

Feedback and recommendations provided by the Renewable Industry

The following summary is intended to outline the major challenges that renewable developers have experienced in Illinois. Illinois last updated its interconnection rules prior to the passage of FEJA, long before the industry, utilities and NGOs experienced the volume of interconnection requests. The Illinois Commerce Commission has begun a process to address the interconnection rules, and while we are cautiously optimistic this could result in mutually agreeable improvements in the interconnection process, the legislature may yet need to inform the desired result of that process.

Priorities on interconnection for all sectors of the industry are as follows. Please note that these issues existed before FEJA. The volume of projects that resulted from FEJA exacerbated these issues. In summary:

1. **Increase transparency:** The most challenging problem to date has been that many of the costs provided in the cost estimates are unexplained and are not transparent. We are asking for more information upfront in the pre-app report, throughout the study process, about the queue and about the grid.
2. **Reduce uncertainty:** Costs have been variable throughout the study process. Transparency should help with this, but we want guardrails around costs.
3. **Reduce technical challenges:** There have been distinctly different technical challenges than we've experienced in other states. Again, transparency will help with this, as will a better dispute resolution process and an interconnection working group.
4. **Have clear rules of the road:** lack of clarity allows for gaming and queue clogging, and ultimately ends up wasting time and money for everyone.
5. **Update the dispute process:** an updated dispute process will allow individuals to quickly and cost-effectively resolve cost and technology issues with the utilities.
6. **Make sure the process is ready for the future:** Storage is likely to have a greater presence in Illinois, and the rules need to be adaptable for that, among other technological changes. An ongoing interconnection working group will ensure that interconnection is not stagnant but evolves as technology evolves.

Below is more information on each of these issues.

1. Increase Transparency

The most challenging problem to date has been that many of the costs provided in the cost estimates are unexplained and are not transparent. The following issues highlight areas that are typically explained in other markets that often remain unclear in Illinois.

- Lack of detail or breakdown of upgrade costs
- Higher costs for material upgrades than in other similarly situated markets
- Unidentified “Indirect” and “overhead” costs, which are much higher than in other markets
- Lack of cost standards related to construction and equipment estimates
- References to additional distribution work, without explanation

Not having transparency into the itemized costs of proposed upgrades precludes any ability to reduce those costs by offering alternatives and, as a result, significantly complicates the decision making process. Other markets have worked through these challenges in a collaborative format. In New York, for example, the utilities have worked with developers through the interconnection policy and technical

working groups to produce a standard template that provides a detailed cost breakdown of cost estimates for the Coordinated Electric System Impact Review (CESIR) study that each utility prepares for interconnection applicants. The CESIR template as well as several redacted examples of project cost estimates are attached for reference. A similar, standardized report would be extremely useful for Illinois.

2. Reduce Uncertainty

Another notable challenge has been the very high and variable upgrade costs that developers have received for projects in the application process. Developers have received interconnection cost estimates that have escalated dramatically between different study phases of the process. These increases can be sharp, often 10 times the previous estimate, even up to 40 times the initial estimate. Experience from other states indicates that estimates between the combined study and facilities study stage typically vary within a band of 25%. Based on a survey of trade association members, interconnection cost estimates provided for ComEd applications appear to be 2x – 10x the costs seen for similarly sized systems in other markets. California’s unit cost guide¹ provides a helpful example of a way to provide more cost certainty and transparency. Additionally, guardrails around costs become essential for mass market customers, like residential rooftop solar.

3. Reduce Technical Challenges

Developers have noted distinct differences in the technical specifications and options that are being used in Illinois, compared with experience from other states. Illinois should follow the lead of other states that have created technical working groups to devise solutions that do not compromise safety, reliability or power quality. For examples of effective working groups please see Massachusetts² and New York³. A summary of their procedures is attached.

4. Have Clear Rules of the Road

Based on experience in other states, developers have provided feedback on challenges related to the application process and communication with utilities. The following general issues have been noted:

- a) There is a lack of clarity regarding the level of interconnection that applies.
- b) Interconnection queues are not publicly available or are of limited value, requiring developers to call utilities for status updates.
- c) The lack of an accurate hosting capacity map or up-to-date queue data makes it difficult to cost-effectively site projects. It also makes it more difficult for developers to make initial decisions about a project, leading to wasted time for both developers and utilities.
- d) The interconnection application process is not clearly defined on utility websites, leading to many additional calls and inefficiencies for utility and developer staff.

5. Update the Dispute Process

The dispute resolution process is not set up to quickly and efficiently resolve cost or technical disputes between the interconnecting company and the utilities. Other states have implemented a system by which an ombudsperson with sufficient technological background can quickly render a non-binding

¹ See, for example, Pacific Gas and Electric’s published unit cost guide at https://www.pge.com/pge_global/common/pdfs/for-our-business-partners/interconnection-renewables/Unit-Cost-Guide.pdf

² <https://sites.google.com/site/massdgc/home/interconnection/technical-standards-review-group>

³ <http://www3.dps.ny.gov/W/PSCWeb.nsf/ArticlesByTitle/DEF2BF0A236B946F85257F71006AC98E?OpenDocument>

decision on the dispute that could reduce the likelihood of disputes advancing to a lengthy and costly complaint at the Commission. An example of this is attached.

6. *Make Sure the Process is Ready for the Future*

Technology is evolving, whether that is generation technology, inverters, or metering technology. Furthermore, storage is becoming increasingly affordable and prevalent. Interconnection working groups in at least 6 other leading states have made great headway into updating interconnection standards, processes and tariffs on a regular basis to address changing technology. Illinois would benefit greatly from a similar process.

Examples of Technical Working Groups

New York State Interconnection Technical Working Group (ITWG):

- [First Meeting \(2016\) - Framework of the Group](#)
- Recent Major Accomplishments:
 - Development and Maintenance of the [Standard Interconnection Requirements \(SIR\)](#) in Conjunction with IPWG
 - Standardization of Utility Analysis Methodologies and Mitigation Options in Regards to Latest IEEE Standards
 - First State to Standardize Flicker Preliminary and Time-Series Analysis per IEEE 1453-2015
 - Initial Discussion and Development of State-Wide Hosting Capacity Maps
 - Technical Discussions Have Lead to Group Funded Landmark Power Systems Research
 - Major Enhancements to the Interconnection Process (i.e. Automation Initiatives, Stakeholder Engagement in Tool Development, etc)

New York State Interconnection Policy Working Group (IPWG):

- [Group Creation](#)
- Recent Major Accomplishments:
 - Development and Maintenance of the [Standard Interconnection Requirements \(SIR\)](#) in Conjunction with IPWG
 - Development of a First of Its Kind Material Modifications Document to Create an Official Process for Post-ISA System Modifications
 - Iterative Approach to the Interconnection Process Leading to Increased Efficiency State-Wide
 - Creation and Implementation of Interim Guidelines When New Technologies Enter the Market

Massachusetts Technical Standards Review Group (TSRG):

- [Group Guidelines](#)
- Recent Major Accomplishments:
 - Organized Subcommittee to Address Implementation Roadmap for Newest IEEE Interconnection Standards
 - Creation of a [Common Technical Guideline](#) Document Providing Transparency and Standardization Across the State

Ombudsperson Example

Ombudsperson Role in NY:

1. Ombudsperson role -- The Ombudsperson would hear the complaints of parties that reach the end of Step 9.1 Good Faith Negotiation without resolution. The Ombudsperson would
 - a. be easily accessible;

- b. review the written documentation from complaint;
 - c. conduct independent interviews/ investigations as deemed necessary;
 - d. offer independent problemsolving assistance from a third-party vantage
2. Ombudsperson's judgments -- The intent of the Ombudsperson is to help resolve issues as expeditiously as possible. The Ombudsperson could
 - a. propose a solution (non-binding); or
 - b. render a judgment about whether the issues are best resolved through
 - i. an informal settlement;
 - ii. other alternative means (e.g., informal negotiation with an expert third party);
or
 - iii. continued use of the ADR process.
 - c. If the latter, the Ombudsperson could also advise whether the dispute should pursue Mediation/ Informal Arbitration, or go directly to a Departmental Hearing.
3. Ombudsperson Complaint Process
 - a. Customer would file complaint on a technical issue within the process to the Ombudsperson and the utility. The utility would have 10 business days to respond to the customer and DPU.
 - b. If the utility response does not have specific technical background as per good utility practice, then the matter would be taken up by the Ombudsperson
 - c. The Ombudsperson would respond in 20 business days and their response must conform to good utility practice.
 - d. The decision of the Ombudsperson can be appealed through the normal complaint appeal process at the DPU v. Include comment/complaint form
4. Reporting -- Quarterly Reports will be issued to the DPU summarizing the actions of the Ombudsperson; specific attention will be given to reoccurring issues for both utilities and developers. An Annual Report will be issued summarizing the interconnection process, highlighting areas of concern.
5. Technical Standards – Ombudsperson will participate in the review and modification of the Technical Standards Manual and be an ex officio member of the Technical Standards Review Group.