Interconnection Reform Update to New Jersey Board of Public Utilities IX/NEM Working Group

Dan Adamson, Vice President of Regulatory Affairs & Counsel
Solar Energy Industries Association
Trenton, New Jersey, June 7, 2012
About SEIA

• Solar Energy Industries Association (SEIA) is the national trade association of the solar industry.
• SEIA merged with the Solar Alliance on January 1, 2012, to gain capacity to work in state forums, particularly key solar states such as New Jersey.
• State policy is extraordinarily important to solar.
• Small generation interconnection policy landscape has changed significantly in recent months:
  – Hawaii Rule 14h (November 2011).
  – SEIA Petition for FERC Rulemaking to update small generator interconnection rules for solar wholesale DG (February 2012).
  – California Rule 21 Interconnection Settlement between CA IOUs, SEIA and others (March 2012).
• **Hawaii Rule 14h:**
  – Streamlined supplement review if project fails initial screening.
  – Interconnection Requirements Study not required if aggregate DG penetration is below 50% of the distribution circuit demand.
  – Time limits for completion of key major steps in interconnection process.
  – Utility is responsible in certain cases for post-interconnection costs.
• **NREL/Sandia/EPRI Report Excerpts:**
  
  – “the existing 15% [fast track] screen is conservative and not an accurate method… [in many cases]”.
  
  – “There are many circuits… with PV penetration levels well above 15% where system performance, safety, and reliability have not been materially affected.”
  
  – “…it is possible to refine screening procedures...without compromising safety and reliability of the interconnected distribution system.”
  
  – “…it makes sense to consider minimum daytime load as a technical screening criterion”.
(15% of peak load = 0.84 MW)
• SEIA Fast Track Interconnection Petition to FERC:
  – Preserves 15% screen.
  – Supplemental 100% minimum day-time load screen with power quality, voltage fluctuation, safety and reliability tests. This could roughly double amount of solar DG eligible for fast track interconnection.
  – Raises MW cap to no cap or 10 MW cap.
  – Obligation to collect minimum load data triggered when distribution circuit aggregate DG exceeds 10% of peak load. Minimum load can also be estimated through modeling.
  – Expedited independent third party review of upgrades.
  – Does not impinge on state interconnection authority.
• SEIA Fast Track Interconnection Petition to FERC-Comments:
  – Positive comments from NJ BPU, CPUC, PJM, solar industry and environmentalists.
  – Opposition from utility trades- EEI, NRECA and APPA and other utilities.
• **California Rule 21 Interconnection Settlement:**
  – Comprehensive settlement of both retail and wholesale small generation interconnection.
  – Key signatories include Pacific Gas & Electric, Southern California Edison, San Diego Gas & Electric, IREC and SEIA.
  – California Public Utility Commission approval expected in summer 2012.
• California Rule 21 Interconnection Settlement:
  – Preserves 15% screen.
  – Supplemental 100% minimum day-time load screen with power quality, voltage fluctuation, safety and reliability tests.
  – Use of minimum load data when available or can be estimated from a power flow model.
  – Cap increased to 3 MW on “lines of appropriate voltage.”
• **SEIA Request:**
  - SEIA appreciates BPU’s leadership on interconnection.
  - Respectfully requests BPU staff to conduct meeting(s) focusing in depth on latest developments.
  - This could be followed by small generator interconnection reform rulemaking.
  - The NREL report, SEIA petition, CA Rule 21 Settlement and Hawaii Rule 14h provide a good starting point.
  - BPU could build and improve upon.
Questions?

dadamson@seia.org
202-556-2892
575 7th St. NW, Suite 400
Washington, DC 20004