

For Discussion Purposes Only

FCM-Generator Interconnection Study Group

Principles and Issues

January 10, 2008

Evaluating Survey Results

In this document, survey responses are separated into principles and issues, for discussion purposes only. Principles and issues are not listed in any priority order.

The list of principles is based on what appears to be consensus items at this time. The list of issues is based on what is expected to require further discussion by the stakeholder group.

The comments in parentheses indicate how items were ranked. The numbering at the end of each item corresponds to the outline for the list of principles that stakeholders ranked for the survey. To simplify this document, category labels that appear in the outline (e.g. Deliverability, Efficiency of the Process, etc.) are removed.

Principles

- P-1. Changes to the FCM and/or queue process should promote ease of administration of the overall process. (II.B.)
- P-2. The process for sharing market information on potential overlapping impacts should provide results to developers in a timely manner to expedite the development of resources. (*Ranked highest for 3rd priority*) (II.C)
- P-3. The rules governing the interconnection and qualification of resources and the process and standards for determining overlapping impacts should be transparent prior to the first deadline to participate in the auction to which the rules apply. (*Ranked highest for 4th priority*) (III.A.)
- P-4. Changes to the queue process should be consistent with the FCM settlement. (*Tied for highest rank for 2nd priority*) (IV.A.)

Issues

- I-1. Changes to the queue process should address the intra-zonal deliverability of new capacity resources. (*Tied for highest rank for 2nd priority*) (I.A.)
- I-2. The queue and transmission delivery study processes should be better coordinated with the Forward Capacity Market (FCM) process. (*Ranked highest for 1st priority*) (II.A.)
- I-3. Should interconnection studies performed for the generator interconnection process and the FCM process be performed in a consistent manner? (II.D.)
- I-4. Should changes to the queue process be consistent with (or superior to) FERC precedent (e.g. Orders, Open Access Transmission Tariff, Market Rule 1)? (IV.B.)

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- I-5. The issue of grandfathering should be addressed. (IV.C.)
- I-6. When resources have overlapping interconnection impacts, how should queue position affect resource selection? (V.A.)
- I-7. Should the queue order be maintained and should bilateral transactions be encouraged between overlapping projects to increase market efficiency? (V.B.)
- I-8. Should projects earlier in the queue be able to block projects later in the queue? And how can the concept of “blocking” be distinguished from competitive market participation where some or all of the new capacity is not needed? (V.C.)
- I-9. Should changes to the queue process take into account the anticipated effects on the efficiency of the auction? (V.D.)
- I-10. Should new resources be able to procure the rights to deliver capacity from existing resources? (V.E.)
- I-11. What changes, if any, should be made to the generator interconnection process and FCM process to accommodate resources with long lead times? (VI.A.)
- I-12. What milestones should a resource be required to meet to stay in the queue? (VI.B.)
- I-13. Are any changes needed to accommodate self supply? (VII.A.)
- I-14. What rights should a new qualified resource not selected in the FCA retain? (*Ranked highest for 5th priority*) (VIII.A.)
- I-15. Should the Schedule 22 (Large Generator Interconnection Procedures) timeline be re-evaluated? (VIII.B.)
- I-16. Should the FCA allow for the selection of a replacement resource when a resource selected during the FCM process withdraws or is unable to fulfill its capacity obligation? (VIII.C.)
- I-17. If a resource in the queue repeatedly does not qualify or get selected in the auction, how should that impact its queue position? (VIII.D.)
- I-18. Should the generator interconnection process and the FCM process require the study of clusters of resources rather than individual resources under some or all circumstances? (IX.A.)