

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Standardization of Generator Interconnection
Agreements and Procedures

Docket Nos. RM02-1-000
RM02-1-001

NOTICE CLARIFYING COMPLIANCE PROCEDURES

(January 8, 2004)

1. On July 24, 2003, the Commission issued Order No. 2003, Standardization of Generator Interconnection Agreements and Procedures.¹ On September 26, 2003, the Commission issued a Notice of Extension of Time granting Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs) (collectively, independent Transmission Providers) an extension of time until January 20, 2004 to comply with Order No. 2003. On October 7, 2003, the Commission granted requests to extend the effective date of the Final Rule and the date on which compliance filings are due for non-independent Transmission Providers², also to January 20, 2004. 105 FERC ¶ 61,043 at P 17-18 (2003). This notice clarifies the process for complying with that January 20, 2004 effective date.

2. For all non-independent Transmission Providers, their open access transmission tariffs (OATT) will be deemed to be revised to include the pro forma Large Generator Interconnection Procedures (LGIP) and Large Generator Interconnection Agreement (LGIA) in Order No. 2003 on January 20, 2004. These Transmission Providers are directed to make ministerial filings reflecting those revisions to their OATT in their next filings with the Commission. Any non-independent Transmission Provider seeking a variation from the pro forma LGIP and LGIA based on existing regional reliability standards must so inform the Commission on or before January 20, 2004. These filings should specify the proposed changes and why such changes are necessary. The Commission will solicit comments on these filings before acting on them. After

¹ Standardization of Generator Interconnection Agreements and Procedures, Order No. 2003, 68 Fed. Reg. 49,845 (Aug. 19, 2003), FERC Stats. & Regs. ¶ 31,146 (2003), reh'g pending (Final Rule or Order No. 2003).

² Non-independent Transmission Providers are utilities that (a) are not RTOs or ISOs or (b) are members of RTOs or ISOs but maintain ownership and operational control over certain of their Commission-jurisdictional facilities.

January 20, 2004, a non-independent Transmission Provider may separately file under Federal Power Act Section 205³ proposed changes to its LGIPs and LGIAs using the “consistent with or superior to” standard described in the Final Rule. Order No. 2003 at P 825.

3. Independent Transmission Providers must make compliance filings on or before January 20, 2004. Until the Commission acts on those compliance filings, the independent Transmission Provider's existing Commission-approved interconnection standards and procedures will remain in effect. An independent Transmission Provider may meet the January 20, 2004 deadline by filing: (a) a notice that it intends to adopt the Order No. 2003 pro forma LGIP and LGIA; or (b) new standard interconnection procedures and agreements developed according to Order No. 2003's “independent entity variation” standard. Order No. 2003 at P 827. If the independent Transmission Provider files the (b) option, the Commission will solicit comments on that filing before acting on it, and the independent Transmission Provider's existing, Commission-approved standards and procedures will continue to apply pending Commission action. After submitting its compliance filing, an independent Transmission Provider will continue to have the right to propose changes to its LGIP and LGIA using the “independent entity variation” standard.

4. We would also like to clarify that for non-independent Transmission Providers that belong to an RTO or ISO, the RTO or ISO's Commission-approved standards and procedures shall govern interconnection to its members' facilities that are under the operational control of the RTO or ISO. An interconnection to a Commission-jurisdictional facility that is owned by a non-independent Transmission Provider but is not under the operational control of the RTO or ISO shall be conducted according to the non-independent Transmission Provider's LGIP and LGIA.

The Commission orders:

The Secretary is hereby directed to publish this notice in the Federal Register.

By direction of the Commission.

(S E A L)

Linda Mitry,
Acting Secretary.

³ 16 U.S.C. § 824d (2000).