

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

PUBLIC SERVICE COMMISSION

ELECTRIC INTERCONNECTION STANDARDS

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(By authority conferred on the public service commission by section 7 of 1909 PA 106, MCL 460.557, section 5 of 1919 PA 419, MCL 460.55, and sections 4, 6, and 10e of 1939 PA 3, MCL 460.4, 460.6, and 460.10e)

R 460.481 Definitions.

Rule 1. (1) As used in these rules:

(a) "Distribution system" means the structures, equipment, and facilities operated by an electric utility to deliver electricity to end users, but it excludes transmission facilities that are subject to the jurisdiction of the federal energy regulatory commission.

(b) "Interconnection" means the process administered by an electric utility to implement the electrical connection of a project with a distribution system, so that parallel operation can occur.

(c) "Interconnection procedures" mean the requirements adopted by each electric utility and approved by the commission to govern interconnection.

(d) "Project" means a merchant plant and other electric generating equipment and associated facilities that are not owned or operated by an electric utility.

(e) "Project developer" means a person that owns, operates, or proposes to construct, own, or operate, a project.

(2) A term defined in section 10g of 1939 PA 3, MCL 460.10g, has the same meaning when used in these rules.

R 460.482 Electric utility interconnection procedures.

Rule 2. (1) Each electric utility shall file an application for approval of proposed interconnection procedures within 90 days of the effective date of these rules. Two or more electric utilities may file a joint application proposing a single set of interconnection procedures.

(2) The commission may approve, modify, or reject the proposed interconnection procedures. The commission shall issue its approval if the procedures, as proposed by the electric utility or with modifications required by the commission, meet all of the following requirements:

(a) Describe the steps necessary to effect the connection of a merchant plant or other project with the distribution system of the electric utility.

(b) Designate a single point of contact at the electric utility for all communications about interconnection.

(c) Are consistent with generally accepted industry practices and guidelines.

(d) Ensure the reliability of electric service and the safety of customers, utility employees, and the general public.

(e) Ensure compliance with these rules.

R 460.483 Technical criteria.

Rule 3. (1) The interconnection procedures shall specify technical, engineering, and operational requirements that are suitable for the electric utility's distribution system. The procedures shall include provisions that apply specifically to a project that designates some or all of its electrical output for sale to an electric utility or a third party.

(2) The interconnection procedures shall make provisions that are appropriate for the size and capacity of a project as they affect the technical and engineering complexity of the interconnection. The procedures shall include a distinct set of requirements for each of the following project capacity classifications:

(a) Less than 30 kilowatts.

(b) Thirty kilowatts or more, but less than 150 kilowatts.

(c) One hundred and fifty kilowatts or more, but less than 750 kilowatts.

(d) Seven hundred and fifty kilowatts or more, but less than 2 megawatts.

(e) Two megawatts or more.

(3) If the voltage at the electrical connection is comparable to the electric utility's transmission voltages, but the electric utility's facilities are classified as part of its distribution system for jurisdictional purposes, such as a radial line, the project shall not be subject to the interconnection procedures approved under these rules. The interconnection shall instead comply with analogous federal energy regulatory commission standards.

R 460.484 Project application.

Rule 4. (1) The interconnection procedures shall prescribe a process for a project developer to apply to an electric utility for an interconnection. The procedures may include a standard form application. A separate application shall be required for each project or project site.

(2) An electric utility shall acknowledge receipt of an application within 3 days, excluding Saturdays, Sundays, and other days when the offices of the electric utility are not open to the public.

(3) If the developer has paid the filing fee provided in R 460.485, the electric utility shall conduct an initial review of the application and provide the project developer 2 hours of consultation relating to the review in exchange for the fee. The consultation shall include a good faith estimate of the electric utility's charges to complete the interconnection.

(4) The interconnection procedures shall set a reasonable deadline for the electric utility to make an initial response to the application. The initial response shall indicate whether the application complies with the interconnection procedures and the standards set forth in these rules and identify any information required to complete the application or bring it into compliance. If an electric utility rejects an application for interconnection or otherwise withholds interconnection, then it shall provide the project developer with a written explanation of the reasons, which shall be based on demonstrably valid technical, reliability, or safety criteria.

R 460.485 Project filing fee.

Rule 5. (1) A project developer shall pay the electric utility a filing fee calculated as \$0.50 per kilowatt of project capacity, but in no event shall the amount of the fee be less than \$100 or more than \$500.

(2) An electric utility may not charge additional fees, unless they are authorized by these rules.

R 460.486 Interconnection deadlines.

Rule 6. (1) The interconnection procedures shall set deadlines for processing an application filed by a project developer, achieving major milestones, and completing the interconnection and shall preclude undue delay. The deadlines shall ensure that the period from the date that the project developer files a complete application to the completion of all of the electric utility's obligations for interconnection shall be no longer than the following for each project capacity classification:

- (a) Less than 30 kilowatts2 weeks
- (b) Thirty kilowatts or more, but less than 150 kilowatts4 weeks
- (c) One hundred and fifty kilowatts or more, but less than 750 kilowatts.....6 weeks
- (d) Seven hundred and fifty kilowatts or more, but less than 2 megawatts.....12 weeks
- (e) Two megawatts or more18 weeks

(2) Delays that are the responsibility of the project developer shall not be included in determining compliance with the deadlines imposed in subrule (1) of this rule.

(3) Delays that are solely attributable to time lapsed while an electric utility is diligently seeking to secure a necessary easement,

right-of-way access, or other change in property rights or comply with governmental permitting or zoning requirements shall not be included in determining compliance with the deadlines imposed in subrule (1) of this rule.

R 460.487 Additional services provided by electric utility.

Rule 7. (1) The interconnection procedures shall state the conditions in which engineering studies or physical construction or modification of the electric utility's distribution system are required to facilitate or complete an interconnection. If any of those services are necessary, the electric utility and the project developer shall make a written agreement that sets forth the charges and other terms and conditions. The electric utility may prescribe standardized agreement forms as part of its interconnection procedures.

(2) The interconnection procedures shall set forth a uniform schedule of charges for engineering studies. The charges shall not exceed the lesser of either of the following:

- (a) Five percent of the estimated total cost of the project.
- (b) Ten thousand dollars.

(3) The interconnection procedures shall not require, or impose charges for, engineering studies if the project's aggregate export capacity is less than 15% of the line section peak load and the project does not contribute more than 25% of the maximum short circuit current at the point of interconnection.

(4) An agreement may impose charges for the electric utility's cost of making physical modifications to its distribution system, which shall not exceed reasonable, actual costs.

(5) An agreement required by this rule shall set deadlines for the electric utility to perform its obligations. The deadlines shall be consistent with the requirements in R 460.486(1). If the electric utility is unable to perform its obligations within the deadlines, then the project developer may choose to retain a contractor from a list of certified contractors maintained by the electric utility, and the contractor shall perform the remaining services and construction activities that are necessary to comply with the electric utility's specifications. The interconnection procedures shall include the list of certified contractors that are capable of performing services and construction under this subrule. The electric utility may not withhold or deny certification from any contractor that requests certification and demonstrates the requisite capabilities.

R 460.488 Pre-certified equipment.

Rule 8. The interconnection procedures shall include provisions for creating and maintaining an up-to-date listing of pre-certified types,

makes, and models of manufactured generating equipment. The electric utility's listing may reference or incorporate listings of equipment certified by recognized national testing laboratories as suitable for connection with a distribution system. The electric utility shall include an item of equipment in its pre-certified list if the item is generally acceptable for interconnection with the distribution system and a detailed review of the item's engineering design, characteristics, or suitability is not necessary to approve its use or installation by a project developer.

R 460.489 Waivers.

Rule 9. An electric utility may apply for a waiver from 1 or more provisions of these rules. The Commission may grant a waiver upon a showing of good cause.