

FERC Proposes Reforms to Improve Wind and Solar Access to Grid

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The Federal Energy Regulatory Commission recently proposed a set of reforms with the objective to ensure variable energy resources are reliably and efficiently integrated into the electric grid at rates, terms and conditions that are just and reasonable, and not unduly discriminatory or preferential.

On November 18, 2010, the Federal Energy Regulatory Commission (FERC) issued a Notice of Proposed Rulemaking, in which it proposed a set of reforms aimed at removing barriers to the integration of variable energy resources (VERs), e.g., wind and solar, into the wholesale power grid. Comments on the proposed rule are due 60 days after the notice is published in the *Federal Register*.

FERC Responds to Comments

On January 21, 2010, FERC issued a Notice of Inquiry seeking comments regarding existing barriers to the integration of VERs. The response to the notice was significant: more than 135 entities submitted comments. Many of the comments indicated the challenges associated with VER integration vary by region due to the variability of VER presence across the country. See [“Bringing Renewable Energy into the Transmission Grid”](#) for more information on the comments. As a result, commenting parties urged FERC to take a flexible approach in its efforts to address barriers to VER integration. Thus, FERC now proposes a set of reforms to existing operational procedures that it believes will address some of the barriers to VER integration while taking the comments’ concerns into account.

FERC’s Proposed Reforms

FERC explains that although the three proposed reforms address “discrete operational protocols,” they should be viewed as “complementary parts of a package.” The three proposed reforms include:

Intra-hourly Transmission Scheduling—FERC proposes requiring public utility transmission providers to give their customers the option of using more frequent transmission scheduling intervals (15-minute intervals) within each operating hour. This would allow transmission schedules to reflect more accurately power production forecasts, load profiles and other changing system conditions, while also allowing the system’s variability to be managed more effectively. FERC specifically noted that regional differences should be respected when developing an implementation process.

Power Production Forecasts—The proposed rulemaking also requires public utility transmission providers to amend their *pro forma* Large Generator Interconnection Agreement to incorporate provisions requiring interconnection customers with VER-generating facilities to provide to public utility transmission providers certain meteorological and operational data. FERC believes this requirement will result in greater situational awareness and efficiency within the unit commitment, dispatch and reliability assessment process.

Generic Ancillary Service Rate Schedule—FERC also proposes adding a generic ancillary service rate schedule to the *pro forma* Open Access Transmission Tariff. Public utility transmission providers would be required to offer generator regulation service, to the extent physically feasible, to transmission customers using transmission service to deliver energy from a generator located within the transmission provider's balancing authority area. Notably, the proposed rate schedule would provide public utility transmission providers the opportunity to recover reserve service costs associated with management of supply-side variability under a generic schedule rather than through the case-by-case approach previously used by FERC.

While FERC believes the set of proposed reforms represent a "reasonable foundation upon which public utility transmission providers will be well-positioned to manage system variability associated with increased numbers of VERs," FERC does not claim to solve all the challenges associated with VER integration. Furthermore, FERC stated it intends for the proposed reforms to be implemented in a manner that complements current stakeholder efforts.

For more information, please see ["FERC Seeks Industry Comments on Ways to Improve Wind and Solar Access to Grid"](#) and ["U.S. Reliability Authority Issues Recommendations for Integrating Renewable Generation into Interstate Power Grid."](#)

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