

Tri-State Generation and Transmission Association, Inc.
Large Generator Interconnection Procedures
Concept Paper
February 2009

Background.

Like many other transmission providers across the country, Tri-State has faced difficulties in managing its interconnection queue under the FERC Order 2003 process. One of the key problems has been the inordinate imbalance between the total magnitude of requests Tri-State has received for interconnecting new generation and the capability of the Tri-State transmission system which is designed to serve load. As of November 5, 2008, Tri-State had 68 requests in its queue representing over 15,000 MW of new generation. On November 6th, Tri-State closed its interconnection queue and stopped accepting new Interconnection Requests while it presented its proposed changes to Interconnection Customers and accepted comments. After reviewing comments, on January 12, 2009, Tri-State posted modified Large Generator Interconnection Procedures (LGIP) and re-opened its Interconnection Queue.

At a meeting with Interconnection Customers on November 20, 2008, Tri-State outlined its concept for long-term improvements to its interconnection queue management processes. This paper provides a more detailed explanation of Tri-State's concept. Tri-State is commencing a stakeholder process to present this concept. Tri-State's goal is to build on the improvements that it implemented in January 2009.

Current LGIP Provisions:

In this concept paper, Tri-State is proposing to carry forward many of the provisions of its current LGIP, including the following:

- Deposits: \$125,000 for projects up to and including 75 MW; \$250,000 for projects larger than 75 MW. \$25,000 of deposit will be non-refundable;
- Site Control: At application, 50% of land to accommodate project is required, and deposits in lieu of site control will not be accepted;
- Stand-alone transmission study methodology will be used;
- Up to three levels of generation output may be studied in the System Impact Study, but must be identified at the Scoping Meeting; after completion of the power flow portion of the System Impact Study, the Interconnection Customer must select one generation output level;
- Projects which have been designated as Network Resources and meet required milestones will receive priority for interconnection studies;
- Suspension of construction will be permitted only for Force Majeure events;
- Deposits and Security for construction of facilities must be transferred to Tri-State in immediately available funds prior to Tri-State commencing work.

- At Scoping Meeting may select three (3) levels of generation to be studied in the initial phase of the System Impact Study
 - Initial Request level,
 - Alternative level up to 60% less than the initial request level, and
 - Maximum generating level that will not require Network upgrades beyond the interconnection substation

New Concepts

Load and Resource Planning (See figure 1, A):

Load and Resource Plan for Network Resources. Consistent with FERC's *pro forma* tariff, Tri-State's Tariff requires that each Network Customer, including Tri-State Energy Resources (in order to serve its native load), must submit an annual ten year forecast of its loads and resources (Tariff, Section 31.6). Based on Network Customers' needs and their knowledge of generation development activities, they would also be asked to provide the general locations where they need resources or anticipate these resources to be developed. Tri-State would accept up to four cohesive scenarios for Network Customer resource distribution within each annual Load and Resource Plan.

Load and Resource Transmission Study. Tri-State anticipates that it would receive Load and Resource Plans from each of its Network Customers prior to the beginning of each calendar year. Upon receipt of this information Tri-State would conduct its Load and Resource Transmission Study. Based on the amounts and locations of projected generation submitted by Network Customers, Tri-State would identify Resource Zones. This transmission study would identify the Network Upgrades required to deliver the new generation to Network Load. Upon completion, Tri-State would post the Load and Resource Transmission Study on its OASIS.

Interconnection Customer Preliminary Assessment

Tri-State would provide base case information to interested parties who (1) arrange with WECC to pay for and obtain a copy of the WECC base case, (2) sign a standard Non-Disclosure Agreement with Tri-State to cover information added by Tri-State, and (3) pay Tri-State in advance to cover the estimated time to respond to specific inquiries.

Interconnection Application and Preliminary Review (See Figure 1, B):

Application requirements would remain unchanged. However, Tri-State proposes to establish biannual Interconnection Request Application Windows (Window). The first Window would open approximately 30 days after the posting of the Load and Resource Transmission Study. Each Window would be open for 60 days. The second Window would open approximately 180 days after the opening of the first Window. Tri-State would update its schedule in its Business Practices on an annual basis. Tri-State plans to hold an information meeting to coincide with the opening of each Window.

Standardized Processing (See Figure 1, B):

During each Window, Tri-State would evaluate each request using its current procedures. For example, if the Application is deficient, Tri-State would notify the requestor within 7 days of receipt of the Application; Tri-State would not wait until the end of the Window. This process would help ensure that Tri-State has reviewed most, if not all Applications, prior to the close of the Window. Within 30 days after the close of a Window, Tri-State would conduct a Scoping Meeting on each request. Tri-State would assign a queue position for each request submitted during a Request Window on a first come-first served basis.

System Impact Study (See Figure 1, C):

Tri-State is proposing to offer a single form of Interconnection Service rather than the existing options of Energy Resource Interconnection Service and Network Resource Interconnection Service. This option is predicated on the concept that the System Impact Study would only examine Interconnection Facilities and localized Network Upgrades not identified in the Load and Resource Transmission Study. These Network Upgrades are primarily those facilities at the Point of Interconnection that, consistent with FERC precedent, are required to be designated as Network facilities.

Network Mitigation, other than that locally required, would not be addressed in the Interconnection System Impact Study. Significant bulk transmission system Network Upgrades would be determined either in the Load and Resource Transmission Study or covered under the provisions of Tri-State's Open Access Transmission Tariff subsequent to the Interconnection Customer submitting a Transmission Service Request.

Under this concept, Tri-State would continue to provide that upon completion of the power flow segment of the System Impact Study, Tri-State would present the results of the three levels of study that it has performed. The Interconnection Customer would have 14 days to review the results and select one option for completion of the System Impact Study. The option level selected will be the level that Tri-State would use if the project continues on to the Facilities Study.

Tri-State would continue to use a Stand-alone modeling methodology. Tri-State staff would use reasonable engineering judgment based on Good Utility Practice when determining study assumptions.

System Impact Study Review Meeting and Interconnection Facilities Study (See Figure 1, D):

Upon completion of the System Impact Study, Tri-State would meet with the Interconnection customer to review the results. Within 30 days after this meeting the Interconnection Customer, if it wishes to continue with the process, must submit

documentation that it has Site Control for the full scope of the proposed project. At that time, the Interconnection Customer must also notify Tri-State of its intent to select one of the following five alternatives:

1. Submit an executed the Interconnection Facilities Study Agreement, and documentation that the Interconnection Customer has a Network Resource designation from a Network Customer;
2. Submit an executed Interconnection Facilities Study Agreement, a deposit for the estimated cost of interconnection facilities identified in the System Impact Study results, a Transmission Service Request along with required deposits to reserve Point-to-Point Transmission. As part of the Transmission Service Request, Tri-State would commence a System Impact Study under the Tariff for the to determine Network Upgrades; or
3. Submit an executed Interconnection Facilities Study Agreement and a deposit for the estimated cost of interconnection facilities identified in the System Impact Study results, without making a corresponding Transmission Service Request as required in Alternative 2; however, the Interconnection Customer would be proceeding at its own risk: i.e. there is no certainty that transmission would be available beyond the current operating limits; or
4. Notify Tri-State that it needs more time to meet the Facilities Study milestones. Tri-State would consider the System Impact Study results to be valid up to 1 year after completion, provided that no major transmission system modifications affect the study results; or
5. The Interconnection Customer may withdraw its application and Tri-state would refund the unexpended amount of the refundable portion of the initial deposit.

If an Interconnection Customer proceeds under Alternative 2 above, the Interconnection Facilities Study would incorporate the Network Upgrades identified in the Transmission System Impact Study and would primarily focus on Interconnection facilities.

Tri-State will commence Facilities Studies based on the date that Interconnection Customers meet the above requirements: i.e. first ready-first served. Under Alternative 2, an Interconnection Customer will be considered “ready” upon acceptance of the System Impact Study conducted as part of the Transmission Service Request under the Tariff.

Interconnection Agreement:

At this time, Tri-State has not evaluated necessary modifications to the Large Generator Interconnection Agreement.

Figure 1

