

**REVISED DRAFT QUEUE MANAGEMENT PROPOSAL**  
**August ~~15~~29, 2016**

**Preparatory Activities**

Utilities, representatives from the solar industry, and the State Ombudsmen will continue their efforts to clear the pre-April 29, 2016 inventory through voluntary withdrawals and application of the 12-month limit in the prior version of the SIR.

**Queue Reset for Pre-4/29 Applications**

The “start date” of this queue management process will be 20 business days after the issuance of an Order by the PSC related to this proposal. At the “start date”, the queue of interconnection applications submitted before 4/29/16 will need to meet the applicable requirements described below in the allowed timeframes. The first requirement applies to almost all applications and the other requirements are based on where the application is in the process. Projects that fail to meet the requirements defined in each step will be removed from the queue with no further action required by the utility. The reset will be accomplished by taking the following steps:

- 1) All applications, unless an interconnection contract has been executed and any construction payments for an application have been received, will be required to provide the utilities with proof of property owner consent within 10 business days of the “start date”. Property owner consent will take the form of a signed statewide standard property owner consent form which will require that either a) the property owner acknowledges that he/she is working exclusively with that developer so only one application for the physical space for citing the project a can be submitted at any one time, or b) that there is a signed option agreement to lease or purchase the land, an executed land lease, or an executed purchase contract. If the developer already has the agreement or contract signed by the property owner, they may for the purposes of this reset attach it in redacted format to the consent form in lieu of the property owner’s signature. Applications that do not meet this requirement will be withdrawn from the queue with no further required action by the utility.
- 2) The utilities will then update the interconnection queue and publish the revised queue within 30 business days from the end of the landowner consent verification period (i.e. completion of the 10 business days specified above). This date will be defined at the “reset date 1.” The utilities will thereafter provide the updated queue monthly on the 15<sup>th</sup> of each month.
- 3) In all cases it will be the obligation of the developer to check the status of their projects relative to the required action dates. Applications that do not meet any of their required action dates will be withdrawn from the queue with no further action required by the utility.
- 4) The below timelines and required actions/payments will be applied to the remaining applications as follows:

- a. **Projects with CESIRs that have been completed for more than 60 business days as of the “reset date 1”:** Any projects in this category that decide to move forward will have 30 business days after “reset date 1” to pay 25% of the expected upgrade cost, and execute the interconnection contract with the utility (as in the new SIR). Making upgrade payment means proof of check or electronic transfer delivery. Checks must clear for this delivery to count. If a developer has previously already negotiated an initial payment with the utility for less than 25% prior to the “start date”, that arrangement shall not be affected by this requirement. Any projects for which the 25% payment has not been received or for which an interconnection contract has not been executed by the end of this 30 business day period will be withdrawn from the queue with no further action required from the utility. See section on Study and Construction Schedule for further details.
- b. **Projects with CESIR studies that have not been completed or completed for less than 60 business days as of “reset date 1”:** The decision period for projects with CESIRs completed for less than 60 business days as of “reset date 1” will be 60 business days after that date. All other projects in this category will have 60 business days after completion of their CESIR to decide whether to move forward. Projects that intend to progress must pay 25% of the expected upgrade cost and execute the interconnection contract with the utility (as in the new SIR) by the end of the relevant 60 business day period. Making upgrade payment means proof of check or electronic transfer delivery. Checks must clear for this delivery to count. If a developer has previously already negotiated an initial payment with the utility for less than 25% prior to the “start date”, that arrangement shall not be affected by this requirement. Any projects for which the 25% payment has not been received or for which an interconnection contract has not been executed by the end of the applicable 60 business day period will be withdrawn from the queue with no further action required from the utility. See section on Study and Construction Schedule for further details.
- c. **Projects for which a developer has only received a Preliminary Review as of the “reset date 2”:** Projects which have received only a Preliminary Review by the “reset date 2” will follow the process detailed below. Utilities will have 5 business days from “reset date 1” to contact, via email, the initial grouping of projects, which shall consist of the first application on each substation or substation bus/transformer feeder in each utility territory up to the utility’s simultaneous CESIR study capacity, and notify them of their need to make a decision to move to full CESIR. Developers will then have 15 business days to notify the utility of their desire to move to full CESIR study. If the developer decides to move forward to CESIR they will be required to make full payment for the study prior to the end of this 15 business day period. Making payment means proof of check or electronic transfer. Checks must clear for electronic transfer to count. Projects must also meet all requirements of the pre-April 29 SIR (i.e. completed design package) prior to the end of this 15 business day period. Any project that fails to make payment or meet all other requirements described

**Commented [PH1]:** It should be recognized that with this proposal steps 4a, 4b and 4c are proceeding in parallel which will impact the visibility to developers of certain project decisions

above within this 15 business day timeframe will be withdrawn from the queue with no further action required by the utility. ~~As capability for a utility to perform additional CESIRs becomes available (i.e. projects withdrawn, additional capability added, or CESIRs completed) the utilities will have 5 business days to notify the next grouping of projects of their need to make a decision to move to full CESIR. Developer will then have 15 business days to make a decision as described above.~~ The process will continue with **all projects in the queue** being required to make their decisions about moving forward with a CESIR in order of their position on the utilities **substation or substation bus/transformer feeders** (all first position applications on **substation or substation bus/transformer feeders** are required to go first and then all second position applications etc **following this process through the entire queue in the largest groupings the utility can handle**). **CESIRs will be scheduled in the order that payments are received and checks clear. As capability for a utility to perform additional CESIRs becomes available (i.e. projects withdrawn, additional capability added, or CESIRs completed) the utilities will begin the next CESIR in the queue** have 5 business days to notify the next grouping of projects of their need to make a decision to move to full CESIR. ~~Developer will then have 15 business days to make a decision as described above.~~ CESIRs will be sequential studies, but the utilities will identify the ability to cluster studies on the same circuit and or substation for a single developer. Developer would have the option to cluster but once that decision is made it is final.

**Commented [PH2]:** It should be noted that this process will result in developers being required to make payment for CESIRs in many cases well in advance of when the study work will be performed. It should also be noted that the JU position is that a CESIR payment isn't a sufficient threshold on its own for a project to meeting the "material and substantial investment commitment" identified in section 2.1 of the Staff Straw draft dated 8/23/16 in the Value of D Case

#### d. Study and Construction Schedule

Each utility will publish a schedule for the completion of each application's CESIR as well as the feeder and substation name/number for each application as part of its monthly reports and will update it monthly. The schedule will show, at a minimum, the start and completion dates for each study. Each individual CESIR will be completed within 60 business days of the start date established for it in the schedule. Utilities will provide construction schedules back to the developer within 30 business days of receipt of the 25% of expected upgrade payment. Construction schedules will be good faith estimates recognizing that easements and permits that may be required for construction can be outside of the utility's control. Developers may arrange to pay additional funds to utilities to cover the costs of long lead-time items. The applicant has a total of 120 business days to provide full payment to the utility from the time of the executed contract.

#### Post April 29 Applications

In addition to complying with all of the timelines of the new SIR, all of these applications will be required to file with the utility a property owner consent form as defined above within 10 business days of the "start date" for all existing applications as of the date of the Order and for all subsequent applications in order to be submitted and enter the interconnection queue. Property owner consent will take the form of a signed statewide standard property owner

consent form which will require that either a) the property owner acknowledges that he/she is working exclusively with that developer so only one application for the physical space for citing the project a can be submitted at any one time, or b) that there is a signed option agreement to lease or purchase the land, an executed land lease, or an executed purchase contract. Existing projects as of the date of the Order which do not provide the property owner consent form in the timeline described above will be withdrawn from the queue with no further action required by the utility.

Post April 29 applications that meet the property owner consent requirement that proceed to the CESIR will be included in the process above to determine the study schedule. Proof of site control will be required to move forward with a CESIR study, and this site control will take the form of a signed statewide standard property owner site control form which will require that the property owner acknowledges that there is a signed option agreement to lease or purchase the land, an executed land lease, or an executed purchase contract if they have not already done so. Once an applicant's study start date is posted to the CESIR schedule, the applicant will be given 30 business days to make a decision as to whether to proceed to CESIR and make payment as described above. Projects that do not meet these requirements or any of the other required timelines in the new SIR will be removed from the queue with no further action required by the utility. Once the CESIR for a project is completed the developer will have 60 business days to make payment of 25% of proposed upgrade costs or be removed from the queue as defined in the new SIR.

**Commented [PH3]:** We should all be clear on how this will work. These projects will be studied based on when CESIR check clears. These projects may therefore be studied in advance of many of the pre-April projects

#### **Cost-Sharing Mechanism**

~~To enable compliance with the above timelines and allow the investment in larger needed upgrades that otherwise act as obstacles to development, an initial limited mandatory cost sharing mechanism amongst developers through 2020 will be created. Eligible items must be over \$100,000 in cost and be a certain category of upgrade like a substation 3VO upgrade, substation transformer upgrade, construction of new express feeder, or reconductoring of entire line. Under this proposal, the first project(s) moving forward would still pay all upgrade costs, but then future projects that come afterwards and use the upgrades would be mandated to pay their proportional share of that upgrade cost. Having already initially been paid in full, the utility would then transfer those later payments to the project developer who initially paid for the entire upgrade cost. Details of these eligible upgrades must be worked out along with the exact steps the utility would take to track them.~~

**Commented [PH4]:** The inclusion of a mandatory, voluntary or any cost sharing provision is subject to further discussion

#### **Extension to Timeline if Permitting Moratorium Where Project Located**

To enable compliance with the above timelines, after receiving its CESIR, a project can get an extension of the required timeline if it pays the 25% of the expected upgrade cost, executes the interconnection contract, and submits proof of the existing moratorium to the utility. From there, the extension would kick in and the 120 business day timeline for paying the remainder of the total upgrade payment would be adjusted to be 120 business days from the end of the moratorium. Because the 25% commitment has been made, the project would retain its exact position in the interconnection queue. If the project does not move forward after receiving an extension, it must be due to a continued moratorium or permitting issue, and if so, the unused

portion of the 25% payment will be refunded by the utility. This extension would be limited to 12 months from the date that the 25% payment was received and the check cleared. At the end of the 12 months the project will be removed from the queue with any unused portion of the 25% payment being refunded by the utility.

**Cost Certainty Review**

To enable greater cost certainty and compliance with the above timelines, and expanding on the +/- 25% upgrade cost contingency goal in the new SIR, interconnection upgrade costs that exceed the +25% would trigger an administrative review process by DPS concerning the reason for such costs.

**Commented [PH5]:** The ability for developers to seek review of upgrade costs exists today through either the utility or PSC Ombudsman or directly to the Commission. It is felt that this item could be included as a future topic for the IPWG