

# UNCLOGGING THE INTERCONNECTION QUEUES – FERC PROPOSES INTERCONNECTION REFORM

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## **U.S. Energy, Infrastructure, and Resources Alert**

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At its open meeting on 16 June 2022, the Federal Energy Regulatory Commission (FERC) issued a Notice of Proposed Rulemaking (NOPR) on interconnection reform in response to its Advance Notice of Proposed Rulemaking: Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection (ANOPR) (Docket No. RM21-17). This is the second rulemaking to result from the ANOPR—following the NOPR on transmission planning and cost allocation issued by FERC in [April 2022](#). FERC approved the interconnection NOPR with a unanimous vote, with Commissioner Mark Christie and Commissioner James Danly entering separate concurrences.

As Chairman Richard Glick noted, there was more than 1,400 gigawatts (1,400,000 megawatts) of electric generation and storage pending in interconnection queues throughout the United States by the end of 2021. It takes an average of more than three years for a project to connect to the grid (and much longer in some regions). To help ease this backlog, FERC Staff explained that FERC is proposing, pursuant to Federal Power Act Section 206, a series of reforms in the NOPR:

### **Implement a First-Ready, First-Served, Cluster Study Process**

The current pro forma FERC interconnection procedures have a first-come, first-served serial study process in which a project is studied individually based on the order in which it submits a completed interconnection request. Under the proposed reforms, a transmission provider would enact a cluster study approach whereby the transmission providers would conduct larger interconnection studies covering multiple projects. Note, a number of transmission providers (including most Regional Transmission Organizations/Independent System Operators) already conduct a cluster study process. In addition, interconnection customers would also be required to provide additional financial commitments and readiness requirements (such as increased study deposit amounts, site control demonstrations, and required commercial readiness milestones) to enter the interconnection queues, as well as facing withdrawal penalties upon exit.

### **Speed Up Interconnection Queue Processing Times**

The current pro forma FERC interconnection procedures only obligate the transmission providers to use reasonable efforts to meet the interconnection study time frames. Under the proposed reforms, the transmission providers would be subject to firm deadlines for completing interconnection studies, and they could face penalties for missing the deadlines (except in cases of force majeure). There was no indication during the meeting who may be responsible for funding the penalties, but the NOPR language may provide guidance. FERC also proposes more oversight of the affected system study process, including establishing a standardized and transparent affected system agreement and specific modeling standards. In addition, FERC proposes an optional resource solicitation study process to facilitate responses to state-authorized resource solicitations.

## Interconnection Sharing

Under the proposed reforms, transmission providers would have standardized procedures to allow multiple resources to share a single interconnection request and to co-locate on a shared site behind a single point of interconnection. In addition, an interconnection customer would, in certain circumstances, be allowed to add a project to an existing interconnection request without losing its interconnection queue position. Currently, some transmission providers allow co-tenancy arrangements with a shared interconnection agreement and some transmission providers do not.

## Alternative Transmission Solutions

Pursuant to the proposed reforms, a transmission provider would have to evaluate alternative solutions upon the request of an interconnection customer. For example, a battery resource could commit to certain operating parameters to avoid triggering the need for a network upgrade.

## Updated Modeling and Performance Requirements

To help address the changing resource mix, FERC proposed modeling and performance requirements for nonsynchronous generation projects (such as wind and solar), including having those projects continue to provide power and voltage support during grid disturbances.

Comments on the NOPR will be due 100 days after the NOPR's publication in the *Federal Register*, and reply comments will be due 130 days after the NOPR's publication in the *Federal Register*.

## KEY CONTACTS



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