

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

THE CITIZENS UTILITY BOARD and )  
THE ENVIRONMENTAL LAW AND POLICY CENTER )  
 )  
Petition to Initiate Rulemaking With Notice and ) Docket No. 14-\_\_\_\_  
Comment for Approval of Certain Amendments to )  
Illinois Administrative Code Parts 466 & 467 Concerning )  
Interconnection Standards for Distributed Generation )

**Verified Petition of the Citizens Utility Board and the Environmental Law and Policy Center to Initiate a Rulemaking With Notice and Comment**

Pursuant to the Rules of Practice of the Illinois Commerce Commission (“ICC” or “the Commission”), 83 Ill. Admin. Code §200.210, and the Final Order of the Commission in ICC Docket No. 12-0298<sup>1</sup>, the Citizens Utility Board (“CUB”) and the Environmental Law and Policy Center (“ELPC”) hereby petition the Commission to initiate a rulemaking proceeding to amend portions of Part 466 and portions of Part 467 of the Commission’s rules for the electric interconnection of distributed generation facilities, 83 Ill. Admin. Code §466.10 et seq. and 83 Ill. Admin.Code §467.10 et seq. This purpose of this rulemaking is to ensure that the interconnection process promotes the investment in and use of distributed generation facilities, particularly by residential and small commercial customers by aligning Illinois’ rules with best practices across the country and the recent Small Generation Interconnection Procedures (“SGIP”) update by the Federal Energy Regulatory Commission (“FERC”). In support of this Motion, CUB and ELPC state the following.

1. CUB is a statewide organization of residential ratepayers with the duty to represent and protect the interests of the residential utility consumers of this state and the legal authority to file this petition on behalf of its members. 220 ILCS 10/5(1)(a) and 220 ILCS 10/5(2)(d) and (e).

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<sup>1</sup> *In Re Commonwealth Edison Co.*, ICC Docket No. 12-0298, Final Order at 50 (June 22, 2012) (“Final Order”).

2. ELPC is a regional public interest environmental organization. ELPC works throughout the Midwest to meet two major needs: (1) public interest legal, economic and technical resources devoted to the most important environmental, energy and natural resources issues; and (2) strategic regional perspectives as environmental issues are increasingly regional in scope, complex and require coordinated strategies to shape public policy. ELPC provides regional leadership to shape sustainable environmental development policy innovations.

3. The Commission has general supervision of all public utilities 220 ILCS 5/4-101. In Illinois, the Commission has general rulemaking authority for “any matters covered by the provisions of the [Public Utilities] Act, or by any other Acts relating to public utilities.” 220 ILCS 5/10-101.

4. When initially directing the ICC to adopt the rules now found in Part 466, the General Assembly stated that “interconnection standards shall address any procedural barriers, delays, and administrative costs associated with the interconnection of customer-generation while ensuring the safety and reliability of the units and the electric utility system.” 220 ILCS 5/16-107.5(h).

5. Part 466 of the Commission’s rules govern the electric interconnection of distributed generation facilities. 83 Ill. Admin. Code §466.10. These rules were authorized by Sections 16-107.5 and 10-101 of the Public Utilities Act, 220 ILCS 5/16-107.5 and 10-101. They apply to generation facilities operated in parallel with an electric public utility distribution company in Illinois and which meet the following criteria:

- a) The nameplate capacity of the distributed generation facility is equal to or less than 10 MVA; and
- b) The distributed generation facility is not subject to the interconnection requirements of either the FERC or the applicable Regional Transmission

Organization (RTO) (either Midwest Independent Transmission System Operator, Inc. (MISO) or PJM Interconnection, LLC (PJM)).

6. Part 467 of the Commission's rules govern the electric interconnection of large distributed generation facilities. 83 Ill. Admin. Code §467.10. These rules were authorized by Sections 16-107.5 and 10-101 of the Public Utilities Act, 220 ILCS 5/16-107.5 and 10-101. They apply to any generation facility operated in parallel with an electric public utility distribution company in Illinois and whose nameplate capacity is greater than 10 MVA (large distributed generation facility), provided that the distributed generation facility is not subject to the interconnection requirements of either the Federal Energy Regulatory Commission (FERC) or the applicable Regional Transmission Organization (RTO) (either Midwest Independent Transmission System Operator, Inc. (MISO) or PJM Interconnection, LLC (PJM)).

7. The Energy Infrastructure Modernization Act ("EIMA"), passed by the General Assembly in 2011, now requires that benefits from distributed generation accrue to utility customers participating in the EIMA's new formula rate structure as a result of implementing a Smart Grid Advanced Metering Infrastructure Deployment Plan ("AMI Plan"). 220 ILCS 5/16-108.6(a). "Smart Grid" is defined by law to mean investments and policies that together promote one or more of the following goals, including the "[i]dentification and lowering of unreasonable or unnecessary barriers to adoption of Smart Grid technologies, practices, services, and business models that support energy efficiency, demand-response, and distributed generation." 220 ILCS 5/16-108.6(a).

8. On April 23, 2012, Commonwealth Edison Company ("ComEd" or "the Company") filed its AMI Plan before the ICC. ComEd's AMI Plan acknowledges that direct customer benefits will result from AMI deployment due to the increased ability of customers to receive electricity supply from distributed sources. ComEd 2012 AMI Plan at 66-67.

9. However, while it is true that Illinois has a set of standardized administrative rules addressing grid interconnection issues, see generally 83 Ill. Admin. Code 466.10 et seq., those rules do not address technical barriers to investment in distributed generation by residential and small commercial customers, identified by CUB in its direct testimony and briefing in Docket No. 12-0298, summarized below<sup>2</sup>:

a. Part 466 provides for differing levels of review based on the generating capacity of the customer's system and the location on ComEd's system (that is, whether on a radial feeder or a network grid) to which the customer wants to connect to.

b. Currently there is no way for a customer to know whether they are in a good location for a distributed generation project without first evaluating a project, contacting a vendor, preparing an interconnection application, filing that application with ComEd and waiting for a response. While distributed generation may be cost-effective for customers in some places on ComEd's grid, in other places it may not be.

10. The FERC SGIP process concluded on November 22, 2013 with the issuance of Order 792. 145 FERC ¶ 61,159. This process revised the federal jurisdictional rules for the interconnection of small distributed generators, including the creation of a pre-application report, adoption of new thresholds for participation in the expedited interconnection review process, and changes to the supplemental review process to allow a greater number of systems to proceed without full study without compromising system safety, reliability, and power quality. These rules provide several innovations that can be adopted in Illinois to foster the connection of distributed generation currently governed by Parts 466 and 467.

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<sup>2</sup> See CUB/ELPC Ex. 1.0 through 1.3 (May 14, 2012), CUB/ELPC Init. Br. (May 30, 2012), ICC Docket No. 12-0298.

11. In its Final Order in ICC Docket No. 12-0298, the Commission concluded that the proper way to address the issues raised by CUB and ELPC was “through a petition for rulemaking pursuant to Section 200.210 of the Commission’s rules, which can be filed at any time.” Final Order at 50.

12. CUB and ELPC have worked with participants in the SGIP process in developing some initial, suggested changes to Parts 466 and 167. Accompanying this petition are suggested changes to Part 466 and Part 467 that were drafted by the Interstate Renewable Energy Council, Inc. (“IREC”) for consideration by the Commission. These changes suggest updates to the Illinois procedures to better comport with SGIP and other national best practices as reflected in IREC’s Model Rules.

13. CUB and ELPC hereby file this Petition along with Appendix A, which details suggested changes to Part 466 of the Commission’s rules, and Appendix B, which details suggested changes to Part 467 of the Commission’s rules, based upon the testimony offered by CUB and ELPC in ICC Docket No. 12-0298, the Commission’s Final Order in that docket, FERC Order 792, and additional discussions held by CUB and ELPC with ComEd and other stakeholders regarding interconnection standards for the connection of distributed generation. At this time, CUB and ELPC do not have specific changes to propose to the templates included in Parts 466 and 467 (see Sections 466 and 467 Appendices A through G) since those templates will ultimately need to be modified based on changes made during the proposed rulemaking.

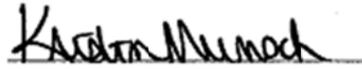
14. CUB and ELPC further request that the Commission waive hearing with respect to the proposed rulemaking and proceed with notice and comment following four months of workshops with ICC Staff, the affected utilities, and other stakeholders so that the final rules can reflect the consensus of the parties to the extent possible. Following those workshops CUB and ELPC request that the Commission allow for a three-month period

during which the parties can comment on the final proposed changes and, if necessary, brief any outstanding issues. CUB and ELPC believe that this would result in a final Commission Order by November 1, 2014.

WHEREFORE, for the reasons stated above CUB and ELPC request that the Commission enter an order initiating a rulemaking pursuant to 83 Ill. Admin. Code 200.210 to review and amend Part 466 of the Commission's rules.

Dated: February 18, 2014

Respectfully submitted,



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