

*For Discussion Purposes Only*

FCM-Generator Interconnection Study Group

*Key Elements of Suggested Principles, by Category*

January 10, 2008

**Survey Results**

Items highlighted in yellow have been identified by stakeholders as one of their top five priorities without regard to ranking. Items highlighted in green italics have been identified as top priorities as noted.

I. Deliverability

A. Changes to the queue process should address the intra-zonal deliverability of new capacity resources. *(Tied for highest rank for 2<sup>nd</sup> priority)*

II. Efficiency of the Process

A. The queue and transmission delivery study processes should be better coordinated with the Forward Capacity Market (FCM) process. *(Ranked highest for 1<sup>st</sup> priority)*

B. Changes to the FCM and/or queue process should promote ease of administration of the overall process.

C. 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 3<sup>rd</sup> priority)*

D. Should interconnection studies performed for the generator interconnection process and the FCM process be performed in a consistent manner?

III. Transparency of the Process

A. 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 4<sup>th</sup> priority)*

IV. FERC Jurisdictional Issues and Precedent (Rules, Rates and Settlement Agreement)

A. Changes to the queue process should be consistent with the FCM settlement. *(Tied for highest rank for 2<sup>nd</sup> priority)*

B. Should changes to the queue process be consistent with (or superior to) FERC precedent (e.g. Orders, Open Access Transmission Tariff, Market Rule 1)?

C. The issue of grandfathering should be addressed.

V. Costs/Market Efficiency/Competition

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A. When resources have overlapping interconnection impacts, how should queue position affect resource selection?

B. Should the queue order be maintained and should bilateral transactions be encouraged between overlapping projects to increase market efficiency?

C. 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?

D. Should changes to the queue process take into account the anticipated effects on the efficiency of the auction?

E. Should new resources be able to procure the rights to deliver capacity from existing resources?

VI. Resources with Long Lead-times

A. What changes, if any, should be made to the generator interconnection process and FCM process to accommodate resources with long lead times?

B. What milestones should a resource be required to meet to stay in the queue?

VII. Resource-specific issues:

A. Are any changes needed to accommodate self supply?

VIII. Resources not selected in the FCA

A. What rights should a new qualified resource not selected in the FCA retain? (*Ranked highest for 5<sup>th</sup> priority*)

B. Should the Schedule 22 (Large Generator Interconnection Procedures) timeline be re-evaluated?

C. 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?

D. If a resource in the queue repeatedly does not qualify or get selected in the auction, how should that impact its queue position?

IX. Clustering

A. 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?

X. Other