

170 FERC ¶ 61,039  
UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Neil Chatterjee, Chairman;  
Richard Glick and Bernard L. McNamee.

MATL LLP

Docket No. ER19-1890-000

ORDER ON COMPLIANCE

(Issued January 24, 2020)

1. On May 17, 2019, MATL LLP (MATL) submitted proposed revisions to its Open Access Transmission Tariff (Tariff) in compliance with the requirements of Order Nos. 845 and 845-A,<sup>1</sup> which amended the Commission's *pro forma* Large Generator Interconnection Agreement (LGIA) and *pro forma* Large Generator Interconnection Procedures (LGIP).<sup>2</sup> As discussed below, we find that MATL's filing partially complies with the requirements of Order Nos. 845 and 845-A. Accordingly, we accept MATL's compliance filing, effective May 22, 2019, as requested, and direct MATL to submit a further compliance filing within sixty (60) days of the date of this order.

**I. Background**

2. On April 19, 2018, the Commission issued Order No. 845, which revised the Commission's *pro forma* LGIA and the *pro forma* LGIP to improve certainty for interconnection customers, promote more informed interconnection decisions, and enhance the interconnection process. The Commission stated that it expects that these reforms will provide interconnection customers better information and more options for obtaining interconnection service, and as a result, there will be fewer overall

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<sup>1</sup> *Reform of Generator Interconnection Procedures and Agreements*, Order No. 845, 163 FERC ¶ 61,043 (2018), *errata notice*, 167 FERC ¶ 61,123, *order on reh'g*, Order No. 845-A, 166 FERC ¶ 61,137, *errata notice*, 167 FERC ¶ 61,124, *order on reh'g*, Order No. 845-B, 168 FERC ¶ 61,092 (2019).

<sup>2</sup> The *pro forma* LGIP and *pro forma* LGIA establish the terms and conditions under which public utilities that own, control, or operate facilities for transmitting energy in interstate commerce must provide interconnection service to large generating facilities. Order No. 845, 163 FERC ¶ 61,043 at P 6.

interconnection requests and fewer interconnection requests failing to reach commercial operation. The Commission also stated that it expects that, as a result of these reforms, transmission providers will be able to focus resources on those interconnection requests most likely to reach commercial operation.<sup>3</sup> In Order No. 845-A, the Commission generally upheld the reforms it required in Order No. 845 but granted certain requests for rehearing and clarification.

3. In Order No. 845, the Commission adopted 10 different reforms in three categories to improve the interconnection process. First, in order to improve certainty for interconnection customers, the Commission: (1) removed the limitation that interconnection customers may exercise the option to build the transmission provider's interconnection facilities<sup>4</sup> and stand alone network upgrades<sup>5</sup> only in instances when the transmission provider cannot meet the dates proposed by the interconnection customer;<sup>6</sup> and (2) required that transmission providers establish interconnection dispute resolution procedures that allow a disputing party unilaterally to seek non-binding dispute resolution.<sup>7</sup>

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<sup>3</sup> Order No. 845, 163 FERC ¶ 61,043 at P 2; Order No. 845-A, 166 FERC ¶ 61,137 at P 1.

<sup>4</sup> Transmission provider's interconnection facilities are "all facilities and equipment owned, controlled or operated by the Transmission Provider from the Point of Change of Ownership to the Point of Interconnection as identified in Appendix A to the Standard Large Generator Interconnection Agreement, including any modifications, additions or upgrades to such facilities and equipment. Transmission provider's interconnection facilities are sole use facilities and shall not include Distribution Upgrades, Stand Alone Network Upgrades or Network Upgrades." *Pro forma* LGIA art. 1 (Definitions).

<sup>5</sup> Stand alone network upgrades are "Network Upgrades that an Interconnection Customer may construct without affecting day-to-day operations of the Transmission System during their construction. Both the Transmission Provider and the Interconnection Customer must agree as to what constitutes Stand Alone Network Upgrades and identify them in Appendix A to the Standard Large Generator Interconnection Agreement." *Id.*

<sup>6</sup> Order No. 845, 163 FERC ¶ 61,043 at P 85.

<sup>7</sup> *Id.* P 3.

4. Second, to promote more informed interconnection decisions, the Commission: (1) required transmission providers to outline and make public a method for determining contingent facilities;<sup>8</sup> (2) required transmission providers to list the specific study processes and assumptions for forming the network models used for interconnection studies; (3) revised the definition of “Generating Facility” to explicitly include electric storage resources; and (4) established reporting requirements for aggregate interconnection study performance.<sup>9</sup>

5. Third, the Commission adopted reforms to enhance the interconnection process by: (1) allowing interconnection customers to request a level of interconnection service that is lower than their generating facility capacity; (2) requiring transmission providers to allow for provisional interconnection agreements that provide for limited operation of a generating facility prior to completion of the full interconnection process; (3) requiring transmission providers to create a process for interconnection customers to use surplus interconnection service<sup>10</sup> at existing points of interconnection; and (4) requiring transmission providers to set forth a procedure to follow when assessing and, if necessary, studying an interconnection customer’s technology changes without affecting the interconnection customer’s queue position.<sup>11</sup>

## II. MATL’s Compliance Filing

6. MATL states that its revised LGIP and revised *pro forma* LGIA are contained in Attachment M of its Tariff. MATL states that it largely adopts the *pro forma* language, without revision. MATL states that it has deleted and replaced placeholder wording to

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<sup>8</sup> Contingent facilities are “those unbuilt Interconnection Facilities and Network Upgrades upon which the Interconnection Request’s costs, timing, and study findings are dependent, and if delayed or not built, could cause a need for Re-Studies of the Interconnection Request or a reassessment of the Interconnection Facilities and/or Network Upgrades and/or costs and timing.” *Pro Forma* LGIP § 1 (Definitions).

<sup>9</sup> Order No. 845, 163 FERC ¶ 61,043 at P 4.

<sup>10</sup> Order No. 845 added a definition for “Surplus Interconnection Service” to section 1 of the *pro forma* LGIP and article 1 of the *pro forma* LGIA, defining the term as “any unused portion of Interconnection Service established in a Large Generator Interconnection Agreement, such that if Surplus Interconnection Service is utilized the Interconnection Service limit at the Point of Interconnection would remain the same.” *Id.* P 459.

<sup>11</sup> *Id.* P 5.

eliminate duplication and ensure clarity.<sup>12</sup> In instances where the Commission afforded transmission providers discretion, MATL proposes Tariff revisions in response to the following sections: (1) LGIP section 1—Definition of Permissible Technological Advancement; (2) LGIP section 4.4.6—Technological Change Procedure; (3) LGIP section 3.3 —Surplus Interconnection Study and Agreement; (4) LGIP section 3.8—Identification of Contingent Facilities; and (5) *pro forma* LGIA article 5.9.2—Provisional Interconnection Service.<sup>13</sup>

7. MATL requests an effective of May 22, 2019 for its proposed Tariff revisions.

### **III. Notice and Responsive Pleadings**

8. Notice of MATL’s compliance filing was published in the *Federal Register*, 84 Fed. Reg. 24,127 (2019), with interventions and protests due on or before June 7, 2019. NaturEner USA, LLC (NaturEner) filed a motion to intervene.

### **IV. Discussion**

#### **A. Procedural Matters**

9. Pursuant to Rule 214 of the Commission’s Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2019), the timely, unopposed motion to intervene serves to make NaturEner a party to this proceeding.

#### **B. Substantive Matters**

10. As discussed below, we find that MATL’s filing partially complies with the requirements of Order Nos. 845 and 845-A. Accordingly, we accept MATL’s compliance filing, effective May 22, 2019, and direct MATL to submit a further compliance filing within sixty (60) days of the date of this order.

#### **1. Proposed Variations**

11. As discussed further below, MATL has requested certain variations from the Commission’s requirements in Order Nos. 845 and 845-A. The Commission explained in Order No. 845 that such variations would be reviewed under the same standard allowed by Order No. 2003.<sup>14</sup> In Order No. 2003, when adopting the *pro forma* LGIA and LGIP, the Commission permitted transmission providers to seek variations from the *pro forma*

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<sup>12</sup> MATL, May 27, 2019 Compliance Filing at 2 (Filing).

<sup>13</sup> *Id.* at 2-8.

<sup>14</sup> Order No. 845, 163 FERC ¶ 61,043 at P 43.

LGIP and/or *pro forma* LGIA if they were “consistent with or superior to” the terms of the *pro forma* LGIP and *pro forma* LGIA.<sup>15</sup> A transmission provider seeking a “consistent with or superior to” variation must demonstrate why its proposal is consistent with or superior to the *pro forma* LGIP and/or *pro forma* LGIA.<sup>16</sup> The Commission also permitted transmission providers to justify a variation to the *pro forma* LGIA or LGIP based on regional reliability requirements and required transmission providers submitting such regional reliability variations to the Commission for approval to identify the proposed variations and explain why such variations are necessary.<sup>17</sup> We will evaluate MATL’s proposed variations from the requirements of Order Nos. 845 and 845-A accordingly.

## 2. Interconnection Customer’s Option to Build

12. In Order No. 845, the Commission revised articles 5.1, 5.1.3, and 5.1.4 of the *pro forma* LGIA to allow interconnection customers to unilaterally exercise the option to build for stand alone network upgrades and the transmission provider’s interconnection facilities, regardless of whether the transmission provider can complete construction of such facilities by the interconnection customer’s proposed in-service date, initial synchronization date, or commercial operation date.<sup>18</sup> Prior to Order No. 845, this option to build was available to an interconnection customer only if the transmission provider did not agree to the interconnection customer’s preferred construction timeline.<sup>19</sup> The Commission stated in Order No. 845 that this reform of the option to build will “benefit the interconnection process by providing interconnection customers more control and certainty during the design and construction phases of the interconnection process.”<sup>20</sup>

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<sup>15</sup> *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 104 FERC ¶ 61,103, at P 825 (2003), *order on reh’g*, Order No. 2003-A, 106 FERC ¶ 61,220, *order on reh’g*, Order No. 2003-B, 109 FERC ¶ 61,287 (2004), *order on reh’g*, Order No. 2003-C, 111 FERC ¶ 61,401 (2005), *aff’d sub nom. Nat’l Ass’n of Regulatory Util. Comm’rs v. FERC*, 475 F.3d 1277 (D.C. Cir. 2007).

<sup>16</sup> *See, e.g., Nev. Power Co.*, 167 FERC ¶ 61,086, at P 3 (2019).

<sup>17</sup> Order No. 2003, 104 FERC ¶ 61,103 at P 826; Order No. 2003-A, 106 FERC ¶ 61,220 at P 45.

<sup>18</sup> Order No. 845, 163 FERC ¶ 61,043 at PP 85-87.

<sup>19</sup> Order No. 2003, 104 FERC ¶ 61,103 at P 353; *see also pro forma* LGIP § 5.1.3.

<sup>20</sup> Order No. 845, 163 FERC ¶ 61,043 at P 85.

13. In Order No. 845-A, the Commission granted rehearing and clarification of certain aspects of the revised option to build. Specifically, the Commission revised the definition of stand alone network upgrade in the *pro forma* LGIP and *pro forma* LGIA to: (1) state that, when there is a disagreement, the transmission provider must provide the interconnection customer a written technical explanation outlining why the transmission provider does not consider a specific network upgrade to be a stand alone network upgrade;<sup>21</sup> and (2) clarify that the option to build does not apply to stand alone network upgrades on affected systems.<sup>22</sup> The Commission also made revisions to article 5.2 of the *pro forma* LGIA to allow transmission providers to recover oversight costs related to the interconnection customer's option to build.<sup>23</sup> In addition, the Commission clarified that the revised option to build provisions apply to all public utility transmission providers, including those that reimburse the interconnection customer for network upgrades.<sup>24</sup>

**a. MATL's Compliance Filing**

14. MATL proposes revisions to its *pro forma* LGIA amending articles 5.1, 5.1.3, and 5.2(12) to incorporate the *pro forma* LGIA revisions adopted by Order Nos. 845 and 845-A without modification. Additionally, MATL proposes revisions to its *pro forma* LGIP revising section 1 Definitions to incorporate the *pro forma* LGIP revisions adopted by Order Nos. 845 and 845-A without modification.<sup>25</sup>

**b. Commission Determination**

15. We find that MATL's proposed revisions regarding the option to build comply with the requirements of Order Nos. 845 and 845-A because MATL adopts the Commission's *pro forma* LGIP and *pro forma* LGIA revisions without modification.

**3. Dispute Resolution**

16. In Order No. 845, the Commission revised the *pro forma* LGIP by adding new section 13.5.5, which establishes generator interconnection dispute resolution procedures

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<sup>21</sup> Order No. 845-A, 166 FERC ¶ 61,137 at P 68.

<sup>22</sup> *Id.* P 61.

<sup>23</sup> *Id.* P 75.

<sup>24</sup> *Id.* P 33.

<sup>25</sup> MATL OATT, att. M (9.1.0), LGIA arts. 1 (Definitions), 5.1 (Options), 5.1.3 (Option to Build), 5.1.4 (Negotiated Option), and LGIP § 1 (Definitions).

that allow a disputing party to unilaterally seek non-binding dispute resolution.<sup>26</sup> The Commission established these new procedures because dispute resolution was previously unavailable when the parties did not mutually agree to pursue a binding arbitration under section 13.5 of the pre-Order No. 845 *pro forma* LGIP. The Commission further explained that participation in the new non-binding dispute resolution process in *pro forma* LGIP section 13.5.5 does not preclude disputing parties from pursuing binding arbitration after the conclusion of the non-binding dispute resolution process if they seek a binding result.<sup>27</sup>

**a. MATL's Compliance Filing**

17. MATL proposes revisions to add section 13.5.5 of its LGIP to adopt the language required by Order Nos. 845 and 845-A without modification.<sup>28</sup>

**b. Commission Determination**

18. We find that MATL's proposed LGIP revisions regarding dispute resolution comply with the requirements of Order Nos. 845 and 845-A because MATL adopts the Commission's *pro forma* revisions without modification.

**4. Identification and Definition of Contingent Facilities**

19. Order No. 845, the Commission added a new definition to section 1 of the *pro forma* LGIP, providing that contingent facilities shall mean those unbuilt interconnection facilities and network upgrades upon which the interconnection request's costs, timing, and study findings are dependent, and, if delayed or not built, could cause a need for restudies of the interconnection request or a reassessment of the interconnection facilities and/or network upgrades and/or costs and timing.<sup>29</sup> The Commission also added new section 3.8 to the *pro forma* LGIP, which requires transmission providers to include, within section 3.8, a method for identifying the contingent facilities that they will provide to the interconnection customer at the conclusion of the system impact study and

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<sup>26</sup> Order No. 845, 163 FERC ¶ 61,043 at P 133; *see also pro forma* LGIP § 13.5.5.

<sup>27</sup> Order No. 845, 163 FERC ¶ 61,043 at P 139.

<sup>28</sup> MATL OATT, att. M (9.1.0), LGIP § 13.5.5 (Non-Binding Dispute Resolution Procedures).

<sup>29</sup> Order No. 845, 163 FERC ¶ 61,043 at P 218; *see also pro forma* LGIP § 1 (Definitions).

include in the interconnection customer's generator interconnection agreement.<sup>30</sup> The Commission specified that the method must be sufficiently transparent to determine why a specific contingent facility was identified and how it relates to the interconnection request.<sup>31</sup> The Commission stated that this transparency will ensure that the method is applied on a non-discriminatory basis.<sup>32</sup> The Commission further required that transmission providers provide, upon the interconnection customer's request, the estimated network upgrade costs and estimated in-service completion date associated with each identified contingent facility when this information is readily available and not commercially sensitive.<sup>33</sup>

**a. MATL's Compliance Filing**

20. MATL proposes revisions to its LGIP to add the definition of contingent facilities and to add new section 3.8 of its LGIP that requires MATL to identify contingent facilities before the execution of an LGIA. MATL proposes to identify contingent facilities by considering the interconnection facilities and network upgrades associated with any interconnection request with a higher queue position or the list of transmission projects planned or proposed for MATL's system to identify those upgrades that are not yet in service but upon which the interconnection request's costs, timing, and study findings are dependent, and, if delayed or not built, could cause a need for restudies of the interconnection request or a reassessment of the interconnection facilities and/or network upgrades and/or costs and timing. Under proposed LGIP section 3.8, contingent facilities that are identified during the evaluation of the interconnection request must be documented by MATL in the interconnection system impact study report or the LGIA. MATL will also provide, upon request of the interconnection customer, the estimated interconnection facility and/or network upgrade costs and estimated in-service completion time for the identified contingent facilities when this information is available.<sup>34</sup>

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<sup>30</sup> Order No. 845, 163 FERC ¶ 61,043 at P 199.

<sup>31</sup> *Id.*; *see also pro forma* LGIP § 3.8.

<sup>32</sup> Order No. 845, 163 FERC ¶ 61,043 at P 200.

<sup>33</sup> *Id.* P 199; *see also pro forma* LGIP § 3.8.

<sup>34</sup> MATL OATT, att. M (9.1.0), LGIP § 3.8 (Identification of Contingent Facilities).

**b. Commission Determination**

21. We find that the revised provisions that identify and describe MATL's method for determining contingent facilities, as MATL proposes in its LGIP, partially comply with the requirements of Order Nos. 845 and 845-A. We find that MATL complies with the requirements of Order Nos. 845 and 845-A because MATL has adopted the definition of contingent facilities and the language regarding the need for the transmission provider to include in LGIP section 3.8 a method for identification of contingent facilities without modification. Further, MATL's proposed Tariff revisions comply with the requirements related to providing estimated network upgrade costs and estimated in-service completion dates associated with contingent facilities to the interconnection customer.

22. However, as specified in Order No. 845, transmission providers must include, in section 3.8 of their LGIPs, a method for determining contingent facilities.<sup>35</sup> The Commission required that this method must provide sufficient transparency to determine why a specific contingent facility was identified and how it relates to the interconnection request.<sup>36</sup> The Commission also required that a transmission provider's method to identify contingent facilities be transparent enough to ensure that it will be applied on a non-discriminatory basis.<sup>37</sup> MATL's proposed Tariff revisions lack the requisite transparency required by Order Nos. 845 and 845-A because the proposed Tariff revisions do not detail the specific technical screens or analyses and the specific thresholds or criteria that MATL will use as part of its method to identify contingent facilities.<sup>38</sup> Without this information, an interconnection customer will not understand how MATL will evaluate potential contingent facilities to determine their relationship to an individual interconnection request.<sup>39</sup> Further, including provisions regarding specific thresholds or criteria will ensure MATL's technical screens or analyses will be applied to interconnection requests on a consistent, not unduly discriminatory or preferential basis. Accordingly, we direct MATL to file, within sixty (60) days of the date of this order, a further compliance filing that includes in section 3.8 of its LGIP the method it will use to determine contingent facilities, including technical screens or analyses it proposes to use

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<sup>35</sup> Order No. 845, 163 FERC ¶ 61,043 at P 199.

<sup>36</sup> *Id.*

<sup>37</sup> *Id.* P 200.

<sup>38</sup> The Commission declined to implement a standard threshold or criteria, such as a specific distribution factor threshold, because different thresholds may be more appropriate for different queue types and geographical footprints. *Id.* P 220.

<sup>39</sup> *See pro forma* LGIP § 3.8 ("The method shall be sufficiently transparent to determine why a specific Contingent Facility was identified.").

to identify these facilities. We also require that MATL include in LGIP section 3.8 the specific thresholds or criteria it will use in its technical screens or analysis to achieve the level of transparency required by Order No. 845.

## 5. Transparency Regarding Study Models and Assumptions

23. In Order No. 845, the Commission revised section 2.3 of the *pro forma* LGIP to require transmission providers to maintain network models and underlying assumptions on either an Open Access Same-Time Information System (OASIS) site or a password-protected website. Revised *pro forma* LGIP section 2.3 also requires that “network models and underlying assumptions reasonably represent those used during the most recent interconnection study and be representative of current system conditions.” In addition, the Commission revised *pro forma* LGIP section 2.3 to allow transmission providers to require interconnection customers, OASIS site users, and password-protected website users to sign a confidentiality agreement before the release of commercially sensitive information or critical energy infrastructure information (CEII).<sup>40</sup>

24. In Order No. 845-A, the Commission reiterated that neither the Commission’s CEII regulations nor Order No. 845 precludes a transmission provider from taking necessary steps to protect information within its custody or control to ensure the safety and security of the electric grid.<sup>41</sup> The Commission also clarified that, to the extent any party would like to use the Commission’s CEII regulations as a model for evaluating entities that request network model information and assumptions (prior to signing a non-disclosure agreement), it may do so.<sup>42</sup> The Commission further clarified that the phrase “current system conditions” does not require transmission providers to maintain network models that reflect current real-time operating conditions of the transmission provider’s system. Instead, the network model information should reflect the system conditions currently used in interconnection studies.<sup>43</sup>

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<sup>40</sup> Order No. 845, 163 FERC ¶ 61,043 at P 236; *see also pro forma* LGIP § 2.3.

<sup>41</sup> Order No. 845-A, 166 FERC ¶ 61,137 at P 84 (citing Order No. 845, 163 FERC ¶ 61,043 at P 241).

<sup>42</sup> *Id.* P 85 (citing 18 C.F.R. § 388.113(g)(5)(i)).

<sup>43</sup> *Id.* P 88.

a. **MATL's Compliance Filing**

25. MATL proposes revisions to section 2.3 of its LGIP to adopt the Commission's *pro forma* LGIP revisions for the revised study models and assumptions as required by Order Nos. 845 and 845-A without modification.<sup>44</sup>

b. **Commission Determination**

26. We find that MATL's proposed LGIP revisions regarding study models and assumptions comply with the requirements of Order Nos. 845 and 845-A because MATL adopts the *pro forma* LGIP provisions without modification.

6. **Definition of Generating Facility**

27. In Order No. 845, the Commission revised the definition of "Generating Facility" to include electric storage resources and to allow electric storage resources to interconnect pursuant to the Commission-jurisdictional large generator interconnection processes. Specifically, the Commission revised the definition of "Generating Facility" in the *pro forma* LGIP and *pro forma* LGIA as follows:

Generating Facility shall mean Interconnection Customer's device for the production *and/or storage for later injection* of electricity identified in the Interconnection Request, but shall not include the interconnection customer's Interconnection Facilities.<sup>45</sup>

28. The Commission found that this definitional change will reduce a potential barrier to large electric storage resources with a generating facility capacity above 20 MW that wish to interconnect pursuant to the terms in the *pro forma* LGIP and *pro forma* LGIA.<sup>46</sup>

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<sup>44</sup> MATL OATT, att. M (9.1.0), LGIP § 2.3 (Base Case Data).

<sup>45</sup> Order No. 845, 163 FERC ¶ 61,043 at P 275 (additions italicized); *see also pro forma* LGIP § 1.

<sup>46</sup> Order No. 845, 163 FERC ¶ 61,043 at P 275.

a. **MATL's Compliance Filing**

29. MATL proposes revisions to its LGIP and *pro forma* LGIA to adopt the Commission's revised definition of "Generating Facility" as required by Order Nos. 845 and 845-A without modification.<sup>47</sup>

b. **Commission Determination**

30. We find that MATL's revisions regarding the definition of a "Generating Facility" comply with the requirements of Order Nos. 845 and 845-A because MATL adopts the Commission's *pro forma* LGIP and *pro forma* LGIA provisions without modification.

7. **Interconnection Study Deadlines**

31. In Order No. 845, the Commission modified the *pro forma* LGIP to add sections 3.5.2 and 3.5.3, which require transmission providers to calculate and maintain on their OASIS sites or public websites summary statistics related to the timing of the transmission provider's processing of interconnection studies and to update those statistics on a quarterly basis. In these sections, the Commission included bracketed Tariff language to be completed by the transmission provider in accordance with the timelines established for the various studies in their LGIPs.<sup>48</sup> The Commission also revised the *pro forma* LGIP to add section 3.5.4 to require transmission providers to file informational reports with the Commission if a transmission provider exceeds its interconnection study deadlines for more than 25 percent of any study type for two consecutive calendar quarters.<sup>49</sup> In adopting these reporting requirements, the Commission found that the reporting requirements strike a reasonable balance between providing increased transparency and information to interconnection customers and not unduly burdening transmission providers.<sup>50</sup> In Order No. 845-A, the Commission revised *pro forma* LGIP section 3.5.3 to clarify that the data reporting and retention requirements begin in the first calendar quarter of 2020.<sup>51</sup>

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<sup>47</sup> MATL OATT, att. M (9.1.0), LGIA art. 1 (Definitions).

<sup>48</sup> Order No. 845, 163 FERC ¶ 61,043 at P 305; *see also pro forma* LGIP § 3.5.2 and 3.5.3.

<sup>49</sup> Order No. 845, 163 FERC ¶ 61,043 at P 305; *see also pro forma* LGIP § 3.5.4.

<sup>50</sup> Order No. 845, 163 FERC ¶ 61,043 at P 307.

<sup>51</sup> Order No. 845-A, 166 FERC ¶ 61,137 at P 107.

**a. MATL's Compliance Filing**

32. MATL proposes to adopt the Commission's *pro forma* LGIP revisions regarding interconnection study deadlines as required by Order Nos. 845 and 845-A without modification.<sup>52</sup> Additionally, MATL proposes to replace the bracketed language from *pro forma* LGIP sections 3.5.2.1, 3.5.2.2, and 3.5.2.3 with timelines that align with its existing timelines to complete the feasibility, system impact, and facilities studies, respectively.<sup>53</sup>

**b. Commission Determination**

33. We find that MATL's proposed LGIP revisions regarding interconnection study deadlines comply with the requirements of Order Nos. 845 and 845-A. MATL's proposed Tariff revisions adopt the language provided in Order No. 845 without modification and replace the bracketed placeholders in *pro forma* LGIP sections 3.5.2.1, 3.5.2.2, and 3.5.2.3 with timelines that align with the timelines reflected in its Tariff.

**8. Requesting Interconnection Service below Generating Facility Capacity**

34. In Order No. 845, the Commission modified sections 3.1, 6.3, 7.3, 8.2, and Appendix 1 of the *pro forma* LGIP to allow interconnection customers to request interconnection service that is lower than the proposed generating facility's capacity,<sup>54</sup> recognizing the need for proper control technologies and flexibility for transmission providers to propose penalties to ensure that the generating facility does not inject energy above the requested level of service.<sup>55</sup>

35. The Commission required, in revised *pro forma* LGIP section 3.1, that transmission providers have a process in place to consider requests for interconnection service below the generating facility capacity. The Commission stipulated that such

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<sup>52</sup> MATL OATT, att. M (9.1.0), LGIP §§ 3.5.2 (Study Statistics), 3.5.3, and 3.5.4.

<sup>53</sup> MATL OATT, att. M (9.1.0), LGIP §§ 3.5.2.1 (Interconnection Feasibility Studies Processing Time), 3.5.2.2 (Interconnection System Impact Studies Processing Time), and 3.5.2.3 (Interconnection Facilities Studies Processing Time).

<sup>54</sup> The term generating facility capacity is defined as "the net capacity of the Generating Facility and the aggregate net capacity of the Generating Facility where it includes multiple energy production devices." *Pro forma* LGIA art. 1.

<sup>55</sup> Order No. 845, 163 FERC ¶ 61,043 at P 367; *see also pro forma* LGIP §§ 3.1, 6.3, 7.3 and 8.2, and *pro forma* LGIP app. 1.

requests should be studied at the level of interconnection service requested for purposes of determining interconnection facilities, network upgrades, and associated costs, but that such requests may be subject to other studies at the full generating facility capacity to ensure safety and reliability of the system.<sup>56</sup> In addition, revised *pro forma* LGIP section 3.1 states that the interconnection customer is responsible for all study costs and interconnection facility and/or network upgrade costs required for safety and reliability. The Commission also required in revised *pro forma* LGIP section 3.1 that any necessary control technologies and/or protection systems, as well as any potential penalties for exceeding the requested level of interconnection service, be memorialized in the LGIA.

36. The Commission required, in revised *pro forma* LGIP sections 6.3, 7.3, and 8.2, that the feasibility, system impact, and facilities studies be performed at the level of interconnection service that the interconnection customer requests, unless the transmission provider is otherwise required to study the full generating facility capacity due to safety and reliability concerns. The Commission stated that, if the transmission provider determines that additional network upgrades are necessary based on these studies, it must specify which additional network upgrade costs are based on which studies and provide a detailed explanation of why the additional network upgrades are necessary.<sup>57</sup>

37. Finally, the Commission revised sections 4.4.1 and 4.4.2 of the *pro forma* LGIP to allow an interconnection customer to reduce the size of its interconnection request either prior to returning to the transmission provider an executed system impact study agreement or an executed facilities study agreement.<sup>58</sup>

**a. MATL's Compliance Filing**

38. MATL proposes revisions to sections 3.1, 4.4.1, 4.4.2, 6.3, 7.3, 8.2, and Appendix 1 of its LGIP to reflect the Commission's *pro forma* LGIP revisions regarding a request for interconnection service below full generating capacity as required by Order Nos. 845 and

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<sup>56</sup> Order No. 845, 163 FERC ¶ 61,043 at PP 383-384.

<sup>57</sup> *Id.* P 384. The Commission clarified that, if the transmission provider determines, based on good utility practice and related engineering considerations and after accounting for the proposed control technology, that studies at the full generating facility capacity are necessary to ensure safety and reliability of the transmission system when an interconnection customer requests interconnection service that is lower than full generating facility capacity, then it must provide a detailed explanation for such a determination in writing to the interconnection customer. *Id.*

<sup>58</sup> *Id.* P 406; *see also pro forma* LGIP §§ 4.4.1 and 4.4.2.

845-A without modification.<sup>59</sup> However, MATL's proposed Tariff revisions do not fully incorporate of the *pro forma* LGIP language adopted by Order Nos. 845 and 845-A.<sup>60</sup> Order No. 845 adopted the following language as the second sentence of the final paragraph in *pro forma* LGIP section 3.1:

These requests for Interconnection Service shall be studied at the level of Interconnection Service requested for purposes of Interconnection Facilities, Network Upgrades, *and associated costs*, but may be subject to other studies at the full Generating Facility Capacity to ensure safety and reliability of the system, with the study costs borne by the Interconnection Customer.<sup>61</sup>

**b. Commission Determination**

39. We find that MATL's proposed LGIP revisions that allow an interconnection customer to request interconnection service below its full generating facility capacity partially comply with the requirements of Order Nos. 845 and 845-A because they incorporate most of the *pro forma* LGIP language without modification. However, as discussed above, MATL's revisions to section 3.1 of its LGIP omit some of the *pro forma* LGIP language required by Order No. 845.<sup>62</sup> Specifically, MATL failed to include "and associated costs." Accordingly, we direct MATL to file, within sixty (60) days of the date of this order, a further compliance filing that incorporates the *pro forma* revisions to section 3.1 of its LGIP, as required by Order No. 845.

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<sup>59</sup> MATL OATT, att. J (6.0.0), LGIP §§ 3.1 (General), 4.4.1, 4.4.2 (Modifications), 6.3 (Interconnection Feasibility Study Procedures), 7.3 (Scope of Interconnection System Impact Study), 8.2 (Scope of Interconnection Facilities Study), and app. 1 (Interconnection Request for a Large Generating Facility).

<sup>60</sup> See Order No. 845-A, 166 FERC ¶ 61,137 at P 117.

<sup>61</sup> Order No. 845, 163 FERC ¶ 61,043 at P 347; *see also id.* P 367. The italics indicate language adopted by Order No. 845 that MATL's Tariff revisions failed to include. We recognize, however, that the *pro forma* LGIP that was available on the Commission's website failed to include that language.

<sup>62</sup> *Id.* PP 347, 367, and app. B.

## 9. Provisional Interconnection Service

40. In Order No. 845, the Commission required transmission providers to allow all interconnection customers to request provisional interconnection service.<sup>63</sup> The Commission explained that interconnection customers may seek provisional interconnection service when available studies or additional studies, as necessary, indicate that there is a level of interconnection service that can occur to accommodate an interconnection request without the construction of any additional interconnection facilities and/or network upgrades, and the interconnection customer wishes to make use of that level of interconnection service while the facilities required for its full interconnection request are completed.<sup>64</sup> To implement this service, the Commission revised the *pro forma* LGIP and *pro forma* LGIA to add a definition for “Provisional Interconnection Service”<sup>65</sup> and for a “Provisional Large Generator Interconnection Agreement.”<sup>66</sup>

41. In addition, the Commission added *pro forma* LGIA article 5.9.2, which details the terms for provisional interconnection service.<sup>67</sup> The Commission also explained that transmission providers have the discretion to determine the frequency for updating provisional interconnection studies to account for changes to the transmission system to reassess system capacity available for provisional interconnection service, and included bracketed tariff language to be completed by the transmission provider to specify the frequency at which they perform such studies in their *pro forma* LGIA.<sup>68</sup> The Commission stated that interconnection customers are responsible for the costs for performing these provisional interconnection studies.<sup>69</sup>

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<sup>63</sup> *Id.* P 438.

<sup>64</sup> *Id.* P 441.

<sup>65</sup> *Pro forma* LGIP § 1 (Definitions); *pro forma* LGIA art. 1 (Definitions).

<sup>66</sup> *Pro forma* LGIP § 1 (Definitions); *pro forma* LGIA art. 1 (Definitions). The Commission declined, however, to adopt a separate *pro forma* provisional large generator interconnection agreement. Order No. 845, 163 FERC ¶ 61,043 at P 444.

<sup>67</sup> Order No. 845, 163 FERC ¶ 61,043 at P 438; *see also pro forma* LGIP § 5.9.2.

<sup>68</sup> Order No. 845, 163 FERC ¶ 61,043 at P 448.

<sup>69</sup> *Id.*

a. **MATL's Compliance Filing**

42. MATL proposes revisions to adopt the Commission's *pro forma* definitions related to provisional interconnection service and the *pro forma* language in LGIA article 5.9.2 without modification. MATL proposes to fill in the bracketed section of article 5.9.2 to state that it will study and update the maximum permissible output of the generating facility subject to a provisional LGIA on an annual basis.<sup>70</sup>

b. **Commission Determination**

43. We find that MATL's proposed revisions to its LGIP and *pro forma* LGIA regarding provisional interconnection service comply with the requirements of Order Nos. 845 and 845-A because MATL proposes to adopt the Commission's *pro forma* LGIP and *pro forma* LGIA provisions without modification, except to fill in the bracketed section in *pro forma* article 5.9.2 to state that it will study and update the maximum permissible output of the generating facility subject to a provisional LGIA on an annual basis.

10. **Surplus Interconnection Service**

44. In Order No. 845, the Commission adopted *pro forma* LGIP sections 1, 3.3, and 3.3.1 and *pro forma* LGIA article 1 to establish surplus interconnection service, which the Commission defined as any unneeded portion of interconnection service established in an LGIA such that if the surplus interconnection service is utilized the total amount of interconnection service at the point of interconnection would remain the same.<sup>71</sup> Surplus interconnection service enables a new interconnection customer to utilize the unused portion of an existing interconnection customer's interconnection service within specific parameters.<sup>72</sup> The Commission required transmission providers to revise their tariffs to include the new definition of surplus interconnection service in their *pro forma* LGIP and *pro forma* LGIA, and provide in the *pro forma* LGIP an expedited interconnection process outside of the interconnection queue for surplus interconnection service.<sup>73</sup> That expedited process must allow affiliates of the existing interconnection customer to use

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<sup>70</sup> MATL OATT, att. M (9.1.0), LGIA § 5.9.2.

<sup>71</sup> Order No. 845, 163 FERC ¶ 61,043 at P 467; *see also pro forma* LGIP § 1 (Definitions); *pro forma* LGIA art. 1 (Definitions).

<sup>72</sup> Order No. 845, 163 FERC ¶ 61,043 at P 467; Order No. 845-A, 166 FERC ¶ 61,137 at P 119.

<sup>73</sup> Order No. 845, 163 FERC ¶ 61,043 at P 467; *see also pro forma* LGIP §§ 3.3 and 3.3.1.

surplus interconnection service for another interconnecting generating facility and allow for the transfer of surplus interconnection service that the existing interconnection customer or one of its affiliates does not intend to use.<sup>74</sup> The transmission provider must perform reactive power, short circuit/fault duty, and stability analyses studies as well as steady-state (thermal/voltage) analyses as necessary to ensure evaluation of all required reliability conditions to provide surplus interconnection service and ensure the reliable use of surplus interconnection service.<sup>75</sup> The original interconnection customer must be able to stipulate the amount of surplus interconnection service that is available, designate when that service is available, and describe any other conditions under which surplus interconnection service at the point of interconnection may be used.<sup>76</sup> When the original interconnection customer, the surplus interconnection service customer, and the transmission provider enter into agreements for surplus interconnection service, they must be filed by the transmission provider with the Commission, because any surplus interconnection service agreement will be an agreement under the transmission provider's open access transmission tariff.<sup>77</sup>

a. **MATL's Compliance Filing**

45. MATL states that the decision to offer surplus interconnection service is under the control of the original interconnection customer. MATL explains that it has attempted to incorporate all of the Commission's instructions and policies in *pro forma* LGIP section 3.3 and Appendix 8. MATL states that it has largely replaced sections 3.3 and 3.3.1 with an expanded section to address the surplus interconnection service requirements and has used new terminology in the definitions portion of its LGIP and LGIA.<sup>78</sup> Specifically, MATL has added a new defined term, "initial queue position," which requires an interconnection customer to reflect its initial queue position as part of its surplus interconnection service request. MATL's definition of initial queue position modifies the *pro forma* LGIP and LGIA definition of queue position to state that, "Initial Queue Position shall mean the order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests. The Initial Queue Position, that is established

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<sup>74</sup> Order No. 845, 163 FERC ¶ 61,043 at P 483; *see also pro forma* LGIP § 3.3.

<sup>75</sup> Order No. 845, 163 FERC ¶ 61,043 at PP 455 and 467.

<sup>76</sup> *Id.* 481.

<sup>77</sup> *Id.* P 499.

<sup>78</sup> Filing at 4-5.

based upon the date and time of receipt of the valid Interconnection Request by the Transmission Provider.”<sup>79</sup>

46. Under MATL’s proposed surplus interconnection service process, if an original interconnection customer wants to make surplus interconnection service available to itself, an affiliate, or non-affiliates, it must notify MATL in writing and provide it with information that includes the terms and conditions for service and any minimum price terms.<sup>80</sup> MATL also proposes that once the original interconnection customer makes an offer to provide surplus interconnection service to non-affiliates, MATL will post the offer on the MATL OASIS, which MATL states will enable potential customers to queue up for such service.<sup>81</sup> MATL proposes that, once an original interconnection customer has waived its right and any affiliates’ rights to surplus interconnection service and made surplus interconnection service available to one or more unaffiliated parties, the original interconnection customer may not withdraw that offer until and unless there are no surplus interconnection service customers in the surplus interconnection service queue.<sup>82</sup> MATL explains that absent such approach, potential surplus interconnection customers may request and pay for studies only to have the original interconnection customer withdraw its offer of surplus interconnection service.<sup>83</sup>

47. Further, under MATL’s proposal, if an original interconnection customer makes a surplus interconnection service offer to non-affiliates, an entity wishing to utilize that service must submit to MATL a surplus interconnection service request that includes, among other things, the technical information set forth in Attachment A to Appendix 1 of MATL’s *pro forma* LGIA. If MATL deems the non-affiliate’s surplus interconnection service request complete, the request will be placed in the surplus interconnection service queue. MATL shall assign a surplus interconnection service request a queue position based upon the date and time it receives the request for the relevant point of interconnection, and MATL will use the surplus interconnection service queue position to determine the order of performing any surplus interconnection service studies for non-affiliates. MATL will first study the surplus interconnection service customer with the highest queue position and will study lower-queued surplus interconnection service customers in sequential order. Until any higher-queued surplus interconnection service

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<sup>79</sup> The underlining indicates modifications MATL has proposed to the existing definition of queue position to create the new defined term, initial queue position.

<sup>80</sup> MATL proposed *pro forma* LGIA §§ 3.3.2 – 3.3.4.

<sup>81</sup> MATL proposed *pro forma* LGIA § 3.3.4.2; *see also* Filing at 6.

<sup>82</sup> MATL proposed *pro forma* LGIA § 3.3.4.1.

<sup>83</sup> Filing at 7.

customer has either withdrawn from the queue or executed a surplus interconnection service agreement, MATL will not study the next-in-queue surplus interconnection service customer. MATL will offer a surplus interconnection service agreement to surplus interconnection service requests until no such surplus service capacity remains.<sup>84</sup>

48. MATL states that the surplus interconnection service study process is the same, whether the surplus interconnection service customer is the original interconnection customer, an affiliate, or a non-affiliate. The surplus interconnection service customer pays a study deposit equal to \$50,000, to be applied towards the surplus interconnection service study cost. If the surplus interconnection service customer's share of the surplus interconnection service study costs exceeds the deposit amount, then the surplus interconnection service customer will be responsible for the excess cost. If the surplus interconnection customer's share of the surplus interconnection service study cost is less than the deposit, the difference will be refunded to the surplus interconnection service customer. MATL will use reasonable efforts to complete a surplus interconnection service study within ninety (90) calendar days of receiving a surplus interconnection service request. Upon completion of the study, MATL shall provide a study report to the surplus interconnection service customer indicating what interconnection facilities, if any, will be required to provide surplus interconnection service, at which point a potential customer will have thirty (30) days to determine if it will negotiate a surplus interconnection service agreement among MATL, the original interconnection customer and itself. If the surplus interconnection customer does not seek to negotiate a surplus interconnection service agreement, its request will be deemed withdrawn.<sup>85</sup>

49. If the surplus interconnection customer requests to negotiate a surplus interconnection service agreement, MATL will tender a draft agreement within sixty (60) days after developing a draft agreement with the original interconnection customer. The surplus interconnection service agreement must include a provision that states that surplus interconnection service shall not be available when the original interconnection customer's generating facility retires and permanently ceases commercial operation. However, such provisions may be subject to an exception if the original interconnection customer's generating facility retires unexpectedly, MATL studied the surplus interconnection service customer's generating facility for sole operation at the point of interconnection and the retiring original interconnection customer agreed to permit continued operations for a time period that it determined of up to one year.<sup>86</sup> Finally, MATL proposes that, if the surplus interconnection service customer disputes a provision in the surplus interconnection service agreement, other than the minimum price term or

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<sup>84</sup> MATL proposed *pro forma* LGIA §§ 3.3.4.3 - 3.3.4.4.

<sup>85</sup> MATL proposed *pro forma* LGIA § 3.3.5.

<sup>86</sup> *Id.*

the provisions for the continuation of service when the original interconnection customer's generator retires, MATL will file an unexecuted surplus interconnection service agreement if requested to do so.<sup>87</sup>

**b. Commission Determination**

50. We find that MATL's proposed revisions to its LGIP and *pro forma* LGIA regarding surplus interconnection service comply with the requirements of Order Nos. 845 and 845-A, except for one aspect. MATL adopts the *pro forma* definition of surplus interconnection service and largely incorporates the language from *pro forma* LGIP section 3.3 into the MATL LGIP. In addition, MATL's proposed surplus interconnection service process meets the requirements of Order Nos. 845 and 845-A because MATL will evaluate surplus interconnection service requests outside of its non-surplus interconnection queue. Additionally, as required by Order Nos. 845 and 845-A, MATL's process requires that the transmission provider, original interconnection customer, and surplus interconnection service customer to file a surplus interconnection service agreement with the Commission that includes the terms and conditions of surplus interconnection service. We also find that, as part of MATL's surplus interconnection service process, the proposed definitions in its LGIP and its *pro forma* LGIA of initial queue position, surplus interconnection service customer, surplus interconnection study, surplus interconnection service study agreement, surplus interconnection service queue position, and surplus interconnection service request comply with the requirements of Order Nos. 845 and 845-A and are just and reasonable because they provide additional clarity to MATL's provision of surplus interconnection service.

51. However, we find that MATL has failed to comply with Order Nos. 845 and 845-A with regard to one aspect of its surplus interconnection service process. MATL's proposal would prohibit the original interconnection customer from withdrawing its offer of surplus interconnection service in certain circumstances:

Once an Original Interconnection Customer has waived its right and any affiliates' rights to Surplus Interconnection Service and made Surplus Interconnection Service available to one or more unaffiliated parties, it may not withdraw this offer until and unless there are no Surplus Interconnection Service Customers in the Surplus Interconnection Service Queue.<sup>88</sup>

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<sup>87</sup> *Id.* at 8. MATL proposed LGIP § 3.3.6.

<sup>88</sup> MATL proposed LGIP § 3.3.4.1.

Order No. 845 explained that “interconnection customers are not required to make surplus service available to potential customers,”<sup>89</sup> and did not establish a point at which the original interconnection customer is required to offer surplus interconnection service. Thus, consistent with this language, the original customer has the ability to choose not to make surplus interconnection service available at all or only at certain points. Therefore, we find that MATL’s prohibition on withdrawals of surplus interconnection service does not comply with Order Nos. 845 and 845-A, and we direct MATL to file, within sixty (60) days of the date of this order, a further compliance filing that removes this provision.

52. In addition to this inconsistency with Order Nos. 845 and 845-A, we note an administrative error in section 3.3.4.1 of the MATL LGIA, where MATL has included duplicative language stating that “[i]f an Original Interconnection Customer *wants to waive its rights.*” Accordingly, we direct MATL to file, within sixty (60) days of the date of this order, a further compliance filing that removes this duplicative language.

## **11. Material Modifications and Incorporation of Advanced Technologies**

53. In Order No. 845, the Commission modified section 4.4.2(c) of the *pro forma* LGIP to allow an interconnection customer to incorporate certain technological advancements to its interconnection request, prior to the execution of the interconnection facilities study agreement,<sup>90</sup> without risking the loss of its queue position. The Commission required transmission providers to develop and include in their LGIPs a definition of permissible technological advancements that will create a category of technological changes that, by definition, do not constitute a material modification and, therefore, will not result in the loss of queue position. In addition, the Commission modified section 4.4.6 of the *pro forma* LGIP to require transmission providers to insert a technological change procedure that includes the requisite information and process that

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<sup>89</sup> Order No. 845, 163 FERC ¶ 61,043 at P 488.

<sup>90</sup> While the Commission clarified that interconnection customers may submit a technological advancement request up until execution of the facilities study agreement, the Commission stated that it will permit transmission providers to propose rules limiting the submission of technological advancement requests to a single point in the study process (prior to the execution of a facilities study agreement), to the extent the transmission provider believes it appropriate. Order No. 845, 163 FERC ¶ 61,043 at P 536.

the transmission provider will follow to assess whether an interconnection customer's proposed technological advancement is a material modification.<sup>91</sup>

54. The Commission required that the technological change procedure specify what technological advancements can be incorporated at various stages of the interconnection process and clearly identify which requirements apply to the interconnection customer and which apply to the transmission provider.<sup>92</sup> Additionally, the technological change procedure must state that, if the interconnection customer seeks to incorporate technological advancements into its proposed generating facility, it should submit a technological advancement request, and the procedure must specify the information that the interconnection customer must submit as part of that request.<sup>93</sup>

55. The Commission also required that the technological change procedure specify the conditions under which a study will or will not be necessary to determine whether a proposed technological advancement is a material modification.<sup>94</sup> The Commission explained that the technological change procedure must also state that, if a study is necessary to evaluate whether a particular technological advancement is a material modification, the transmission provider shall clearly indicate to the interconnection customer the types of information and/or study inputs that the interconnection customer must provide to the transmission provider, including, for example, study scenarios, modeling data, and any other assumptions.<sup>95</sup> In addition, the Commission required that the technological change procedure explain how the transmission provider will evaluate the technological advancement request to determine whether it is a material modification.<sup>96</sup>

56. Further, the Commission required that the technological change procedure outline a time frame of no more than thirty (30) days after the interconnection customer submits a formal technological advancement request for the transmission provider to perform and complete any necessary additional studies.<sup>97</sup> The Commission also found that, if the

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<sup>91</sup> Order No. 845, 163 FERC ¶ 61,043 at P 518; *see also pro forma* LGIP § 4.4.6.

<sup>92</sup> Order No. 845, 163 FERC ¶ 61,043 at P 519.

<sup>93</sup> *Id.*

<sup>94</sup> *Id.*; Order No. 845-A, 166 FERC ¶ 61,137 at P 155.

<sup>95</sup> Order No. 845, 163 FERC ¶ 61,043 at P 521.

<sup>96</sup> *Id.*

<sup>97</sup> *Id.* P 535; Order No. 845-A, 166 FERC ¶ 61,137 at P 155.

transmission provider determines that additional studies are necessary to evaluate whether a technological advancement is a material modification, the interconnection customer must tender a deposit, and the transmission provider must specify the amount of the deposit in the transmission provider's technological change procedure.<sup>98</sup> In addition, the Commission explained that, if the transmission provider cannot accommodate a proposed technological advancement without triggering the material modification provision of the *pro forma* LGIP, the transmission provider must provide an explanation to the interconnection customer regarding why the technological advancement is a material modification.<sup>99</sup>

57. In Order No. 845-A, the Commission clarified that: (1) when studies are necessary, the interconnection customer's technological change request must demonstrate that the proposed incorporation of the technological change will result in electrical performance that is equal to or better than the electrical performance expected prior to the technological change and will not cause any reliability concerns; (2) if the interconnection customer cannot demonstrate in its technological change request that the proposed technological change would result in equal or better electrical performance, the change will be assessed pursuant to the existing material modification provisions in the *pro forma* LGIP; (3) information regarding electrical performance submitted by the interconnection customer is an input into the technological change study, and this factor alone is not determinative of whether a proposed technological change is a material modification; and (4) the determination of whether a proposed technological change (that the transmission provider does not otherwise include in its definition of permissible technological advancements) is a material modification should include an analysis of whether the proposed technological change materially impacts the timing and costs of lower-queued interconnection customers.<sup>100</sup>

**a. MATL's Compliance Filing**

58. MATL proposes to add the following definition of permissible technological advancement section 1 of its LGIP and article 1 of its *pro forma* LGIA:

Permissible Technological Advancement shall mean an advancement to turbines, inverters, plant supervisory controls

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<sup>98</sup> Order No. 845, 163 FERC ¶ 61,043 at P 534. The Commission set the default deposit amount to \$10,000 but stated that a transmission provider may propose a reasonable alternative deposit amount in its compliance filing and include a justification supporting this alternative amount. *Id.*

<sup>99</sup> *Id.* P 522.

<sup>100</sup> Order No. 845-A, 166 FERC ¶ 61,137 at P 155.

or other technological advancements that do not increase the Interconnection Customer's requested Interconnection Service or cause any reliability concerns. A Permissible Technological Advancement does not degrade the electrical characteristics of the generating equipment (e.g., the ratings, impedances, efficiencies, capabilities, and performance of the equipment under steady-state and dynamic conditions), nor does it include changes in generation technology type or fuel type.

MATL states that these types of advancements would not trigger the material modification test and, therefore are appropriate to treat as permissible advances.<sup>101</sup>

59. MATL also proposes new LGIP section 4.4.6 to include a technological change procedure. Under that procedure, the interconnection customer that seeks to incorporate a technological advancement into its generating facility must submit a technological advancement request to MATL prior to the return to the interconnection facilities study agreement. The request must include details necessary to evaluate whether the proposed advancement is material. If the proposed technological advancement is a permissible technological advancement or would not change any of the parameters in Attachment A to Appendix 1 or Attachment A to Appendix 3 of the LGIP, no study will be necessary and the proposed advancement will not be considered a material modification.

60. Further, under the proposed technological change procedure in proposed LGIP section 4.4.6, MATL will notify the interconnection customer if a study is necessary to determine if the change is considered a material modification, and the interconnection customer must provide a study deposit of \$10,000 within five (5) business days after that notification. MATL will then conduct an evaluation pursuant to sections 4.4.2 and 4.4.3 of the LGIP. MATL will complete any surplus interconnection service studies in thirty (30) calendar days after the interconnection customer submits a formal technological advancement request to MATL, provided that the interconnection customer has provided the required information and study deposit. The study shall determine whether the electrical performance is equal to or better than the electrical performance prior to the technological change and whether it results in adverse reliability concerns based on MATL's engineering judgment. If the proposed technological advancement is determined to be a material modification, MATL will provide an explanation to the interconnection customer regarding why the technological advancement is a material modification. Finally, the actual cost of the study will be determined and the \$10,000 study deposit trued-up to actual cost.

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<sup>101</sup> Filing at 2-3.

**b. Commission Determination**

61. We find that the proposed LGIP provisions to incorporate a definition of a permissible technological advancement and associated procedures partially comply with the requirements of Order Nos. 845 and 845-A. Specifically, we find that MATL's proposed definition of a permissible technological advancement meets the Commission's requirement to provide a category of technological change that does not constitute a material modification.

62. However, Order No. 845 requires that the technological change procedure explain how the transmission provider will evaluate the technological advancement request to determine whether it is a material modification.<sup>102</sup> MATL's proposed LGIP revisions provide that the study shall determine whether the electrical performance is equal to or better than the electrical performance prior to the technological change and whether it results in adverse reliability concerns based on MATL's engineering judgment. These revisions do not explain, however, which types of studies MATL will conduct in reaching this determination. Accordingly, we direct MATL to file, within sixty (60) days of the date of this order, a further compliance filing revising its LGIP to provide a more detailed explanation of the studies that MATL will conduct to determine whether the technological advancement request will result in a material modification.

63. With regard to the deadline for completion of a technological advancement request, Order No. 845 provides that the determination of whether a change is a material modification must be made within thirty (30) days of the initial request.<sup>103</sup> However, MATL's proposal provides that any surplus interconnection service study will be completed within thirty (30) days of receipt the technological advancement request *and* the study deposit, which, because the study deposit is not due until five (5) days after MATL determines whether additional studies are needed, may be more than thirty (30) days after the initial request. Accordingly, we direct MATL to file, within sixty (60) days of the date of this order, a further compliance filing that revises its proposed technological change procedure to provide that the MATL will reach its determination regarding a technological change request within thirty (30) calendar days of receipt of the initial technological advancement request.

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<sup>102</sup> Order No. 845, 163 FERC ¶ 61,043 at P 521.

<sup>103</sup> *Id.* P 535; Order No. 845-A, 166 FERC ¶ 61,137 at P 155.

**12. Other Issues Raised by MATL**

**a. Issue**

64. MATL's compliance filing deletes the existing definitions of queue position, reasonable efforts, scoping meeting, site control, and small generating facility from section 1 of its LGIP without explanation.

**b. Commission Determination**

65. We find that these proposed deletions are outside the scope of compliance with the Order Nos. 845 and A requirements. Accordingly, we direct MATL to file, within sixty (60) days of the date of this order, a further compliance filing that explains the requirements of Order Nos. 845 and 845-A that the deletions address or restores the definitions of queue position, reasonable efforts, scoping meeting, site control, and small generating facility to section 1 of its LGIP.

The Commission orders:

(A) MATL's compliance filing is hereby accepted, subject to a further compliance filing, effective May 22, 2019, as discussed in the body of this order.

(B) MATL is hereby directed to submit a compliance filing within sixty (60) days of the date of this order, as discussed in the body of this order.

By the Commission.

( S E A L )

Nathaniel J. Davis, Sr.,  
Deputy Secretary.