

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

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|---|---|--------------------|
| THE CITIZENS UTILITY BOARD and |) | |
| THE ENVIRONMENTAL LAW AND |) | |
| POLICY CENTER |) | |
| |) | |
| Petition to Initiate Rulemaking With Notice |) | Docket No. 14-0135 |
| and Comment for Approval of Certain |) | |
| Amendments to Illinois Administrative |) | |
| Code Part 466 and 467 Concerning |) | |
| Interconnection Standards for Distributed |) | |
| Generation |) | |

**REPLY BRIEF ON EXCEPTIONS OF THE ENVIRONMENTAL LAW & POLICY
CENTER, THE CITIZENS UTILITY BOARD, AND THE INTERSTATE RENEWABLE
ENERGY COUNCIL, INC.**

With one exception, the parties appear to be very close on most of the substantive issues in this case. ComEd and Staff continue to criticize “Supplemental Review” (Section 466.110(f)), but the ALJ wisely rejected these arguments, concluding that Supplemental Review “will standardize the review of applications resulting in a more transparent and fair review process.” Proposed Order at 39-40. Supplemental review is not “overly complicated.” FERC and several other states have adopted nearly identical supplemental review provisions, and they are working. Supplemental review is flexible, adaptable, and, importantly, requires no compromises to grid safety and reliability. It does not shift costs to the utility or other customers, since applicants must pay for supplemental review if they choose to invoke it. Supplemental review will become even more important at higher levels of distributed generation (DG), which could occur rapidly in Illinois as it has in other states as technology improves and prices fall. Simply put, it is better to *be prepared*, rather than inviting the problems that have emerged in states like Minnesota, that have failed to adequately update their policies for higher DG penetrations.¹

¹ See, e.g., Minnesota Public Utilities Commission, Docket E002/C-15-786, *Complaint by SunShare, LLC Against Northern States Power Company dba Xcel Energy for Violations of Section 10 Interconnection Tariff* (Aug. 28,

The Commission has an obligation to consider national standards and “best practices” when adopting interconnection standards in Illinois.² The ALJ has carefully considered the extensive record in this case and has proposed for adoption proven and tested standards that have been extensively vetted at FERC, have been implemented in several states, and represent an emerging national trend. The Commission should adopt them in their entirety, with the exceptions noted in the Joint Petitioners’ brief on exceptions and the technical clarifications agreed to below.

I. REPLIES TO AMEREN’S EXCEPTIONS

A. Ameren Exception 1: Section 466.70(h) External Disconnect Switch

In response to the Proposed Order’s direction that the utilities “report to the Commission how often and in what circumstances customer [External Disconnect Switches (EDS)] are utilized in order to make an informed decision in the future,” Ameren states that it “seeks guidance as to the formatting of the report, the frequency of filing, the duration of reporting, and with which department the report should be filed.” (Ameren BOE at 1) In its Exception 3, ComEd also notes that it is “unable to discern the intent” of the reporting requirement. (ComEd BOE at 4)

The Joint Petitioners believe the reporting will help enable informed decision making in the future, but agree that more specificity on reporting requirements would be helpful. To this end, the Joint Petitioners suggest that an annual report would likely be sufficient that includes information on how many times the utility required an EDS, in what circumstances it was

2015), available at <https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showPoup&documentId={5917B2AB-D551-4AC4-A305-B5E2B3276FBA}&documentTitle=20158-113587-02> ; *see also* Minneapolis Star Tribune, *Giant solar project in Paynesville, Minn., produces frustration — no juice* (July 20, 2015), available at <http://www.startribune.com/giant-solar-project-in-paynesville-minn-produces-frustration-no-juice/317662731/>.

² See 220 ILCS 5/16-107.5(h).

actually used, and whether the utility explored other disconnect options before utilizing the disconnect switch.

B. Ameren Exception 2: Section 466.110(f), “Supplemental Review”

Ameren suggests a clarification to Section 466.110(f)(5) to more clearly indicate the procedures to execute an interconnection agreement following a successful Supplemental Review. (Ameren BOE at 4) Ameren proposes two more substantive revisions should the Commission choose not to adopt its proposal to amend Section 466.110(f)(5). (Ameren BOE at 5-7)

The Joint Petitioners do not object to Ameren’s proposed clarification to Section 466.110(f)(5) and its associated suggested language changes to the Commission’s Proposed Order. As Ameren indicates, its proposal is intended to “more clearly indicate that after successfully passing the Supplemental Review in Section 466.110(f)(5), the applicant is now eligible to have the Interconnection Request approved by the EDC in accordance Section 466.110(c).” (Ameren BOE at 4) The Joint Petitioners have no objection to this clarification.

Because the Joint Petitioners accept Ameren’s primary proposal, there should be no need for the Commission to address Ameren’s two alternative proposals at pages 5 through 9 of its BOE. However, to the extent the Commission considers Ameren’s alternative proposals, the Joint Petitioners wish to make clear that they strongly oppose any proposal to strike the Supplemental Review or Level 2 Expedited Review process as those provisions represent fundamental components of the FERC SGIP and other best practice state rules. (Ameren BOE at 5) Similarly, to the extent the Commission considers Ameren’s alternative proposals, it should reject the Company’s alternative proposal to apply “existing aggregate generation” as opposed to “net injection” as the basis for Screens 466.110(f)(A)(ii) and (iii). (Ameren BOE at 6)

The Company's proposal to depart from FERC's "net injection" approach has not been raised or discussed by Ameren or any other party prior to appearing in Ameren's BOE filed last week, and it fails to consider the important differences between the "rough cut" expedited review screens and the more refined Supplemental Review process. More specifically, the purpose of the Supplemental Review process is take a closer look at the proposed generating facility to determine whether the time and cost of the full study process can be avoided without resulting in any safety or reliability impacts. Another way of thinking about this is that the expedited review screens provide a rough "first-look", using very conservative, easy to apply, screens. For projects that pass these screens, there is no need for further consideration. For projects that fail these screens, and particularly those that fail the penetration screen, the Supplemental Review process uses a still conservative, but more precise penetration screen that is then backed up with two additional safety, reliability, voltage and power quality screens. The use of "net injection" versus just the total aggregate generation, is part of this refinement.

The use of "net injection" reflects that the relevant factor for consideration is the amount of generation that could be exported, or injected, from the system. It is irrelevant, for the purposes of the penetration screen, whether there is additional generation that is used onsite so long as it is never injected into the system. For this reason, the Supplemental Review screen uses the more refined measurement and asks only about the "net injection." Joint Petitioners are unable to determine why there would be any difference or unfairness regarding the allocation of costs for any upgrades as a result of this distinction. Rather, it would be unfair to assign a customer the costs of upgrades associated with their "aggregate" output, if using the more accurate "net injection", the measurement that matters, would result in no upgrade costs. At this

late stage, the Commission should not consider Ameren’s suggestion, raised for the first time in its BOE, to depart from the well-vetted and tested approach adopted by FERC.

II. REPLIES TO STAFF’S EXCEPTIONS

Staff raises seven “technical/clarifying” exceptions and one “substantive” exception. The Joint Petitioners largely agree with Staff’s technical/clarifying exceptions, with the exception of Staff’s request to strike references to Supplemental Review from other sections of the rule. (Staff Exception III) The Joint Petitioners strongly oppose Staff’s “substantive exception” to delete Section 466.110(f) (“Supplemental Review”) in its entirety. (Staff Exception VIII).³

Supplemental Review is a critical component of FERC’s best practice rules which has been adopted by all of the utilities with FERC-jurisdictional interconnection tariffs, as well as several states, including Ohio, Massachusetts, Hawaii and California. Over the long term, Staff’s interest in promoting simplicity would not be served by maintaining outdated rules in Illinois that diverge from the emerging consensus at FERC and in other states.

A. Staff Exception I: Section 466.130(e)(3)(A)

In its Exception 1, Staff highlights a typographical error that failed to capitalize the letter “C” in a Section 466.100(b)(4)(C). The Joint Petitioners agree with Staff’s proposed correction.

B. Staff Exception II: Section 466.100(b)(4)(C)

In its Exception 2, Staff suggests that a reference to an applicants’ election to “continue the application” is procedurally incorrect and should be modified to read instead, “proceed with the proposed interconnection.” The Joint Petitioners are unopposed to this change.

³ Staff’s BOE includes two different sections labeled Exception VI and the table of contents omits Exception VII. The Joint Petitioners assume that Staff intended to label the discussion of Supplemental Review as “Exception VIII” and have referred to it that way in this Reply Brief on Exceptions.

C. Staff Exception III: Section 466.110(c)(3)

In its Exception 3, Staff indicates that it does not agree with Supplemental Review and recommends deleting references to Supplemental Review in Section 466.110(c)(3). The Joint Petitioners object to Staff's request to strike references to Supplemental Review for the reasons described in response to Staff Exception VIII, below.

D. Staff Exception IV: Section 466.120(b)(3)

In its Exception 4, Staff notes that section 466.120(b)(3) should be made consistent with the language used in Section 466.100(b)(4)(C). Joint Petitioners have no objection to this suggestion.

E. Staff Exception V: Section 466.50 Pre-Application Report

In its Exception 5, Staff suggests that the meaning of daytime minimum load in Section 466.50(b)(8) is unclear and that it should include the specific hours to which daytime minimum load refers. The Joint Petitioners are unopposed to this change.

F. Staff Exception VI: Section 466.90(b) Refining Level 2 Size Limit

In its Exception 6, Staff notes an inconsistency between Appendix A and the ALJ's Supplemental Proposed First Notice Order (ALJPO), in which a table heading was incorrect. The Joint Parties agree with Staff's proposed correction to this inconsistency.

G. Staff Exception VII: Section 466.100 Level 1 Expedited Review

In its Exception 7, Staff highlights a numbering error within Section 466.100(b), regarding Expedited Review. The Joint Parties agree with Staff's suggested numbering revision.

H. Staff Exception VIII: Section 466.110(f) Supplemental Review

The Joint Petitioners strongly oppose Staff's request to delete the important and innovative Supplemental Review procedures that will help avoid unnecessary delay and expense

as DG penetration increases in Illinois. The purpose of Supplemental Review, as recounted at length in the record both in this rulemaking and in the proceedings before FERC, is to help utilities handle increasing volumes and penetrations of distributed generation efficiently without compromising the safety and reliability of their electrical systems.⁴ States that are already seeing higher penetrations of distributed generation, such as California and Massachusetts, pioneered this approach to supplemental review. Both states, and now FERC, have adopted processes essentially identical to the proposal here, relying on a 100% of minimum load penetration screen and two additional screens addressing safety, reliability, and power quality.⁵ Ohio has now adopted amended standards that include Supplemental Review, and Iowa is initiating a rulemaking docket to consider them.⁶

Contrary to Staff's questions about its usefulness, the record indicates that Supplemental Review is working. As discussed in earlier comments, IREC recently analyzed interconnection data from the two largest California investor-owned utilities, Southern California Edison (SCE) and Pacific Gas and Electric Company (PG&E), to determine the impact adopting an enhanced supplemental review process has had on reducing the need for full system impact studies, and, as noted below in Table 1, supplemental review has enabled a significant number of projects to avoid expensive and unnecessary system impact studies.⁷ This data provides a concrete illustration of the fact that a well applied supplemental review process can enable utilities to

⁴ Joint Pet. Ver. Init. Comm. at 28-34; Joint Pet. Supp. Verified Comm. at 10-12; Joint Pet. Supp. Verified Reply Comm. at 10-13; Joint Pet. Ver. Surreply Comm. at 4-6, 18-24; FERC, Notice of Proposed Rulemaking, Small Generator Interconnection Agreements and Procedures, Jan. 177, 2013, Docket No. RM13-2-000, at ¶ 18-24, 33-40 ("FERC NOPR"); Small Generator Interconnection Agreements and Procedures, 78 Fed. Reg. 73,240 (Dec. 5, 2013), 145 FERC ¶ 61,159, Order No. 792, at ¶ 2-3, 15-27, 111-188 ("FERC Order 792").

⁵ See FERC SGIP § 2.4; CA Rule 21 Tariff § G.2; MA Interconnection Standards Fig. 1, n.8 (as modified by DPU Order 11-75-F at 12-14).

⁶ Ohio, OAC 4901:1-22-07(E); Iowa, IUB NOI-2014-0001.

⁷ This data was collected from the quarterly interconnection reports filed by the California utilities, which can be found at: <http://www.cpuc.ca.gov/PUC/energy/Procurement/LTPP/rule21.htm>

avoid requiring full study in appropriate cases without any compromise to system safety and reliability.

Table 1: Interconnection at Higher Penetrations of Distributed Generation in California*

| | SCE | PG&E |
|--|------------|-----------------|
| Fast Track projects that failed initial screening | 46% | 82% |
| Of projects that failed, those that failed the 15% of peak load screen | 85% | 92% |
| Of those that failed the 15% screen, those that later passed supplemental review (100% of minimum load screen) | 21% | 44% |

These data only reflect wholesale projects, not net metered projects, which are evaluated separately.

Furthermore, Staff is mistaken that Supplemental Review could “compromise the safety and reliability of the electric system in Illinois.” (Staff BOE at 9) Staff points to no evidence in the record to support this assertion, while the ALJ’s Proposed Order highlights numerous studies in the record presented for the Commission’s review as well as FERC’s conclusion that Supplemental Review is safe, reliable, and “sufficiently conservative.” (ALJPO at 38) Supplemental Review has been in effect in California since 2012 without any compromise to safety or reliability. The only impact has been to save utilities’ and their interconnecting customers’ time and resources by avoiding unnecessary studies, while maintaining a safe and reliable electric system.

Staff is also incorrect that Supplemental Review could shift costs to other ratepayers. (Staff BOE at 10) The rules require applicants to pay for Supplemental Review if they choose to proceed. *See, e.g.*, Section 466.110(f)(1) (“If the Applicant accepts the offer of a supplemental review, the Applicant shall agree in writing and pay the amount of the EDC’s good faith estimate of the costs of such review...”); Section 466.110(f)(3) (“The Applicant shall be responsible for

the EDC's actual costs for conducting the supplemental review. The Applicant must pay any additional costs that exceed the good faith estimate within 20 Business Days of receipt of the invoice or resolution of any dispute..."). Staff's suggestion that Supplemental Review could shift costs to non-participating customers is simply wrong.

Finally, Staff's opposition fails to account for the forward-looking purpose of Supplemental Review. Staff prefers the existing Level 2 procedures which allow for "additional review" where a project applicant has failed one or more Level 2 screens. However, Staff can point to only two instances in which these "additional review" procedures have been successfully employed since the Part 466 Rules were adopted in 2008. (Staff BOE at 10) The two instances in which "additional review" has apparently been successfully used over the last eight years—on average one time every four years—do not represent a successful alternative to the well-vetted Supplemental Review procedures that FERC and other states explicitly designed to handle the high volumes of DG applications that Illinois will likely encounter in the future. The Commission should seize this opportunity to prepare for the future with these well-vetted rules rather than returning, on an emergency basis, to correct problems related to higher DG application volumes after they arise.

III. REPLIES TO COMED'S EXCEPTIONS

A. ComEd Exception 1: Removal of No Construction Screen for Levels 1, 2 and 3

In its Exception 1 ComEd objects to the elimination of the "No Construction" Screen for projects undergoing Level 2 and 3 review. ComEd expresses concern that the projects interconnecting under those levels could be larger and thus be "more likely to have a substantial impact on ComEd's grid." (ComEd at 3). ComEd's argument ignores the effect of the remaining technical screens to "screen out" projects that could result in grid impacts. Projects that are likely

to have a substantial impact on ComEd's grid will fail one or more of the remaining technical review screens, regardless of their size, which means that they will proceed as required through a full study process to determine what additional steps must be taken (and paid for by the applicant) to avoid any impact on ComEd's grid. That is the express purpose of the screens and ComEd has proposed no changes to those screens nor demonstrated any evidence that they do not serve their purpose to identify and "screen out" projects that could result in grid impacts. Projects that pass the other technical screens will not result in grid impacts, regardless of their size, and thus the "no construction" screen is not necessary to ensure grid safety and reliability for larger projects.

Recent experience verifies the effectiveness of this proposed approach. California has eliminated the no-construction screen in both the state jurisdictional interconnection procedures (Rule 21) and in the utility's federally jurisdictional procedures, and there have been no system issues reported as a result, instead projects are just being interconnected more efficiently. North Carolina also recently adopted revisions that eliminate the no construction screen.⁸ The Commission should move ahead with this efficiency improvement rather than requiring unwarranted study in situations where it can be avoided without affecting safety and reliability.

In its Exception 1, ComEd also raises a concern that the costs associated with preparing a cost estimate will be shifted to other customers and thus proposes retaining the no construction screen. The solution to addressing utility cost recovery for the work associated with the development of a cost estimate is not to send the customer into an unnecessarily lengthy and even more cost intensive three-part study process. That would simply be a waste of customer and utility resources. The proposed rules address this situation in part by providing the utility the option of requiring a facilities study where that level of time and analysis is necessary. In such

⁸ North Carolina Docket E-100, SUB 101, Order Approving Revised Interconnection Standard, May 15, 2015.

cases, pursuant to Section 466.130(e)(3)(A), the utility would provide the applicant with a non-binding estimate of the cost of the study along with the facilities study agreement. The facilities study agreement (Section 466.Appendix G) requires the applicant to pay the costs of the study. In cases where a full facilities study is not required, the Joint Proponents would not be opposed to a reasonable cost-based fee to cover the time required to prepare a cost estimate if the utility believes it is necessary to cover its costs. In any case, the Commission should not accept ComEd's proposal to eliminate the no construction screen for all Level 2 and 3 applicants, when the result of that proposal would require a time-consuming and expensive full study process even in situations where only minor upgrades are required.

B. ComEd Exception 2: Minor System Modifications Definition

In its Exception 2, ComEd's objects to the portion of the new definition of minor system modifications which includes upgrades that would result in less than 4 hours of work or \$1000 in materials. ComEd states that any work this language is "unworkable" because, in its experience, any construction work attributable to distributed generation would exceed the 4 hours or work or \$1,000 in materials. (ComEd BOE at 4) The Joint Petitioners are not persuaded that there are no possible situations in which minor work beyond the customer's service tap would involve less than 4 hours or work or \$1,000 in materials. The proposed definition is clear and signals that minor tweaks to the system should be treated equally, regardless of where they occur on the utility system. This is fair, and should not cause "customer confusion and frustration." The Joint Petitioners respectfully suggest that the Commission adopt the definition of "minor system modification" as proposed in the ALJPO.

C. ComEd's Exception 3: Section 466.70(h) External Disconnect Switch

Like Ameren, ComEd seeks more clarity regarding the proposed reporting requirement for the use of external disconnect switches (EDS). (ComEd BOE at 4) ComEd further suggests that the report could simply require the utility to aggregate instances in which ComEd requires applicants to install an EDS. (*Id.*) This misses the point of the reporting requirement to determine when and in what circumstances utilities *actually use* the EDS that they've required their customers to purchase. *See* ALJPO at 21-22 (seeking information to determine “how often and in what circumstances customer EDS switches *are utilized*” by the utility to help determine whether they're being unnecessarily required) (emphasis added). As stated in response to Ameren's Exception 1, the Joint Petitioners suggest that this should include information on how many times the EDS was used, under what circumstances its use was triggered, and whether the utility explored other disconnect options before utilizing the disconnect switch. In the alternative, the Joint Petitioners believe that the record overwhelmingly supports the elimination of the EDS requirement for small, inverter-based systems.⁹ (Joint Petitioners BOE at 5)

D. ComEd's Exception 4: Part 466.90(b) Refining Level 2 Size Limit by Incorporating a Table

In its Exception 4, ComEd continues to object to setting the Level 2 eligibility threshold for the 5kV to 15kV voltage band at ≤ 3 MW. ComEd's position apparently rests on its conclusion that projects larger than 2 MW would be “highly unlikely” to meet the Level 2 technical screens that are necessary to qualify for expedited review. (ComEd BOE at 6) On the other hand, neither ComEd nor any other party has provided data foreclosing the possibility that some larger projects *could* qualify for expedited review if given the opportunity. As ComEd points out, if a larger project fails one or more of the Level 2 screens, it will require a full study

⁹ *See* Joint Pet. Ver. Init. Comments at 35-37; Joint Pet. Ver. Rep. Comments at 7-11; Joint Pet. Ver. Sur. Comments at 8.

under Level 4. Thus, there are no additional risks created by simply allowing larger projects the opportunity to be reviewed for fast track eligibility.¹⁰ Problematic projects will continue to be “screened out.” Thus, the balance of equities weighs heavily in favor of allowing these projects the possibility of being processed under Level 2. The Commission should follow FERC’s guidance and allow projects up to 3 MW to connect on lines between 5kV to 15kV.

Joint Petitioners agree with ComEd, as noted in our opening Briefs on Exception, that the Section 466.90(b)(6) reference in Appendix C should be replaced with a reference to Section 466.90(b)(2).

E. ComEd’s Exception 5: Section 466.100(b)(7-8) Level 1 Response Times

ComEd’s Exception 5 proposes to replace “days” with “business days” in the Appendix A response timelines (Sections 466.100(b)(4)(B), 466.110(c)(3), 466.120(b)(3) of the Proposed Order’s Appendix A). Joint Petitioners agree this is an appropriate clarification.

F. ComEd’s Exception 6: Section 466.110(f) Supplemental Review

Like Staff, ComEd takes issue with the entire concept of Supplemental Review. Just like Staff, ComEd’s criticisms fail to appreciate the forward-looking purpose of Supplemental Review to prepare for a future with higher volumes of DG applications. For example, ComEd remarks that Supplemental Review is unlikely to be useful because ComEd has only reviewed a small number of Level 2 applications since 2008. (ComEd BOE at 7) However, ComEd fails to acknowledge market trends that are leading towards significantly higher DG penetration in every state in the country. While the pace of growth varies from state to state, it is reasonable to anticipate a significant increase in applications and cumulative DG penetration in Illinois,

¹⁰ ComEd points out that projects above 2 MW may require a significant amount of land (ComEd BOE at 6), but the land used by an installation has no direct relationship with the project’s potential impact on the electrical system. Instead, the Level 2 technical screens have been used successfully around the country to screen out projects that could result in grid impacts, regardless of their size.

particularly as distributed solar costs continue to fall.¹¹ As described in the record, Missouri nearly tripled its amount of installed solar capacity in only one year, adding 73 MW of new solar capacity, or enough to power more than 12,000 homes.¹² Similarly, Minnesota had only 14 MW of solar installed at the end of 2014. Today, it has more than 1,000 MW of solar projects pending in Xcel Energy's interconnection queue. Illinois' past DG experience should not dictate its future, and the Commission should not pass up this opportunity to prepare by adopting best practices that have been proven and vetted at FERC and in other states.

ComEd raises no new arguments to support its view that Supplemental Review could lead to safety or reliability concerns such as "unintentional islanding." (ComEd BOE at 7) As discussed at length throughout the record, FERC considered safety and reliability to be paramount objectives, and the ALJ's Proposed Order highlights numerous studies in the record as well as FERC's conclusion that Supplemental Review is safe, reliable, and "sufficiently conservative." (ALJPO at 38) For example, Sandia National Laboratory concluded in its comments to FERC that "a screening threshold of 100% of minimum load is *sufficiently conservative* based on practical experience from the point of view of unintentional islanding."¹³ As the Public Utilities Commission of Ohio noted, "this process allows sufficient flexibility for engineering judgment on the potential safety and reliability impacts associated with a proposed project."¹⁴ Neither ComEd nor the Staff identified a reason why system conditions in Illinois make application of Supplemental Review different or unique in this state.

ComEd implies that IEEE standards somehow conflict with the 100% of minimum load screen (ComEd BOE at 8), but the proposed Supplemental Review process is entirely consistent

¹¹ Joint Pet. Supp. Reply Comm. at 3.

¹² Springfield Business Journal, *Missouri becoming leader in Midwest solar trend*, April 13, 2015 (available at <http://sbj.net/main.asp?SectionID=18&SubSectionID=23&ArticleID=100879>).

¹³ Comments of Sandia National Laboratories under FERC RM13-2, filed June 3, 2013 at p. 5 (emphasis added).

¹⁴ PUCO Interconnection Order at 29.

with IEEE 1547 and other national technical standards. For example, FERC made specific modifications to the supplemental review screens to ensure they do not conflict with the applicable IEEE standards.¹⁵ As a senior electrical engineer at the National Renewable Energy Laboratories (“NREL”) explained in his letter to the Commission in this docket, “The use of the 100% of minimum load as a supplemental review screen does not run counter to [IEEE] 1547.”¹⁶

The Commission should also not lose sight of the fact that Supplemental Review *is the single most important innovation coming out of the FERC SGIP*. Commission approval of the Supplemental Review provisions is critical to address the increasingly frequent situation where existing distributed generation on a line segment exceeds the “15 Percent Screen” (83 Ill. Admin. Code § 466.110(a)(1)) and therefore every subsequent application for a new project on that line segment requires time consuming, expensive and potentially unnecessary interconnection studies. FERC identified the problem with the 15 Percent Screen early on in its rulemaking process and devoted considerable time and effort to developing a reasonable solution. *See* FERC NOPR at ¶11; FERC Order 792 at ¶¶ 10-14. As FERC stated in Order 792:

[T]he Commission believes that the current SGIP and SGIA inhibit the continued growth in Small Generating Facilities and cause unnecessary costs to be passed on to consumers. We agree with commenters that assert that the proposed reforms are necessary to avoid delays and unnecessary project costs (e.g., under the SGIP originally adopted in Order No. 2006, generators that could be interconnected safely and reliably under the Fast Track Process are required to undergo the more costly and time-consuming Study Process). Hence, we conclude that such delays and increased project costs are likely without the reforms proposed herein and that this threat is significant enough to justify the reforms imposed by this Final Rule.

FERC Order 792, at ¶ 2.

¹⁵ *See* FERC Order 792 at ¶ 159 (“the Commission clarifies that a proposed interconnection being evaluated under the voltage and power quality supplemental review screen must meet the requirements as specified in the applicable IEEE standards. Therefore, we delete “at the Point of Interconnection” from section 2.4.4.2 of the pro forma SGIP adopted herein so there is not a conflict between the SGIP and the IEEE standards.”).

¹⁶ Letter from Michael Coddington, Senior Electrical Engineering Researcher, National Renewable Energy Laboratory, to Illinois Commerce Commission at 4 (Nov. 18, 2014) (included as Exhibit A to the Joint Petitioners’ Verified Surreply Comments in this docket).

The penetration of distributed generation in ComEd's system already exceeds 15 percent on some line sections,¹⁷ and this will only become a more significant problem as more and more ComEd customers invest in self-generation.¹⁸ The proposed Supplemental Review procedures are a reasonable and well-vetted solution that incorporates the Minimum Load Screen adopted by FERC but preserves considerable discretion and flexibility for utilities to ensure appropriate voltage, power quality, safety and reliability through the application of two additional screens.¹⁹ The Commission should heed FERC's guidance, learn from the experience of other states, and make this change now rather than waiting until even greater problems emerge in the future.

IV. CONCLUSION

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,” and should take into account “any best practices for interconnection of distributed generation.” 220 ILCS 5/16-107.5(h). The existing Illinois standards in Parts 466 and 467 no longer reflect best practices, and

¹⁷ See ComEd Distributed Generation System Map, available at <https://www.comed.com/customer-service/rates-pricing/interconnection/Pages/distribution-under-10000kva.aspx> (screen shot attached as Exhibit C).

¹⁸ NREL Technical Report 5500-54063, *Updating Interconnection Screens for PV System Integration* (Feb. 2012), at 5, (available at <http://www.nrel.gov/docs/fy12osti/54063.pdf>) (“During review of PV interconnection requests in regions with a high level of PV deployment, the 15% interconnection screen often triggers the need for supplemental studies. In many cases, even when PV penetration is substantially above 15%, the supplemental review does not identify any necessary system upgrades. There are many circuits across the United States and Europe with PV penetration levels well above 15% where system performance, safety, and reliability have not been materially affected.”).

¹⁹ In its order adopting the more formalized supplemental review process, the Public Utilities Commission of Ohio noted that “the proposed supplemental review screens create a transparent evaluation process that may prevent projects with easily addressed issues from undergoing detailed Level 3 standard review [i.e., full study].” PUCO, Finding and Order, Case No. 12-2051-EL-ORD (In the Matter of the Commission's Review of Chapter 4901:1-22, Ohio Administrative Code, Regarding Interconnection Services, at 29 (Dec. 4, 2013), available at <http://dis.puc.state.oh.us/TiffToPdf/A1001001A13L04B42903E62593.pdf> [hereinafter PUCO Interconnection Order]).

the Joint Petitioners have complied with the Commission's request, in Docket 12-0298, to file a petition for rulemaking to address "barrier[s] to the development of distributed generation."²⁰

The rule proposed for adoption in the ALJPO reflects current national best practices for interconnection of distributed generation that have been carefully designed and vetted at FERC, at leading national laboratories including NREL and Sandia, in other states such as California, Massachusetts, and Ohio, and through the Commission's workshop process in Illinois. The Proposed Rule is thoroughly researched and documented and the record in this case contains extensive references to technical support from multiple venues and regulatory proceedings across the country. The amendments proposed in this case will promote the Commission's goal to eliminate unnecessary barriers to development of distributed generation while maintaining the safety and reliability of the electric distribution grid. The Commission should adopt the Proposed Rule in its entirety, with the exceptions noted in the Joint Petitioners' brief on exceptions and the technical clarifications agreed to herein, and publish it for First Notice in the Illinois Register pursuant to the rulemaking provisions of the Illinois Administrative Procedure Act.

Dated: September 18, 2015

Respectfully submitted,



Brad Klein, Senior Attorney
ENVIRONMENTAL LAW & POLICY
CENTER
35 E. Wacker Drive, Suite 1600
Chicago, IL 60601
(312) 795-3746
bklein@elpc.org

²⁰ ICC Docket 12-0298, Final Order at 50 (June 22, 2012).



Kristin Munsch
Director of Policy and Senior Attorney
CITIZENS UTILITY BOARD
309 W. Washington St., Suite 800
Chicago, IL 60606
(312) 263-4282
kmunsch@citizensutilityboard.org



Sky Stanfield
KEYES, FOX & WIEDMAN LLP
436 14th Street, Suite 1305
Oakland, CA 94612
(510) 314-8204
sstanfield@kfwlaw.com