STATE OF NEW JERSEY**  
**Board of Public Utilities**  
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ENERGY

IN THE MATTER OF FEDERAL ENERGY ITEMS FOR ) ORDER OF APPROVAL  
2012 - SOLAR ENERGY INDUSTRIES )  
ASSOCIATION'S PETITION FOR RULEMAKING TO )  
UPDATE SMALL GENERATOR INTERCONNECTION )  
RULES AND PROCEDURES FOR SOLAR ELECTRIC )  
GENERATION, FERC DOCKET NO. RM12-10. ) DOCKET NO. ER12010002

BY THE BOARD:

The New Jersey Board of Public Utilities ("Board") HEREBY RATIFIES the Motion of Intervention and Comments ("Motion") filed with the Federal Energy Regulatory Commission ("FERC" or "Commission") on or about March 27, 2012 pursuant to a FERC imposed deadline.

On February 16, 2012, the Solar Energy Industries Association ("SEIA") filed with FERC pursuant to Sections 205 and 206 of the Federal Power Act, to request that the Commission initiate a rulemaking procedure to update provisions of FERC Order No. 2006 concerning Standardization of Small Generator Interconnection Agreements and Procedures ("SGIP").

The Board generally supports efforts to keep the SGIP rules on pace with technological advances as well as newly developed views and solutions on how to best facilitate interconnection of small generators to the transmission system. The SGIP rules may also serve as guidance to state commissions when interconnecting small generators to state jurisdictional distribution systems. Additionally, these rules have an impact on the implementation of state policies such as compliance with renewable portfolio standards ("RPS") requirements for solar generation because Order No. 2006 applies to wholesale transaction agreements entered by small generators physically interconnecting to the state jurisdictional distribution system.

The Board believes that the specific technological characteristics of solar generation make review of the proposed SEIA amendments to the SGIP in a rulemaking proceeding appropriate at this time and states as follows:

- 1. FERC should reevaluate the 15% screen applied to small generation facilities connecting to a radial distribution system and limitation on the fast-track interconnection to facilities smaller than 2 MW.**

Section 2.21.2 of the SGIP rules establishes that fast-track interconnection of a proposed small generating facility to a radial distribution circuit requires that the aggregated generation – including the proposed small generating facility – on the circuit not exceed 15% of the line section's annual peak load as measured at the substation. SEIA claims this 15% screen is now a barrier to solar development because it often triggers the need for supplemental studies, thus lengthening the interconnection process, in cases where the system's performance, safety, and reliability are not impacted.

In addition, Section 2.1 of the SGIP rules establishes that the fast-track process is available only to interconnection customers proposing to interconnect a small generating facility no larger than 2MW. SEIA proposes to remove this 2MW threshold and use instead a minimum daytime load screen.

The 15% screen and 2MW threshold should be reevaluated as they may indeed impede interconnection to the system. However, SEIA's proposed alternative screen, based on the minimum daytime load, needs to be carefully vetted as it may require metering and data not currently available. The Commission should provide an opportunity for further review as the facts develop.

**2. Any alleged confidentiality issues should be interpreted narrowly, with an understanding that lack of transparency constitutes a barrier to open access.**

SEIA proposes to require transmission owners to provide peak and minimum load data on their distribution feeder circuits to solar developers when the aggregate existing and proposed distributed generation on a circuit is 10% or more of the peak load. The Board generally supports more transparency in the interconnection process and believes that any alleged confidentiality issues should be interpreted narrowly, balancing the desire to protect fair competition against the understanding that lack of transparency often constitutes a barrier to open access.

Currently, solar project developers are unable to obtain the data necessary to judge the potential feasibility of an interconnection proposal prior to making a significant capital investment into the project. This lack of relevant data results in unnecessary costs being incurred by solar project developers, which are ultimately borne by ratepayers. There appears to be no legitimate reason to keep this data confidential. The Commission should consider as part of a rulemaking procedure whether data should be made publicly available so that parties know the site's transmission capability prior to deploying capital.

**3. The Board strongly supports allowing an interconnection customer to outsource engineering and interconnection studies to third party experts.**

SEIA proposes to adopt an expedited independent third party expert review process for upgrade requirements regarding solar projects of 20MW or less that are unable to meet the SGIP fast-track screens. The Board strongly supports allowing FERC jurisdictional interconnection customers to outsource engineering and interconnection studies.

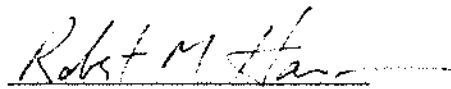
Restricting interconnection studies to transmission providers affiliated with generation interests creates an appearance of a conflict of interest. Even if no abuse results from these apparent conflicts, the mere existence undermines the credibility of the interconnection process. This

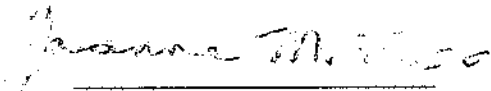
conflict of interest is particularly acute in New Jersey where electric utilities are allowed to invest in renewable energy generation. Allowing interconnection customers to use independent third party consultants in FERC jurisdictional interconnection studies directly addresses this issue and provides immediate relief from the perceived conflict of interest.

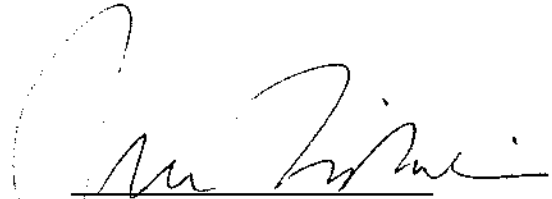
THEREFORE, after consideration of all pertinent materials submitted in this matter, and review by Board Staff, the Board HEREBY RATIFIES the Motion filed before FERC on or about March 27, 2012, pursuant to a Commission approved deadline.

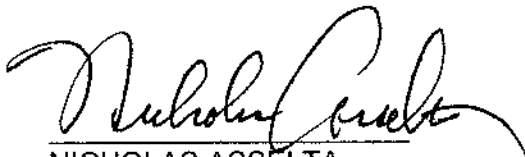
DATED: 4/11/12

BOARD OF PUBLIC UTILITIES  
BY:

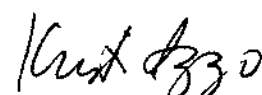
  
ROBERT M. HANNA  
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ATTEST:  
  
KRISTI IZZO  
SECRETARY

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

Solar Energy Industries Association Petition )  
for Rulemaking to Update Small Generator )  
Interconnection Rules and Procedures for ) Docket No. RM12-10  
Solar Electric Generation )

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**INTERVENTION AND COMMENTS OF THE  
NEW JERSEY BOARD OF PUBLIC UTILITIES**

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Pursuant to Rule 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or "Commission"), the New Jersey Board of Public Utilities ("NJBPU") hereby moves to intervene and submits comments in *I/M/O* Solar Energy Industries Association Petition for Rulemaking to Update Small Generator Interconnection Rules and Procedures for Solar Electric Generation, under FERC Docket No. RM12-10. In support hereof, NJBPU states the following:

- 1 NJBPU is the administrative agency charged under New Jersey Law with the general supervision, regulation, jurisdiction, and control over all public utilities in New Jersey, including electric utilities and their rates and service. N.J.S.A. 48:2-13; N.J.S.A. 48:2-21.

2. NJBPU is a "state commission" pursuant to Rule 214(a)(2) of the Commission's regulations. Accordingly, NJBPU is entitled to be a party in this proceeding upon filing a notice of intervention within the timeframe established by the Commission

This Notice of Intervention is being forwarded for filing within the timeframe established by Rule 210(b)

- 4 All communications with respect to this matter should be addressed as follows:

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#### COMMENTS

On February 16, 2012, the Solar Energy Industries Association ("SEIA") filed with the Federal Energy Regulatory Commission ("FERC" or "Commission"), pursuant to Sections 205 and 206 of the Federal Power Act, to request that the Commission initiate a rulemaking procedure to update provisions of FERC Order No. 2006 concerning Standardization of Small Generator Interconnection Agreements and Procedures ("SGIP"). The NJBPU respectfully submits the following preliminary comments.

In general, the NJBPU supports the effort of keeping the SGIP rules on pace with technological advances and with newly developed views and solutions on how to best facilitate

interconnection of small generators to the FERC jurisdictional transmission system. These SGIP rules may serve as guidance to State Commissions concerning interconnection of small generators to state jurisdictional distribution systems. Additionally, the SGIP rules have an impact on the implementation of state policies such as compliance with renewable portfolio standards ("RPS") requirements for solar generation because Order No. 2006 applies to wholesale transaction agreements entered by small generators physically interconnecting to the state jurisdictional distribution system.

In this instance, the NJBPU believes that the specific technological characteristics of solar generation make review of the proposed SEIA amendments to the SGIP in a rulemaking proceeding appropriate at this time. The NJBPU has a number of specific components to address:

**Application of the 15% annual peak load screen and the 2MW threshold to solar electric generation**

Section 2.21.2 of the SGIP rules establish that fast-track interconnection of a proposed small generating facility to a radial distribution circuit requires that the aggregated generation - including the proposed small generating facility - on the circuit not exceed 15% of the line section annual peak load as most recently measured at the substation. SEIA claims this 15% screen is now a barrier to solar development because it often leads to triggering the need for supplemental studies, and thus longer interconnection processes, in cases where the system's performance, safety, and reliability are not impacted.

In addition, Section 2. of the SGIP rules establishes that this fast-track process is available only to interconnection customers proposing to interconnect a small generating facility no larger than 2MW. SEIA proposes to remove this 2MW threshold and use instead a minimum daytime load screen.

The NJBPU believes that the 15% screen to solar technologies should be re-evaluated and the 2MW threshold reconsidered. Nevertheless, the proposed SEIA alternative screen, based on the minimum daytime load, needs to be carefully vetted as it may require metering and data not currently available. While NJBPU agrees that the process is open to question and refinement, the NJBPU is not yet able to unreservedly adopt the SEIA alternative, and instead proposes that the Commission provide an opportunity for further review as the facts develop.

**Provision of minimum and peak load data to solar developers**

SEIA is proposing to require transmission owners to provide peak and minimum load data on their distribution feeder circuits to solar developers when the aggregate existing and proposed distributed generation on a circuit is 10% or more of the peak load.

The NJBPU generally supports more transparency in the interconnection process and believes that any alleged confidentiality of information should be interpreted narrowly, balancing the confidentiality claims to protect fair competition against the understanding that lack of transparency often constitutes a barrier to open access. Currently, developers of a solar project are unable to obtain data necessary to judge the potential feasibility of an interconnection prior to expenditure of significant capital investment into the project. This lack of relevant data results in unnecessary costs being incurred by developers of solar generation projects which are socialized across successful projects and ultimately borne by ratepayers. There appears to be no legitimate reason to keep this data confidential, and the Commission should consider as part of a rulemaking procedure whether such data should be made publically available so that interested projects will know the transmission capability of their site prior to significant investment.

### **Expedited Independent Third Party Review of Upgrade Requirements**

SEIA is proposing an expedited independent third party expert review of upgrade requirements for solar projects of 20MW or less that are unable to meet the SGIP fast-track screens.

The NJBPU strongly supports allowing a FERC jurisdictional interconnection customer to outsource engineering and interconnection studies. The NJBPU believes that restricting the conduct of interconnection studies to transmission providers affiliated with generation companies creates an appearance of a conflict of interest. Even if no abuse results from these apparent conflicts, the mere existence undermines the credibility of the interconnection process. This conflict of interest is particularly acute in states like New Jersey where electric utilities are allowed to invest in renewable energy generation.<sup>1</sup> Allowing interconnection customers to use independent third party consultants in FERC jurisdictional interconnection studies directly addresses this issue, and provides immediate relief from the perceived conflict of interest associated with interested parties determining the ability and costs of interconnections.

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See N.J.S.A. 48:3-98.1





