



COPY

December 20, 2002

Ms. Magalie R. Salas  
Office of the Secretary  
Federal Energy Regulatory Commission  
888 First Street, N.E.  
Washington, DC 20426  
Docket No. RM02-12-000

Connecticut

Delaware

District of Columbia

Maine

Maryland

Massachusetts

New Hampshire

New Jersey

New York

Pennsylvania

Rhode Island

Vermont

Virginia

Bruce S. Carhart  
Executive Director

444 N. Capitol St. NW  
Suite 638  
Washington, DC 20001  
(202) 508-3840  
FAX (202) 508-3841  
e-mail: ozone@sso.org

Re: **The Federal Energy Regulatory Commission's Advance Notice of Proposed Rulemaking on Standardization of Small Generator Interconnection Agreements and Procedures, Docket No. RM02-12-000**

Dear Ms. Salas:

The Ozone Transport Commission (OTC) hereby submits an original and fourteen copies of its comments on the Federal Energy Regulatory Commission's (FERC's) *Advance Notice of Proposed Rulemaking on the Standardization of Small Generator Interconnection Agreements and Procedures*, Docket No. RM02-12-000.

### Background

The OTC was created by Congress, pursuant to the Clean Air Act Amendments of 1990, to coordinate the control of ground-level ozone in the Northeast and Mid-Atlantic states. OTC's members include Connecticut, Delaware, the District of Columbia, Maine, Maryland, New Hampshire, New Jersey, New York, Massachusetts, Pennsylvania, Rhode Island, Virginia and Vermont. Since 1991, the OTC and its member states have had considerable success in reducing ozone pollution in the Northeast and Mid-Atlantic states through the implementation of regulatory programs and other initiatives.

### Nationally Standardized Interconnection Agreements and Procedures Are Crucial to the Development of Small, "Clean" Electricity Generation

OTC supports FERC's commitment to develop national interconnection standards and applauds FERC's recognition that national standards serve the public interest by "...facilitating the development of non-polluting [generation] alternatives such as photovoltaics and small wind resources." State-by-state or jurisdiction-by-jurisdiction standards will likely increase the cost of manufacturing distributed generation equipment and increase the administrative burden of connecting to the transmission grid. National standards will help technology suppliers build standard equipment for use in any state or jurisdiction. Reducing the cost and administrative burden of gaining access to the grid is especially important to small, clean generators, who often lack the capital and administrative resources enjoyed by traditional utility generators. National standards will help level the playing field so that clean energy suppliers can achieve the manufacturing economies of scale that will make their technologies more affordable and competitive in the marketplace.

## **FERC Should do Everything Possible to Foster the Development of "Clean" Electric Power Generation**

OTC believes that broad deployment of distributed generation technologies may provide many benefits to the electricity supply system. Distributed generation may help relieve transmission and distribution constraints, reduce transmission line losses, diversify the generation mix, increase customer generation choice, enhance energy independence and improve energy security. While these benefits are desirable, OTC would not wish to see these benefits achieved at the expense of air quality. OTC urges FERC to develop small generator interconnection standards that foster and promote the use of "clean" distributed generation technologies such as fuel cells and renewable generation such as wind and solar power. Conversely, FERC should not develop standards that encourage the proliferation of "dirty," high-emitting distributed generation technologies such as diesel generators. Since electricity generation has historically been a major source of air pollution, it is critically important that new generation resources be as low-emitting as possible. This is especially true for distributed generation equipment since this equipment is often deployed in transmission congested, urban areas where power is in urgent demand and air quality is poor.

### **Addressing Business Practices that Limit Access to the Transmission Grid**

In addition to addressing the electrical engineering and technical issues associated with interconnection, FERC must also address the business practices of transmission providers that limit access to the transmission grid. Many companies that market and install clean energy technologies have expressed concerns over the difficulty of gaining access to the transmission grid. FERC should address their concerns and ensure transmission providers do not:

- ignore requests for interconnection,
- service requests so slowly that essentially access to transmission is denied,
- impose unreasonable demands or unnecessary requirements on small generators,
- charge unreasonable interconnection fees, or
- limit or prevent access through other business practices.

OTC commends FERC for taking on the challenge of developing interconnection standards for small generators. OTC believes well crafted interconnection standards that foster and promote clean energy generation have the potential to improve electric reliability, energy efficiency and air quality.

If you have questions or wish to discuss this matter further, please contact me at the OTC office at (202) 508-3840. Again, thank you for the opportunity to comment.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Bruce S. Carhart", with a long horizontal flourish extending to the right.

Bruce S. Carhart  
Executive Director

cc: All OTC Members  
S. William Becker, STAPPA/ALAPCO  
Kenneth Colburn, NESCAUM  
Charles Gray, NARUC  
Jeffrey Genzer, NASEO  
Brian McLean, EPA/OAP  
David Terry, NASEO  
Susan Wierman, MARAMA