

169 FERC ¶ 61,219
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

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

Alabama Power Company

Docket Nos. ER19-1957-000
ER19-1957-001

ORDER ON COMPLIANCE

(Issued December 19, 2019)

1. On May 22, 2019, as amended on July 15, 2019, Southern Company Services, Inc., as agent for Alabama Power Company, Georgia Power Company, and Mississippi Power Company (collectively, Southern) submitted proposed revisions to its Open Access Transmission Tariff (Tariff Volume No. 5) (Tariff) in compliance with the requirements of Order Nos. 845 and 845-A,¹ which amended the Commission's *pro forma* Large Generator Interconnection Agreement (LGIA) and *pro forma* Large Generator Interconnection Procedures (LGIP).² As discussed below, we find that Southern's filing partially complies with the requirements of Order Nos. 845 and 845-A. Accordingly, we accept Southern's compliance filing, effective May 22, 2019 and direct Southern to submit a further compliance filing within 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

¹ *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).

² 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.

obtaining interconnection service, and as a result, there will be fewer overall 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.³ 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 facilities⁴ and stand alone network upgrades⁵ only in instances when the transmission provider cannot meet the dates proposed by the interconnection customer;⁶ and (2) required that transmission providers establish interconnection dispute resolution procedures that allow a disputing party unilaterally to seek non-binding dispute resolution.⁷

4. Second, to promote more informed interconnection decisions, the Commission: (1) required transmission providers to outline and make public a method for determining

³ *Id.* P 2; Order No. 845-A, 166 FERC ¶ 61,137 at P 1.

⁴ 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).

⁵ 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.*

⁶ Order No. 845, 163 FERC ¶ 61,043 at P 85.

⁷ *Id.* P 3.

contingent facilities;⁸ (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.⁹

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 service¹⁰ 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.¹¹

II. Southern’s Compliance Filing

6. Southern states that it has incorporated all of the Commission’s *pro forma* LGIP and *pro forma* LGIA reforms as required by Order Nos. 845 and 845-A. Southern states that it adopts without modification the following *pro forma* LGIP and *pro forma* LGIA reforms: interconnection customer’s option to build, dispute resolution, definition of contingent facilities, transparency regarding study models and assumptions, definition of

⁸ 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).

⁹ Order No. 845, 163 FERC ¶ 61,043 at P 4.

¹⁰ 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.

¹¹ *Id.* P 5.

a generating facility, requesting interconnection service below generating facility capacity, and provisional interconnection service.

7. Southern proposes Tariff revisions in instances where the Commission requires modification to the *pro forma* LGIP and *pro forma* LGIA and afforded transmission providers the discretion to develop their own tariff language. Specifically, Southern proposes Tariff revisions for the following reforms: identification of contingent facilities, interconnection study deadlines, surplus interconnection service, and material modifications and incorporation of advanced technologies. Southern also proposes minor modifications that it asserts are consistent with or superior to the changes adopted in Order Nos. 845 and 845-A, and should be permitted.

8. Finally, Southern requests that the proposed Tariff revisions become effective on May 22, 2019.¹²

III. Notice and Responsive Pleadings

9. Notice of Southern's compliance filing was published in the *Federal Register*, 84 Fed. Reg. 25,251 (2019), with interventions and protests due on or before June 12, 2019. NextEra Energy Resources, LLC and PowerSouth Energy Cooperative filed timely motions to intervene.

10. On June 13, 2019, Commission staff issued a deficiency letter that requested additional clarification regarding Southern's procedure for allowing surplus interconnection service (Deficiency Letter). On July 15, 2019, Southern filed its response to the Deficiency Letter (Deficiency Response). Notice of Southern's Deficiency Response was published in the *Federal Register*, 84 Fed. Reg. 35,383 (2019), with interventions and protests due on or before August 5, 2019. None was filed.

IV. Discussion

A. Procedural Matters

11. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.214 (2019), the timely, unopposed motions to intervene serve to make the entities that filed them parties to this proceeding.

B. Substantive Matters

12. As discussed below, we find that Southern's filing partially complies with the requirements of Order Nos. 845 and 845-A. Accordingly, we accept Southern's

¹² Southern May 22, 2019 Compliance Filing, 1-2, 10 (Filing).

compliance filing, effective May 22, 2019, and direct Southern to submit a further compliance filing within 60 days of the date of this order.

1. Proposed Variations

13. As discussed further below, Southern has proposed 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. 2003.¹³ In Order No. 2003, when adopting the *pro forma* LGIA and LGIP, the Commission permitted transmission providers to seek variations from the *pro forma* 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.¹⁴ 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.¹⁵ 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.¹⁶ We will evaluate Southern's proposed variations from the requirements of Order Nos. 845 and 845-A accordingly.

2. Interconnection Customer's Option to Build

14. 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

¹³ Order No. 845, 163 FERC ¶ 61,043 at P 43.

¹⁴ *Standardization of Generator Interconnection Agreements and Procedures*, Order No. 2003, 104 FERC ¶ 61,103, at P 26 (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).

¹⁵ *See, e.g., Nev. Power Co.*, 167 FERC ¶ 61,086, at P 3 (2019).

¹⁶ Order No. 2003, 104 FERC ¶ 61,103 at P 826; Order No. 2003-A, 106 FERC ¶ 61,220 at P 45.

synchronization date, or commercial operation date.¹⁷ 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.¹⁸ 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."¹⁹

15. 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;²⁰ and (2) clarify that the option to build does not apply to stand alone network upgrades on affected systems.²¹ 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.²² 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.²³

a. Southern's Compliance Filing

16. Southern 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.²⁴ Additionally, Southern proposes revisions to its *pro forma*

¹⁷ Order No. 845, 163 FERC ¶ 61,043 at PP 85-87.

¹⁸ Order No. 2003, 104 FERC ¶ 61,103 at P 353; *see also pro forma* LGIP § 5.1.3.

¹⁹ Order No. 845, 163 FERC ¶ 61,043 at P 85.

²⁰ Order No. 845-A, 166 FERC ¶ 61,137 at P 68.

²¹ *Id.* P 61.

²² *Id.* P 75.

²³ *Id.* P 33.

²⁴ Alabama Power Company, OATT, att. J (LGIA), §§ 5.1 Options, 5.1.3 Option to Build, 5.1.4 Negotiated Option, 5.2.12 General Conditions Applicable to Option to

LGIP revising section 1 Definitions to incorporate the *pro forma* LGIP revisions adopted by Order Nos. 845 and 845-A without modification.²⁵

b. Commission Determination

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

3. Dispute Resolution

18. 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 that allow a disputing party to unilaterally seek non-binding dispute resolution.²⁶ 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.²⁷

a. Southern's Compliance Filing

19. Southern proposes revisions to its LGIP that adopt the language required by Order Nos. 845 and 845-A without modification.²⁸

b. Commission Determination

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

Build.

²⁵ Order No. 845-A, 166 FERC ¶ 61,137 at P 68.

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

²⁷ Order No. 845, 163 FERC ¶ 61,043 at P 139.

²⁸ Alabama Power Company, OATT, att. J (LGIP), § 13.5.5 Non-Binding Dispute Resolution Procedures.

4. Identification and Definition of Contingent Facilities

21. In Order No. 845, the Commission added 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.²⁹ 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 include in the interconnection customer's generator interconnection agreement.³⁰ 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.³¹ The Commission stated that this transparency will ensure that the method is applied on a non-discriminatory basis.³² 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.³³

a. Southern's Compliance Filing

22. Southern adopts the Commission's *pro forma* LGIP definition of contingent facilities. Southern also proposes revisions to its LGIP to add a new section 3.8, which states that contingent facilities will be identified during an interconnection study system protection evaluation, short circuit evaluation, and transmission delivery screens.³⁴ New section 3.8 also states that the interconnection system impact study and the interconnection facilities study reports will list contingent facilities identified during the

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

³⁰ Order No. 845, 163 FERC ¶ 61,043 at P 199.

³¹ *Id.*; *see also pro forma* LGIP § 3.8.

³² Order No. 845, 163 FERC ¶ 61,043 at P 200.

³³ *Id.* P 199; *see also pro forma* LGIP § 3.8.

³⁴ Filing at 5.

applicable interconnection study.³⁵ Southern also includes in new section 3.8 the language the Commission outlined in the *pro forma* LGIP to state that Southern shall also provide, upon the interconnection customer's request, the estimated interconnection facilities and/or network upgrade costs and estimated in-service completion time of each identified contingent facility when this information is readily available and not commercially sensitive. Southern states that its proposed changes comply with the Commission's directives and should be permitted.³⁶

23. Southern's proposed Tariff revisions to its LGIP in section 3.8 state, in part, that:

[t]he interconnection transmission delivery screens will identify as Contingent Facilities any system improvements that are currently in transmission provider's transmission expansion plan and that without those system improvements in place, the proposed Generating Facility being evaluated causes an incremental, negative impact on those same transmission facilities. In addition, the Interconnection Study transmission delivery screens for a Network Resource Interconnection Service Interconnection Request will identify as Contingent Facilities any Network Upgrades that were previously identified in the Interconnection Study for a prior-queued Interconnection Request where the proposed Generating Facility being evaluated causes incremental, negative impacts on those same transmission facilities.

b. Commission Determination

24. We find the revised provisions that identify and describe Southern's method for determining contingent facilities, as Southern proposes in its LGIP, partially comply with the requirements of Order Nos. 845 and 845-A. We find that Southern complies with the requirements of Order Nos. 845 and 845-A because Southern has adopted the definition of contingent facilities without modification. Further, Southern'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.

³⁵ *Id.* at 4.

³⁶ *Id.* at 4-5.

25. However, as specified in Order No. 845, transmission providers must include, in section 3.8 of their LGIPs, a method for determining contingent facilities.³⁷ 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.³⁸ The Commission also required that a transmission provider's method to identify contingent facilities should be transparent enough to ensure that it will be applied on a non-discriminatory basis.³⁹ Southern's proposed Tariff revisions lack the requisite transparency required by Orders No. 845 and 845-A because the proposed Tariff revisions do not specify or quantify the "incremental, negative" impact that Southern will use as part of its method to identify contingent facilities. Without this information, an interconnection customer will not understand how Southern will evaluate potential contingent facilities to determine their relationship to an individual interconnection request.⁴⁰ Further, including provisions regarding specific thresholds or criteria in Southern's LGIP will ensure Southern's technical screens or analyses will be applied to interconnection requests on a consistent, not unduly discriminatory or preferential basis. Accordingly, we direct Southern to file, within 60 days of the date of this order, a further compliance filing that includes in section 3.8 of its LGIP details regarding the "incremental, negative" impact that Southern 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

26. 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. If the transmission provider posts this information on a password-protected website, a link to the information must be provided on its OASIS site. 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."⁴¹ 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

³⁷ Order No. 845, 163 FERC ¶ 61,043 at P 199.

³⁸ *Id.* P 200.

³⁹ *Id.*

⁴⁰ *See pro forma* LGIP § 3.8 ("The method shall be sufficiently transparent to determine why a specific Contingent Facility was identified").

⁴¹ Order No. 845, 163 FERC ¶ 61,043 at P 236.

sign a confidentiality agreement before the release of commercially sensitive information or critical energy infrastructure information (CEII).⁴²

27. 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.⁴³ 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.⁴⁴ 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.⁴⁵

a. Southern's Compliance Filing

28. Southern proposes revisions to its LGIP to add a new section 2.3 that incorporates the language adopted by Order Nos. 845 and 845-A without modification.⁴⁶

b. Commission Determination

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

6. Definition of Generating Facility

30. 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

⁴² *Id.*; see also *pro forma* LGIP § 2.3.

⁴³ Order No. 845-A, 166 FERC ¶ 61,137 at P 84 (citing Order No. 845, 163 FERC ¶ 61,043 at P 241).

⁴⁴ *Id.* P 85 (citing 18 C.F.R. § 388.113(g)(5)(i) (2019)).

⁴⁵ *Id.* P 88.

⁴⁶ Alabama Power Company, OATT, att. J (LGIP), § 2.3 Base Case Data.

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.⁴⁷

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.⁴⁸

a. Southern’s Compliance Filing

31. Southern proposes revisions to section 1 of its LGIP and its *pro forma* LGIA to incorporate the language adopted by Orders No. 845 and 845-A without modification.⁴⁹

b. Commission Determination

32. We find that Southern’s revisions regarding the definition of a “Generating Facility” comply with the requirements of Order Nos. 845 and 845-A because Southern adopts the Commission’s *pro forma* LGIP and *pro forma* LGIA provisions without modification.

7. Interconnection Study Deadlines

33. 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.⁵⁰ In these sections, the Commission included bracketed Tariff language to be completed by the transmission provider in accordance with the

⁴⁷ Order No. 845, 163 FERC ¶ 61,043 at P 275 (additions italicized); *see also pro forma* LGIP § 1(Definitions).

⁴⁸ Order No. 845, 163 FERC ¶ 61,043 at P 275.

⁴⁹ Alabama Power Company, OATT, att. J (LGIP), § 1 Definitions; att. J (LGIA) art. 1 (Definitions).

⁵⁰ Order No. 845, 163 FERC ¶ 61,043 at P 305; *see also pro forma* LGIP §§ 3.5.2, 3.5.3.

timelines established for the various studies in their LGIPs.⁵¹ 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.⁵² 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.⁵³ 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 2020.⁵⁴

a. Southern's Compliance Filing

34. Southern proposes revisions to its LGIP to add a new section 3.5.2 that incorporates the *pro forma* language of Order Nos. 845 and 845-A without modification.⁵⁵ Additionally, Southern proposes Tariff revisions to LGIP section 3.5.2.1 with a feasibility study completion deadline of “forty-five (45) Calendar Days,” to LGIP section 3.5.2.2 with a system impact study completion deadline of “ninety (90) Calendar Days,” and to LGIP section 3.5.2.3 with a facilities study completion deadline of “ninety (90) Calendar Days.”

b. Commission Determination

35. We find that Southern's proposed LGIP revisions regarding Southern's study deadline statistics and informational reporting requirements partially comply with the requirements of Order Nos. 845 and 845-A. Southern's proposed revisions adopt the language provided in Order No. 845 with only minor variations. We find that the minor

⁵¹ Order No. 845, 163 FERC ¶ 61,043 at P 305; *see also pro forma* LGIP §§ 3.5.2, 3.5.3.

⁵² Order No. 845, 163 FERC ¶ 61,043 at P 305; *see also pro forma* LGIP § 3.5.4.

⁵³ Order No. 845, 163 FERC ¶ 61,043 at P 307.

⁵⁴ Order No. 845-A, 166 FERC ¶ 61,137 at P 107.

⁵⁵ Filing at 5-6. Alabama Power Company, Open Access Transmission Tariff, att. J (LGIP), §§ 3.5.2 Requirement to Post Interconnection Study Metrics, 3.5.2.1 Interconnection Feasibility Studies Processing Time, 3.5.2.2 Interconnection System Impact Studies Processing Time, 3.5.2.3 Interconnection Facilities Studies Processing Time, 3.5.2.4 Interconnection Requests Withdrawn from Interconnection Queue, 3.5.3, 3.5.4.

variations (e.g., Southern proposes to revise certain uses of “section” with “Section.”) proposed by Southern regarding interconnection feasibility study deadlines and interconnection system impact study deadlines are consistent with or superior to the *pro forma* language because they are consistent with other provisions in Southern’s LGIP and therefore add clarity to Southern’s Tariff.

36. However, we find that Southern’s proposed LGIP sections 3.5.2.3 (B) and (C) include an improper timeline for processing interconnection facilities studies. Southern does not comply with Order No. 845 because the proposed facilities study deadlines for reporting purposes do not match the existing deadlines set forth in section 8.3 of Southern’s LGIP. Moreover, Southern has not proposed to revise the existing deadlines in section 8.3 of its LGIP to match the facilities studies deadlines in its proposed LGIP sections 3.5.2.3 (B) – (C). Accordingly, we direct Southern to file, within 60 days of the date of this order, a further compliance filing that replaces its proposed facility study deadlines in its LGIP section 3.5.2.3 with the existing facility study deadlines already included in section 8.3 of its LGIP.

8. Requesting Interconnection Service below Generating Facility Capacity

37. 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,⁵⁶ 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.⁵⁷

38. The Commission required, in *pro forma* LGIP revised 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 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.⁵⁸ In addition, *pro forma* LGIP revised

⁵⁶ 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 (Definitions).

⁵⁷ Order No. 845, 163 FERC ¶ 61,043 at P 367; *see also pro forma* LGIP §§ 3.1, 6.3, 7.3, 8.2, *pro forma* LGIP app. 1.

⁵⁸ Order No. 845, 163 FERC ¶ 61,043 at PP 383-84.

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 *pro forma* LGIP revised section 3.1 that any necessary control technologies and/or protection systems be memorialized in the LGIA.

39. The Commission required, in *pro forma* LGIP revised 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.⁵⁹

40. 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.⁶⁰

a. Southern's Compliance Filing

41. Southern proposes revisions to its LGIP that adopt the Commission's proposed reforms to sections 3.1, 6.3, 7.3, and 8.2 and Appendix 1 to incorporate the language set forth in Order Nos. 845 and 845-A without modification.⁶¹ However, Southern's proposed Tariff revisions do not fully incorporate the *pro forma* LGIP language adopted

⁵⁹ *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.*

⁶⁰ *Id.* P 406; *see also pro forma* LGIP §§ 4.4.1, 4.4.2.

⁶¹ Alabama Power Company, OATT, att. J (LGIP), §§ 3.1 General, 4.4.1, 4.4.2, 6.3 Interconnection Feasibility Study Procedures, 7.3 Scope of Interconnection System Impact Study, 8.2 Scope of Interconnection Facilities Study.

by Order No. 845.⁶² 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.⁶³

b. Commission Determination

42. We find that Southern'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, Southern's revisions to section 3.1 of its LGIP omit some of the *pro forma* LGIP language required by Order No. 845.⁶⁴ Accordingly, we direct Southern to file, within 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.

9. Provisional Interconnection Service

43. In Order No. 845, the Commission required transmission providers to allow all interconnection customers to request provisional interconnection service.⁶⁵ 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

⁶² See Order No. 845-A, 166 FERC ¶ 61,137 at P 117.

⁶³ 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 Southern'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.

⁶⁴ *Id.* PP 347, 367, and app. B.

⁶⁵ *Id.* P 438.

of that level of interconnection service while the facilities required for its full interconnection request are completed.⁶⁶ To implement this service, the Commission revised the *pro forma* LGIP and *pro forma* LGIA to add a definition for “Provisional Interconnection Service”⁶⁷ and for a “Provisional Large Generator Interconnection Agreement.”⁶⁸

44. In addition, the Commission added *pro forma* LGIA article 5.9.2, which details the terms for provisional interconnection service.⁶⁹ 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.⁷⁰ The Commission stated that interconnection customers are responsible for the costs for performing these provisional interconnection studies.⁷¹

a. Southern’s Compliance Filing

45. Southern proposes revisions to its LGIP and *pro forma* LGIA that add: (1) the new definition of provisional interconnection service; and (2) the new article 5.9.2 to the *pro forma* LGIA that details the terms of provisional interconnection service, as required by Order Nos. 845 and 845-A, without modification.⁷² Specifically, Southern proposes to add article 5.9.2 to its *pro forma* LGIA, as required by Order Nos. 845 and 845-A, and proposes no changes to the bracketed placeholder in the following sentence: “[t]he maximum permissible output of the Generating Facility in the Provisional Large

⁶⁶ *Id.* P 441.

⁶⁷ *Pro forma* LGIP § 1 (Definitions); *pro forma* LGIA art. 1 (Definitions).

⁶⁸ *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.

⁶⁹ *Id.* P 438; *see also pro forma* LGIP § 5.9.2.

⁷⁰ Order No. 845, 163 FERC ¶ 61,043 at P 448.

⁷¹ *Id.*

⁷² Alabama Power Company, OATT, att. J (LGIA), § 5.9.2 Provisional Interconnection Service.

Generator Interconnection Agreement shall be studied and updated [*on a frequency determined by Transmission Provider and at the Interconnection Customer's expense*].”⁷³

b. Commission Determination

46. We find that Southern’s proposed LGIP and *pro forma* LGIA revisions regarding provisional interconnection service partially comply with the requirements of Order Nos. 845 and 845-A. Southern’s proposed Tariff revisions comply because Southern adopts the Commission’s *pro forma* definition of provisional interconnection service and incorporates article 5.9.2 of the Commission’s *pro forma* LGIA without modification.

47. However, we find that Southern has failed to comply with the requirement to replace the bracketed placeholder in article 5.9.2 of its *pro forma* LGIA with language specifying the frequency with which it will study and update the maximum output of a generating facility in a provisional LGIA. Accordingly, we direct Southern to file, within 60 days of the date of this order, a further compliance filing that specifies a frequency for studying and updating the maximum permissible output of a generating facility subject to a provisional LGIA.⁷⁴

10. Surplus Interconnection Service

48. 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.⁷⁵ Surplus interconnection service enables a new interconnection customer to utilize the unused portion of an existing interconnection customer’s interconnection service within specific parameters.⁷⁶ The Commission required transmission providers to revise their tariffs to include the new definition of surplus interconnection service in their *pro forma* LGIP and

⁷³ *Pro forma* LGIA art. 5.9.2 (emphasis supplied).

⁷⁴ See Order No. 845, *pro forma* LGIA § 5.9.2 Provisional Interconnection Service (“The maximum permissible output of the Generating Facility in the Provisional Large Generator Interconnection Agreement shall be studied and updated [*on a frequency determined by Transmission Provider and at the Interconnection Customer's expense*].”)

⁷⁵ Order No. 845, 163 FERC ¶ 61,043 at P 467; see also *pro forma* LGIP § 1; *pro forma* LGIA art. 1 (Definitions).

⁷⁶ Order No. 845, 163 FERC ¶ 61,043 at P 467; Order No. 845-A, 166 FERC ¶ 61,137 at P 119.

pro forma LGIA, and provide in the *pro forma* LGIP an expedited interconnection process outside of the interconnection queue for surplus interconnection service.⁷⁷ That expedited process must allow affiliates of the existing interconnection customer to use 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.⁷⁸ 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.⁷⁹ 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.⁸⁰ 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.⁸¹

a. Southern's Proposal

49. Southern proposes revisions to its LGIP and *pro forma* LGIA that add a definition for surplus interconnection service to section 1 of its LGIP and article 1 of its *pro forma* LGIA.⁸²

50. In its Deficiency Response, Southern proposes revisions to supplement the *pro forma* provisions of section 3.3 and subsection 3.3.1 of the LGIP. Specifically, Southern has added a paragraph to *pro forma* subsection 3.3.1 that states that all

⁷⁷ Order No. 845, 163 FERC ¶ 61,043 at P 467; *see also pro forma* LGIP §§ 3.3, 3.3.1.

⁷⁸ Order No. 845, 163 FERC ¶ 61,043 at P 483; *see also pro forma* LGIP § 3.3.

⁷⁹ Order No. 845, 163 FERC ¶ 61,043 at PP 455 & 467.

⁸⁰ *Id.* P 481.

⁸¹ *Id.* P 499.

⁸² Alabama Power Company, OATT, att. J (LGIP), §§ 1 Definitions, 3.3 Utilization of Surplus Interconnection Service, 3.3.1 Surplus Interconnection Service Requests; att. J (LGIA), art. 1 (Definitions).

notifications and requests for surplus interconnection service shall be posted on Southern's OASIS and shall be processed outside of the interconnection queue.

51. Southern adds new subsections to section 3.3 to describe the surplus interconnection service process in detail.⁸³ Southern, in subsection 3.3.2, proposes Tariff language outlining the process by which a customer that is neither the existing customer nor its affiliate can submit a surplus interconnection service request. That section states:

To request Surplus Interconnection Service, an Interconnection Customer shall submit to Transmission Provide a Surplus Interconnection Service request in the form of Appendix 1 to this LGIP, a refundable deposit of \$10,000, and any supporting documentation (e.g., additional Generating Facility data for the new Generating Facility, single-line diagram for the new and original Generating Facilities, and evidence of Site Control). In addition, the Interconnection Customer shall indicate: (1) the original Interconnection Customer's Standard Large Generator Interconnection Agreement, (2) contact information for the original Interconnection Customer, (3) the affiliation (if any) of the new Interconnection Customer with the original Interconnection Customer, (4) the proposed use of the original Generating Facility's unused Interconnection Service by the proposed new Generating Facility (e.g., times and amounts of use, controls, combined electrical oneline), and (5) the agreement that exists between the original Interconnection Customer and the new Interconnection Customer related to the use of Surplus Interconnection Service.⁸⁴

52. Southern proposes new LGIP subsections 3.3.3 and 3.3.4 that outline the study process for the provision of surplus interconnection service to a new interconnection customer, and provide the conditions necessary for eligibility for surplus interconnection service and the process for the execution and submittal of a surplus interconnection service agreement. Southern also proposes revisions to Appendix 1 of its LGIP that

⁸³ *Id.* § 3.3.2 Initiating a Surplus Interconnection Service Request.

⁸⁴ *Id.*

include information necessary to process a request for surplus interconnection service as provided for in subsection 3.3.2.⁸⁵

b. Commission Determination

53. We find that Southern's proposed LGIP and *pro forma* LGIA revisions regarding surplus interconnection service comply with the requirements of Order Nos. 845 and 845-A. Southern adopts the *pro forma* LGIP and *pro forma* LGIA revisions for surplus interconnection service as required by Order Nos. 845 and 845-A without modification. We also find that Southern's proposed surplus interconnection service process meets the requirements of Order Nos. 845 and 845-A because Southern will evaluate surplus interconnection service requests outside of its non-surplus interconnection queue. Additionally, as required by Order Nos. 845 and 845-A, Southern's process requires that the transmission provider, original interconnection customer, and surplus interconnection service customer file a surplus interconnection service agreement with the Commission that includes the terms and conditions of surplus interconnection service.

11. Material Modifications and Incorporation of Advanced Technologies

54. 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,⁸⁶ 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.⁸⁷ 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

⁸⁵ Filing at 3-5.

⁸⁶ 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.

⁸⁷ *Id.* P 518.

the transmission provider will follow to assess whether an interconnection customer's proposed technological advancement is a material modification.⁸⁸

55. 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.⁸⁹ 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.⁹⁰

56. 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.⁹¹ 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.⁹² 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.⁹³

57. Further, the Commission required that the technological change procedure outline a time frame of no more than 30 days after the interconnection customer submits a formal technological advancement request for the transmission provider to perform and complete any necessary additional studies.⁹⁴ The Commission also found that, if the transmission

⁸⁸ *Id.*; see also *pro forma* LGIP § 4.4.6.

⁸⁹ Order No. 845, 163 FERC ¶ 61,043 at P 519.

⁹⁰ *Id.*

⁹¹ *Id.*; Order No. 845-A, 166 FERC ¶ 61,137 at P 155.

⁹² Order No. 845, 163 FERC ¶ 61,043 at P 521.

⁹³ *Id.* P 521

⁹⁴ *Id.* P 535.

provider determines that additional studies are needed 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.⁹⁵ 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.

58. 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.⁹⁶

a. Southern's Compliance Filing

59. Southern proposes the following definition of permissible technological advancement:

Permissible Technological Advancement shall mean a change to Generating Facility design or equipment that meets all the following criteria: (1) does not change the Generating Facility technology type (e.g., synchronous, inverter-based) or fuel type initially proposed in the interconnection request;

⁹⁵ *Id.* P 534. The Commission set the default deposit amount at \$10,000 but stated that a transmission provider may propose a reasonable alternative deposit amount in its compliance filing and include justification supporting this alternative amount. *Id.*

⁹⁶ Order No. 845-A, 166 FERC ¶ 61,137 at P 155.

(2) does not change the Interconnection Service amount, except as permitted under Section 4.4.2; (3) does not materially impact the transmission system with regard to short circuit capability limits, steady-state thermal and voltage limits, dynamic system stability and response; and (4) 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).

60. Southern states that the criteria set forth in its proposed definition comply with the Commission's requirements in Order Nos. 845 and 845-A because they are consistent with the Commission's guidance and implement the principles adopted by the Commission in the orders.⁹⁷ Specifically, Southern states its definition complies with following Commission requirements: (1) the proposed definition of permissible technological advancement should not include changes to the technology or fuel type initially proposed nor include changes that would increase the requested interconnection service or cause reliability concerns; (2) technological advancements that do not degrade the electrical characteristics of the generating equipment would generally meet the requirements necessary to be a permissible technological advancement; and (3) a permissible technological advancement would result in electrical performance that is equal to or better than the electrical performance expected prior to the technology change and not cause any reliability concerns.⁹⁸

61. Southern proposes revisions to section 4.4.2 of its LGIP that adopt the Commission's *pro forma* language without modification.⁹⁹

62. Southern states that its proposed methodology complies with the Commission's directive to implement a technological change procedure in accordance with Order Nos. 845 and 845-A.¹⁰⁰ Specifically, Southern states that its proposed technological change procedure: (1) specifies the information to be included with a technological advancement request; (2) clearly indicates the information necessary for any study that transmission providers deem necessary to evaluate a request; and (3) imposes a 30-day study result

⁹⁷ Filing at 3.

⁹⁸ *Id.*

⁹⁹ Alabama Power Company, OATT, att. J (LGIP) § 4.4.2.

¹⁰⁰ Filing at 7.

deadline for determining whether a proposed technological advancement is material.¹⁰¹ Section 4.4.6 of Southern's LGIP sets forth the technological change procedure. Section 4.4.6 requires that interconnection customers requesting that a transmission provider evaluate whether a proposed modification submitted under section 4.4.2 is a material modification submit such a request to the transmission provider. This technological advancement request shall include: (1) revised technical data for the generating facility; (2) a revised generating facility single-line diagram; (3) revised dynamic modeling data (as applicable); and (4) any other information related to the modification request and all necessary supporting documentation. Southern will assess the technological advancement request and notify the interconnection customer within 30 calendar days whether the modification is a material modification. Should Southern be unable to complete the assessment within that time period, it shall notify the interconnection customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Any additional studies resulting from such assessment shall be done at interconnection customer's cost.¹⁰²

63. In determining whether a requested modification is a material modification, Southern will consider any later-queued active interconnection requests with a point of interconnection within two network substations of the interconnection request seeking modification. Southern, in addition, for a network resource interconnection service interconnection request seeking modification, Southern will consider any later-queued active network resource interconnections service interconnection requests.¹⁰³

64. If Southern determines that the proposed request is a material modification, Southern shall provide an explanation to the interconnection customer explaining why the requested modification is a material modification. The interconnection customer may then withdraw the proposed modification or proceed with a new interconnection request for such modification.¹⁰⁴

65. If Southern determines that the proposed requested modification is not a material modification, the interconnection customer must confirm the modification to its interconnection request within seven calendar days of notice from Southern. In addition, if a restudy of the most current interconnection study would be required because of the modification, Southern shall notify the interconnection customer along with the

¹⁰¹ *Id.*

¹⁰² *Id.* at 6-7; Alabama Power, OATT, att. J (LGIP) § 4.4.6 Technological Change Procedure.

¹⁰³ *Id.*

¹⁰⁴ *Id.*

determination that the proposed modification is not a material modification. Such a restudy shall take no longer than 60 calendar days from the date of notice. If Southern is unable to complete such restudy within that time period, it shall notify the interconnection customer and provide an estimated completion date with an explanation of the reasons why additional time is required. Any restudy resulting from such modification shall be done at the interconnection customer's cost.¹⁰⁵

b. Commission Determination

66. We find that Southern's proposed LGIP revisions to incorporate a definition of a permissible technological advancement and technological change procedure partially comply with the requirements of Order Nos. 845 and 845-A. Specifically, we find that Southern'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.

67. Order No. 845 requires the technological change procedure to state that the interconnection customer should submit a technological advancement request if it seeks to incorporate technological advancements into its proposed generating facility.¹⁰⁶ However, Southern's technological change procedure states that an interconnection customer may submit "a modification request to the Transmission Provider."¹⁰⁷ Requiring the interconnection customer to submit a technological advancement request provides clarity with regard to whether the transmission provider is evaluating the request under the new technological change procedure or the existing material modification assessment procedures. Therefore, we direct Southern to file, within 60 days of the date of this order, a further compliance filing that revises its technological change procedure to state that an interconnection customer should submit a technological advancement request, rather than a modification request, if it seeks to incorporate technological advancements into its proposed generating facility.

68. In Order No. 845, the Commission required an interconnection customer to tender a deposit if the transmission provider determines that additional studies are necessary to evaluate whether a technological change is a material modification. Order No. 845 states that the transmission provider should specify the amount of the deposit in its technological change procedure.¹⁰⁸ While Order No. 845 sets the default deposit amount

¹⁰⁵ *Id.*

¹⁰⁶ Order No. 845, 163 FERC ¶ 61,043 at P 519.

¹⁰⁷ Alabama Power, OATT, att. J (LGIP) § 4.4.6 Technological Change Procedure.

¹⁰⁸ Order No. 845, 163 FERC ¶ 61,043 at P 534.

at \$10,000, it allows the transmission provider to propose, with justification, a reasonable alternative amount. However, Southern fails to specify a deposit amount for a technological advancement request. Accordingly, we direct Southern to file, within 60 days of the date of this order, a further compliance filing proposing the deposit amount the interconnection customer is required to tender to comply with the requirements of Order No. 845.

69. 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.”¹⁰⁹ Southern’s proposal states that it will determine whether a proposed modification is a material modification by considering later-queued interconnection requests within two network substations. However, Southern’s proposed process does not explain how it will evaluate these later-queued interconnection requests. Accordingly, we direct Southern to file, within 60 days of the date of this order, a further compliance filing that revises its LGIP to provide a more detailed explanation of the studies that Southern will conduct to determine whether the technological advancement request will result in a material modification.

70. With regard to a deadline for the 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 30 days of the initial request.¹¹⁰ We find that Southern’s proposal to notify the interconnection customer and provide an estimated completion date with an explanation of the reasons why additional time is required (to the extent Southern cannot complete its determination within 30 days) does not comply with Order No. 845.¹¹¹ Therefore, we direct Southern to file, within 60 days of the date of this order, a further compliance filing that removes this language from its Tariff, and instead provides that it will complete the determination of whether or not a proposed technological advancement is a material modification within 30 days of receipt of a request for a technological change assessment.

71. Further, we note that under Southern’s proposal, if a restudy of the most current interconnection study would be required as a result of the technological advancement request, Southern will notify the interconnection customer along with the determination that the proposed change is not a material modification. We accept Southern’s proposed provisions. However, we reiterate that the purpose of the technological change procedure

¹⁰⁹ *Id.* P 521.

¹¹⁰ Order No. 845, 163 FERC ¶ 61,043 at P 535; Order No. 845-A, 166 FERC ¶ 61,137 at P 155.

¹¹¹ Alabama Power Company, OATT, att. J (LGIP) § 4.4.6 Technological Change Procedure.

is to determine whether a proposed change is a material modification within 30 days of receipt of the initial request.¹¹² Our understanding is that Southern does not intend to use this information to change any underlying determination of whether a requested technological change is a permissible technological advancement or a material modification. We note that nothing in Order Nos. 845 and 845-A allows the transmission provider to reverse such a determination upon further study.

12. Other Issues Raised by Southern

a. Corrections to Create Internal Consistency Among Defined Terms

72. Southern proposes additions and modifications to Appendix B of its LGIP and Appendix C of its *pro forma* LGIA to correct internal section references, to comply with the errata notice issued on May 13, 2019, and to make the new language adopted internally consistent with the defined terms set forth in the Commission's *pro forma* LGIP and *pro forma* LGIA. Specifically, Southern's modifications affect the following: (1) the definitions of "Provisional Large Generator Interconnection Agreement," "Surplus Interconnection Service," and "Stand Alone Network Upgrades" in Southern's LGIP and *pro forma* LGIA; (2) the titles of section 3.5.2.1, 3.5.2.4, and 13.5.5 of Southern's LGIP; (3) sections 3.5.2, 3.5.3, 3.5.4, 3.5.4(iii), 8.2, and 13.5.5 of Southern's LGIP; and (4) article 5.9.2 of Southern's *pro forma* LGIA. Southern states that these changes are consistent with or superior to the terms of the *pro forma* LGIP and *pro forma* LGIA.

73. Additionally, Southern amends the Table of Contents of the OATT to reflect changes made in compliance with Order Nos. 845 and 845-A, as itemized above.

b. Commission Determination

74. We find that the proposed revisions and modifications, as proposed by Southern in its LGIP and *pro forma* LGIA are consistent with or superior to the requirements of Order Nos. 845 and 845-A because they will bring additional clarity and precision to Southern's LGIP and *pro forma* LGIA.

The Commission orders:

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

¹¹² Order No. 845-A, 166 FERC ¶ 61,137 at P 155.

(B) Southern is hereby directed to submit a compliance filing within 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.