



# The Commonwealth of Massachusetts

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## DEPARTMENT OF PUBLIC UTILITIES

D.P.U. 19-55-D

September 16, 2020

Inquiry by the Department of Public Utilities on its own Motion into Distributed Generation Interconnection.

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### ORDER ON THE MANAGEMENT OF HIGH-VOLUME QUEUES

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## I. INTRODUCTION AND RELEVANT PROCEDURAL HISTORY

On May 22, 2019, the Department of Public Utilities (“Department”) opened an investigation to review the current standards and procedures by which distributed generation (“DG”) facilities are interconnected to the electric power system under the Standards for Interconnection of Distributed Generation tariff (“DG Interconnection Tariff”). Inquiry by the Department of Public Utilities on its own Motion into Distributed Generation Interconnection, D.P.U. 19-55 (2019). On July 18, 2019, the Department held the first technical conference in D.P.U. 19-55 to solicit feedback from stakeholders regarding topics of importance for future technical conferences. Overwhelmingly, the stakeholders informed the Department that among the top of their list of concerns were methods to manage high-volume queues for DG interconnection. On August 19, 2019, the Department issued a Hearing Officer Memorandum requesting, among other things, comments on the management of high-volume queues. D.P.U. 19-55, Hearing Officer Procedural Memorandum at 3-4 (August 19, 2019). On September 23, 2019, the following entities filed comments NSTAR Electric Company d/b/a Eversource Energy (“Eversource”), Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid (“National Grid”) and Fitchburg Gas and Electric Light Company d/b/a Unitil (“Unitil”) (individually, a “Distribution Company,” together, the “Distribution Companies”); Cypress Creek Renewables, LLC and Clearway Energy Group (“Cypress”); the Attorney General of Massachusetts (“Attorney General”); and Northeast Clean Energy Council (“NECEC”).

At an October 3, 2019 technical conference, stakeholders discussed the issue of management of high-volume queues, including during break-out sessions. On December 26,

2019, the Hearing Officer issued a memorandum with a straw proposal developed by staff to address key management of high-volume queue issues raised by stakeholders (“Straw Proposal”), and invited comments on the Straw Proposal (Hearing Officer Memorandum, Att. B (December 26, 2019)). Specifically, the Straw Proposal addresses (1) hosting capacity maps, (2) the pre-application process, (3) the interconnection application,<sup>1</sup> (4) the interconnection application process, and (5) other miscellaneous proposals. On March 20, 2020, the Distribution Companies, the Department of Energy Resources (“DOER”), NECEC, SunConnect, and Pope Energy submitted comments on the Straw Proposal.<sup>2,3</sup>

## II. HOSTING CAPACITY MAPS

### A. Introduction

For this purpose, hosting capacity means the amount of DG that the electric power system can reliably accommodate without significant grid upgrades.<sup>4</sup> Hosting capacity depends heavily on location. It is unique to specific feeders and is time varying. Given that

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<sup>1</sup> While the term “DG application” is used in the Straw Proposal, “interconnection application” refers to the same document and is used throughout this Order to be consistent with the DG Interconnection Tariff, DG Guidelines, and past Orders issued in this docket.

<sup>2</sup> The Department does not make any specific findings concerning these comments in this Order.

<sup>3</sup> The comments summarized below and cited herein reflect the March 20, 2020 comments on the Straw Proposal, unless otherwise noted.

<sup>4</sup> “Hosting Capacity: Using Increased Transparency of Grid Constraints to Accelerate Interconnection Process,” Solar Energy Industries Association (September 2017): [https://www.seia.org/sites/default/files/2017-09/SEIA-GridMod-Series-3\\_2017-Sep-FINAL.pdf](https://www.seia.org/sites/default/files/2017-09/SEIA-GridMod-Series-3_2017-Sep-FINAL.pdf). In short, hosting capacity is the maximum DG penetration consistent with reliable and safe grid operation (per feeder from substation).

customer needs are always changing, a hosting capacity analysis conducted today may yield different results than an analysis prepared five years from now. In general, carefully crafted hosting capacity analysis can give DG developers insight into where on the grid DG can interconnect and potentially, on a forecast basis, where utility upgrades may be needed in anticipation of DG growth.

A hosting capacity map displays a high-level estimate of the available hosting capacity for adding DG. The Department finds that hosting capacity maps can inform the interconnection process and can be a useful tool for interconnecting customers to identify low-cost/no-cost interconnection locations or otherwise inform their investment decisions. Hosting capacity maps can complement Pre-Application Reports<sup>5</sup> (Section III below) in conveying hosting capacity opportunities and constraints. The Straw Proposal would make each Distribution Company publish online hosting capacity maps by May 1, 2020, updated at least once a month, by the 15th of each month (Straw Proposal at 1).<sup>6</sup> The Straw Proposal further proposes that hosting capacity maps include (1) DG saturation by location, circuit, and/or substation; (2) potential or on-going affected system operator (“ASO”) studies; and (3) current jurisdiction of circuits, i.e., federal or state (Straw Proposal at 1).

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<sup>5</sup> The Pre-Application Report process is set forth in the Interconnection Tariff, § 3.2; the application for a Pre-Application Report is set forth at Exhibit B to the Interconnection Tariff.

<sup>6</sup> Currently, no such requirement exists.

B. Summary of Comments

DOER supports the proposed May 1, 2020 publish date; the Distribution Companies state that July 1, 2020 is a more realistic date (DOER Comments at 1; Distribution Companies Comments at 3). DOER advocates for easily accessible, monthly updates to the hosting capacity maps, with the possibility of overnight refreshes in the future (DOER Comments at 2). DOER supports a standardized format and common terminology (DOER Comments at 1-2). DOER requests that, within twelve months, the Distribution Companies include all information proposed to be in Pre-Application Reports to be included in the hosting capacity maps (DOER Comments at 2). DOER contends that including this information would better account for circuits with upgrades that increase capacity (DOER Comments at 2). DOER maintains that if hosting capacity maps include pre-application information, these maps may be able to replace Pre-Application Reports, increase efficiency, and reduce costs (DOER Comments at 2). DOER also proposes two additions to the Straw Proposal: (1) Distribution Companies include capacity limiting information on hosting capacity maps, i.e., to include the “distribution equipment necessary to increase hosting capacity on a circuit or substation and/or the specific upgrade that was determined to be necessary for the last project that did not proceed to interconnection;” and (2) Distribution Companies make available ASO-related information in the same location as the hosting capacity maps (DOER Comments at 2-3). Finally, DOER further asserts that hosting capacity maps eventually should replace the Pre-Application Report process (DOER Comments at 4). DOER recommends additional criteria to be included in the hosting

capacity maps, if, and when, advanced distribution management systems<sup>7</sup> enable automated inclusion of all information provided in a pre-application report on the maps (DOER Comments at 4).

The Distribution Companies clarify that National Grid and Eversource have begun publishing hosting capacity maps (Distribution Companies Comments at 3).<sup>8</sup> They state that other hosting capacity information is presently available on monthly reports that they submit to DOER, on the individual Distribution Company's websites, and via the Department's September 25, 2019 Interim Guidance on ASO studies (Distribution Companies Comments at 3-4).

NECEC asserts that effective hosting capacity maps must be comprehensive, up-to-date, and uniform across all Distribution Companies to be of value (NECEC Comments at 11). NECEC asserts that the maps must include substation information, transmission-level information, and the current jurisdictional nature of the circuits (NECEC Comments at 12). Finally, NECEC recommends a separate working group, which would create a "Hosting Capacity Map Development Roadmap" (NECEC Comments at 13). This working group would establish the minimum requirements of a viable product and generate a timeline, complete with milestones—assessed by the stakeholder group to determine whether

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<sup>7</sup> In general, an advanced distribution management system is a Distribution Company's aggregate system to manage outages and operate the electric power system in a safe and efficient way.

<sup>8</sup> Unitil lacks the software to calculate and produce hosting capacity automatically, but expects to be able to manually produce a hosting capacity map (Distribution Companies Comments at 3).

Distribution Companies accomplished the intent of each milestone (NECEC Comments at 13).

C. Analysis and Findings

The Department finds that the availability and use of hosting capacity information can allow for more efficient and cost-effective choices for deploying DG on the grid. With hosting capacity maps, interconnecting customers can identify optimal locations to develop and interconnect DG facilities. The Department endorses the goal of having effective hosting capacity maps that are comprehensive, up-to-date, and uniform across all Distribution Companies. With hosting capacity maps as a complement to the existing Pre-Application Reports, DG applicants can better plan projects, which should in turn reduce the number of interconnection applications that ultimately get withdrawn or canceled. The Department finds that the information identified in the Straw Proposal for inclusion in a hosting capacity map is appropriate and consistent with our stated purpose for the maps. Below, we identify additions to the content of hosting capacity maps and requirements for publishing and updating the maps.

The Straw Proposal requires hosting capacity maps to include (1) DG saturation by location, circuit, and/or substation; (2) potential or on-going ASO studies; and (3) current jurisdiction of circuits, i.e., federal or state (Straw Proposal at 1). The Department finds that all of this information helps ensure the effectiveness of hosting capacity maps and is useful to applicants as they locate and design their DG facilities. However, the Department finds that including the following additional information—instead of DG saturation by location, circuit, and/or substation—better provides relevant characteristics regarding circuits and substations to

allow for effective evaluation by DG applicants to facilitate their investment decisions:

(1) operating voltage (kilovolt); (2) hosting capacity available (megawatt (“MW”)); (3) total nameplate interconnected DG (MW); and (4) total nameplate pending DG (MW).<sup>9</sup>

Therefore, the Department directs that each Distribution Company shall produce a hosting capacity map that includes, at a minimum, the following information by location, circuit, and/or substation: (1) operating voltage (kilovolt); (2) hosting capacity available (MW); (3) total nameplate interconnected DG (MW); (4) total nameplate pending DG (MW); (5) potential or on-going ASO studies; (6) the current jurisdiction of circuits, *i.e.*, federal or state; and (7) date last updated. It is the Department’s understanding that this information is readily available to the Distribution Companies and should not be unreasonably burdensome to include in their hosting capacity maps (Distribution Companies Comments at 3-4).

The Distribution Companies shall publish online hosting capacity maps by November 16, 2020, and shall update the maps on the 15<sup>th</sup> day of each month, or the first business day thereafter should the 15<sup>th</sup> fall on a weekend or holiday. The maps shall be posted on an accessible location on each Distribution Company’s website. The Department encourages consistent content, formatting, and terminology among the Distribution Companies’ hosting capacity maps.

Building off the requirement to publish online hosting capacity maps by November 16, 2020 and recognizing hosting capacity maps as an adjunct to Pre-Application Reports, the

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<sup>9</sup> See, *e.g.*, National Grid - Massachusetts System Data Portal, <https://ngrid.apps.esri.com/NGSysDataPortal/MA/index.html> (click the “Hosting Capacity” tab) (last visited September 15, 2020) (providing an example of these relevant characteristics included in a hosting capacity map).

benefits of the maps could be optimized to improve a DG applicant's efficient and cost effective investment decisions by updating hosting capacity maps to include the following:

(1) the same information required for Pre-Application Reports; (2) a listing of the distribution equipment necessary to increase hosting capacity on a circuit or substation and/or the specific upgrade that was determined to be necessary for the last project that did not proceed to interconnection; and (3) the status and estimated timelines of any ongoing ASO studies.

Toward that goal, the Department directs the Distribution Companies to evaluate publishing updated hosting capacity maps that include this information with target implementation by November 16, 2021. The Distribution Companies shall make a progress report by May 17, 2021 including (1) the feasibility of publishing hosting capacity with this desired information; (2) the feasibility of publishing the maps with this desired information by the November 16, 2021 target date; and (3) the estimated cost of this project.<sup>10</sup> Stakeholders will be afforded the opportunity to comment on the progress report and to provide input on the content and form of the maps. While we decline to approve additional requirements suggested by commenters at this time, the Department's goal is that hosting capacity maps will continue to evolve to provide additional information to potential DG applicants.

### III. PRE-APPLICATION PROCESS

#### A. Introduction

The pre-application process is designed to provide DG applicants with technical information about a specific point of interconnection that can help inform them of potential

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<sup>10</sup> This progress report can be joint or individual as the Distribution Companies deem practicable.

limitations and costs for their projects early in the interconnection process. D.P.U. 19-55-C at 22, Order on Affected System Operator Studies (August 6, 2020); DG Interconnection Tariff, § 3.2. This process also could reduce the submission of applications for unrealistic projects, which would help avoid the expenditure of unnecessary time and resources. The information exchange from a Distribution Company to a potential DG applicant is made through a Pre-Application Report and, now, under the instant Order, also through hosting capacity maps (Section II). DG Interconnection Tariff, § 3.2.

The Straw Proposal recommends several changes to the pre-application process, including (1) additions to and qualification for a Pre-Application Report (general requirements); (2) Pre-Application Report fees; and (3) Distribution Companies' posting system modification/cost information (Straw Proposal at 1-2).

On August 6, 2020, the Department established content additions to the Pre-Application Report that are substantially consistent with the proposed additions in the Straw Proposal. D.P.U. 19-55-C at 22-23. With the report additions in D.P.U. 19-55-C and the establishment of hosting capacity maps in this Order (Section II), the Department finds that further additions to the Pre-Application Report are not needed at this time. Therefore, although we do not address the comments filed in this case regarding the Pre-Application Report, we do include a brief discussion of the comments in the following analysis and findings section.

Regarding qualification for issuance of a Pre-Application Report, the Straw Proposal would require the report for projects 50 kilowatts ("kW") or greater, making it optional for

projects under 50 kW (Straw Proposal at 1).<sup>11</sup> The Straw Proposal would create a fee structure for Pre-Application Reports based on project size ranging as follows:

<b>Project Size</b>	<b>Pre-Application Report Fee</b>
< 50 kW	\$100
50 kW - 500 kW	\$250
> 500 kW	\$1,000

(Straw Proposal at 1).<sup>12</sup> A Distribution Company would be required to submit the Pre-Application Report to the interconnecting customer ten business days after receipt of the fee; with a refund of the fee to the interconnecting customer if the Distribution Company does not issue the report within the ten-business day period (Straw Proposal at 1). Lastly, the Distribution Companies would be required to post a list of typical system upgrade costs required for DG interconnection (Straw Proposal at 1-2).

**B. Comments**

**1. Pre-Application Report Project Size Threshold**

The Distribution Companies do not support Pre-Application Reports for all projects greater than 50 kW, arguing that the inclusion of these projects will highly saturate the pre-application queue (Distribution Companies Comments at 5-6). The Distribution

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<sup>11</sup> Currently, projects 500 kW or more are required to request a Pre-Application Report; requesting a report is optional for projects under 500 kW. DG Interconnection Tariff, § 3.2.

<sup>12</sup> Currently, there are no fees associated with the pre-application process.

Companies recommend that Pre-Application Reports should be mandatory for projects 250 kW or greater because that level will significantly reduce the number of canceled applications (Distribution Companies Comments at 5-6). They also suggest that Pre-Application Reports be optional for projects below 250 kW (Distribution Companies Comments at 6). NECEC contends that Pre-Application Reports should be optional for all systems under 500 kW (NECEC Comments at 14).

## 2. Pre-Application Report Fees

DOER advocates for cost-based Pre-Application Report fees sufficient to facilitate an expansion of data provided in the Pre-Application Report (DOER Comments at 4). DOER explains that the DG Interconnection Working Group previously submitted to the Department its report that included requirements for the Pre-Application Reports and recommended no fee for the Pre-Application Reports (DOER Comments at 4). DOER states that the DG Interconnection Working Group report expressly provided that the interconnection applications fees took into account the costs of preparing the Pre-Application Reports (DOER Comments at 4-5). Thus, DOER questions whether any fee is needed now for the Pre-Applications Reports (DOER Comments at 5).<sup>13</sup> DOER further contends that the Straw Proposal's proposed \$1,000 fee for projects 500 kW or greater is higher than fees set in

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<sup>13</sup> The DG Interconnection Working Group submitted its report to the Department on September 14, 2012, in docket D.P.U. 11-75. The Department subsequently approved a Model DG Interconnection Tariff that incorporated, among other things, the recommended Pre-Application Report (with no fee) and fees for DG interconnection applications. Distributed Generation Interconnection, D.P.U. 11-75-E (2013). On May 1, 2013, the Department approved each Distribution Company's DG Interconnection Tariff in compliance with the Department's model.

other states and the approved fee in the Federal Energy Regulatory Commission's ("FERC") Small Generator Interconnection Process (DOER Comments at 5).

The Distribution Companies support a \$1,000 flat fee, regardless of size (Distribution Companies Comments at 6). They argue that the level of work required to compile a Pre-Application Report does not vary with the size of proposed facilities (Distribution Companies Comments at 6). In addition, the Distribution Companies agree with a ten-business day deadline for issuance of a Pre-Application Report after receipt of the fee and for a refund if the Pre-Application Report is not issued by that deadline (Distribution Companies Comments at 6).

NECEC would require the Distribution Companies to provide detailed, accurate, and timely Pre-Application Reports, and include penalties for failing to do so (NECEC Comments at 4). They maintain that reasonable Pre-Application Report fees should reflect the cost to the Distribution Companies to produce the pre-application and act as a way to govern developer requests to potential sites/projects with a modicum of viability (NECEC Comments at 14). However, NECEC argues that the Straw Proposal fees could disproportionately impact smaller developers. To correct this inequity, it proposes a fee structure as follows:

<b>Project Size</b>	<b>Pre-Application Report Fee</b>
< 50 kW	\$50
50 kW - 500 kW	\$100
> 500 kW	\$500

(NECEC Comments at 14-15).

NECEC agrees with the Straw Proposal's ten-business day timeline for issuance of the Pre-Application Report after payment of the fee, with a refund if a report is not issued on time (NECEC Comments at 14). They further contend that should a Distribution Company fail to issue a Pre-Application Report within the deadline of ten business days and it makes the refund, the Distribution Company must issue a report immediately or face paying an additional fee (NECEC Comments at 14). NECEC insists that the timeline and refund policy must be strictly enforced (NECEC Comments at 14).

### 3. System Modification and Cost Information

DOER agrees with the Straw Proposal's requirement for Distribution Companies to publish typical costs/modifications (DOER Comments at 5). They would add to this requirement an average construction timeline and/or average system size triggering an upgrade in the past (DOER Comments at 6).

NECEC agrees with the Straw Proposal's modification and cost proposals; however, NECEC would add that Distribution Companies should develop and maintain a per-unit cost guide to provide transparency regarding interconnection requirements and a range of anticipated costs (NECEC Comments at 14). They maintain that the Pre-Application Report fees paid to the Distribution Companies should offset the application costs (NECEC Comments at 14). The Distribution Companies explain that, with saturation, costs vary and change quickly and that, regardless, modification and cost information would not be useful, and could potentially be misleading (Distribution Companies Comments at 7).

However, the Distribution Companies affirm that, if required, they could provide a generic list of modifications and a range of cost estimates (Distribution Companies Comments at 7).

C. Analysis and Findings

1. Pre-Application Report

As stated above, the Department recently established additions to the Pre-Application Report. The Department approved “Consensus Redlines” filed in this docket on September 27, 2019, which included additions to the Pre-Application Report submitted by a group of joint stakeholders.<sup>14</sup> The additions to the Pre-Application Report are as follows:

- Substation name;
- Substation transformer rating;
- Aggregate connected Facilities (kW) on the substation transformer and submitted complete applications of Facilities (kW) that have not yet been interconnected;
- Whether 3V0 is deployed or scheduled for deployment on the circuit or substation;
- For the nearest available feeder, the circuit rating and approximate circuit length from the proposed Facility to the substation;
- Whether the proposed Facility is likely to be on the Standard Track;
- Whether an Affected System operator has informed the Distribution Company that an ASO Study is required, or the Distribution Company is aware of an on-going ASO Study for the proposed Facility interconnection location; and
- Identification of facilities on the circuit and on the transformer by technology type.

D.P.U. 19-55-C at 21-23.

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<sup>14</sup> The joint stakeholders are the Distribution Companies, NECEC, DOER, and the Attorney General. D.P.U. 19-55-C at 4.

With these additions to the Pre-Application Reports and the requirement for hosting capacity maps (Section II), the Department finds that DG applicants will have substantial information available to assist in their DG interconnection investment decisions. Therefore, we find that it is not necessary, at this time, to address other possible additions to the Pre-Application Report.<sup>15</sup>

## 2. Pre-Application Report Project Size Threshold

The Department finds that the Straw Proposal's recommendation to expand the requirement for Pre-Application Reports to projects greater than 50 kW will provide the majority of potential applicants with important information on potential projects prior to submitting an application. Also, we find that this expansion for Pre-Application Reports could reduce the number of applications that are ultimately withdrawn or canceled. The Department recognizes, however, that the potential expansion into projects of this size may highly saturate the pre-application queue. Therefore, the Department directs the Distribution Companies to revise Section 3.2 of the DG Interconnection Tariff to include a requirement for a Pre-Application Report for projects 250 kW and above and to provide the option for a Pre-Application Report for projects smaller than 250 kW, at the DG applicant's discretion.

We find that a 250 kW threshold for mandatory Pre-Application Reports is sufficient to provide a large number of potential DG applicants with information that they need to determine the feasibility of projects without overwhelming the Distribution Companies with

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<sup>15</sup> The Department will continue to examine the issue of state/federal jurisdiction of facilities to determine whether additional regulatory certainty on this issue could be included in the interconnection process. See, infra, note 22.

the need to produce Pre-Application Reports. Additionally, providing the option for a Pre-Application Report to projects smaller than 250 kW preserves an important tool for potential applicants without automatically saturating the Distribution Companies with the need to prepare Pre-Application Reports.

### 3. Pre-Application Report Fees

User fees can be an appropriate mechanism for matching the burden of providing a service with the benefit to enhance the efficient provision of the service. In this case, the identifiable beneficiaries of the Pre-Application Reports are prospective interconnecting customers; the identifiable benefit they receive is access to key information regarding the prospective interconnecting customer's investment decision. Therefore, the Department finds that these benefits support a fee structure for Distribution Companies to produce Pre-Application Reports to prospective interconnecting customers. As explained in more detail below, the Department finds that the following fee schedule appropriately recognizes the allocative efficiencies and other factors in providing Pre-Application Reports for a range of projects:

<b>Project Size</b>	<b>Pre-Application Report Fee</b>
< 250 kW	\$100
250 kW - 500 kW	\$250
> 500 kW	\$750

The Department finds that these differential fees are appropriate, recognizing the possible cost sensitivities for different sized projects.<sup>16</sup> Also, the Department finds that this fee structure will not interfere with the overriding public policy of encouraging the interconnection of renewable energy facilities.

Further, recognizing the importance of the Pre-Application Reports for prospective interconnecting customers, the Department finds that a refund policy is appropriate to provide an incentive for Distribution Companies to issue Pre-Application Reports in a timely manner. Therefore, a Distribution Company shall refund the Pre-Application Report fee paid by a prospective interconnecting customer if the Distribution Company does not issue the Pre-Application Report within ten business days of receipt of the fee. Distribution Companies must use best efforts to issue Pre-Application Reports within the required time. Furthermore, the Department directs the Distribution Companies to track the number of

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<sup>16</sup> See, e.g., Solar Massachusetts Renewable Target Provision, D.P.U. 17-140, “Approval of SMART Application Fees” (August 7, 2020) (stamp approval of application fees based on the size of the applicant’s DG facility); Net Metering and Interconnection of Distributed Generation, D.P.U. 11-11, Appendix A: System of Assurance of Net Metering Eligibility, Section 5(E), Reservation Fee (per-kW reservation fee based on the capacity of the DG facility).

Pre-Application Reports issued. The Distribution Companies shall track the number of Pre-Application Reports issued and the length of time to issue a report from the date the interconnecting customer requests the Pre-Application Report to the date it is issued.<sup>17</sup> The Distribution Companies shall include this data in their Timeline Enforcement Mechanism filings, due annually on April 1<sup>st</sup>.<sup>18</sup>

Accordingly, the Distribution Companies shall revise Section 3.2 of the DG Interconnection Tariff to include this Pre-Application Report fee schedule and refund policy.

#### 4. System Modification and Cost Information

The Straw Proposal recommends that each Distribution Company annually post in a prominent location on its website a list of typical system additions/modifications required for DG interconnection, including an estimated range of costs associated with each addition/modification (e.g., the typical cost of a new pole is \$X-\$Y) (Straw Proposal at 1-2). We find such a listing with an estimated range of costs will serve to increase transparency in underlying project costs thereby reducing the number of speculative projects in the queue. Recognizing the concern that the listing would provide “typical” equipment and an “estimated” range of costs, it is appropriate for the Distribution Companies to include an informative disclosure with the posting similar to the following: “This listing and these estimates are based on the Company’s best knowledge of current requirements and actions;

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<sup>17</sup> The Distribution Companies shall format this report as follows: (1) average length of time, for all reports; (2) time for each report; and (3) percentage of reports not provided within ten business days.

<sup>18</sup> See D.P.U. 11-75-F at 3 (2014).

however, actual requirements and results may differ from the equipment listing and cost estimates.” Each Distribution Company shall post a listing of typical equipment with a range of estimated costs on a prominent location on its website, updated annually on or about July 1<sup>st</sup>.

#### IV. INTERCONNECTION APPLICATION

##### A. Introduction

Interconnecting customers initiate the interconnection process by providing the Distribution Company with a completed interconnection application.<sup>19</sup> Among other things, the application provides contact information on the interconnecting customer, contact information on the landowner, information regarding the DG facility, and terms and conditions.<sup>20</sup> The Straw Proposal includes a revision to the interconnection application requirements to address issues stakeholders have raised regarding project maturity in the nature of site control and jurisdiction. To address the issue of establishing site control, the Straw Proposal proposes requiring interconnecting customers to demonstrate site control by self-certifying ownership of the property or by attaching a copy of an agreement with the landowner consenting to the interconnecting customer’s siting and operation of the proposed DG facility.<sup>21</sup>

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<sup>19</sup> DG interconnection applications are included in the DG Interconnection Tariff as Exhibit A (Simplified Process Interconnection Application) and Exhibit C (Expedited/Standard Process Interconnection Application).

<sup>20</sup> Exhibit C provides for more comprehensive information of the DG facility.

<sup>21</sup> Currently, an interconnecting customer self certifies site control on an interconnection application [Site Control (Y/N) \_\_\_\_]. DG Interconnection Tariff, Exhibit C.

To inform a Distribution Company's jurisdictional determination and allow it to redirect projects to ISO New England Inc. ("ISO-NE") where relevant, the Straw Proposal would add questions to the interconnection application to elicit the interconnecting customer's intent to participate in any ISO-NE market as lead market participant. This process would remove FERC jurisdictional projects from the Distribution Company's DG interconnection queue. The Straw Proposal provides, for consideration, the following three questions/requests for information:

1. Does the DG applicant intend to participate in any ISO-NE market as lead participant?
2. If so, in which ISO-NE market(s) do(es) the DG applicant intend to participate?
3. For DG facilities paired with an energy storage system, the DG applicant shall state any intent to participate for the DG facility and energy storage system separately.

(Straw Proposal at 2).

B. Comments

1. Site Control

The Distribution Companies and NECEC support the Straw Proposal's requirement for interconnecting customers to demonstrate site control by self-certifying ownership or attaching a landowner consent agreement (Distribution Companies Comments at 8; NECEC Comments at 15). NECEC contends that the Department should apply the project maturity requirements prospectively to new applications and to existing applications after allowing for

a reasonable implementation period (NECEC Comments at 4). DOER and SunConnect propose alternative site control requirements. DOER recommends that the interconnecting customer be able to (1) self-certify that the site owner is aware of the project and supportive of the interconnection application or (2) provide a document signed by the landowner indicating awareness of the interconnection application (DOER Comments at 6). SunConnect recommends requiring interconnecting customers to include a wetland-delineation analysis performed by an engineer to demonstrate diligence and to ensure that the DG project is feasible (SunConnect Comments at 1).

## 2. State/Federal Jurisdiction

The Distribution Companies support the Straw Proposal's requirement to include in the interconnection application questions on ISO-NE market participation (Distribution Companies Comments at 8). The Distribution Companies propose edits to broaden the two market participant questions to inform their determination of whether and how the projects will participate in wholesale markets (Distribution Companies Comments at 8-9). NECEC and DOER argue that the Straw Proposal's changes to the interconnection application are premature (DOER Comments at 6; NECEC Comments at 16). NECEC contends that the market participant questions will not clarify jurisdictional uncertainty and are not relevant for determining the appropriate interconnection process (NECEC Comments at 16-17). Furthermore, NECEC asserts an interconnecting customer may not know its intent to participate in wholesale markets when its interconnection application is submitted (NECEC Comments at 17). Instead, NECEC requests that the Distribution Companies determine whether a particular distribution line is state or federal jurisdictional as a preliminary matter

(NECEC Comments at 16). DOER recommends that the Department defer further consideration of jurisdictional topics to on-going process in D.P.U. 19-55 (DOER Comments at 6).<sup>22</sup>

C. Analysis and Findings

1. Site Control

The Straw Proposal proposed enhanced site control project maturity requirements for interconnecting customers submitting interconnection applications to the Distribution Companies. Under the Straw Proposal, an interconnecting customer would either self-certify ownership of the site of the proposed DG facility or attach to the interconnection application a copy of a landowner consent agreement. These requirements are intended to reduce interconnection applications that lack meaningful site control from entering the interconnection queue and potentially obstructing projects that are further along in development.

Stakeholders support stricter site control requirements than the current requirement to alleviate high-volume queues (DOER Comments at 6; Distribution Companies Comments at 8; NECEC Comments at 15; SunConnect Comments at 1). The Distribution Companies and NECEC are aligned with the site control requirements proposed in the Straw Proposal (Distribution Companies Comments at 8; NECEC Comments at 15). The Department finds

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<sup>22</sup> The Department has an ongoing process on the topic of Federal versus State jurisdiction in D.P.U. 19-55. On April 10, 2020, the Distribution Companies, DOER, Handy Law LLC, and NECEC submitted comments on State and Federal jurisdiction of DG interconnection applications. On June 12, 2020, in response to the procedural notice of the Department's DG and Clean Energy Ombudsperson, the Distribution Companies, NECEC, and DOER submitted reply comments.

that the proposed requirements are reasonable and would direct more viable projects into the interconnection queue. Therefore, the Department adopts the Straw Proposal requirements. Interconnecting customers may establish site control with the interconnection application (1) where the interconnecting customer is the landowner of the site for the proposed DG facility, by self-certifying ownership or beneficial ownership through a legal entity;<sup>23</sup> or (2) where the interconnecting customer is not the landowner, by attaching an agreement whereby the landowner consents to the siting and operation of the proposed DG facility on the site. Consistent with these directives, the Department requires the Distribution Companies to revise the DG Interconnection Tariff to include as attachments to the interconnection application an interconnecting customer land ownership self-certification form and a landowner consent form with self-certification statement.

DOER's recommendation regarding a third-party landowner's indication of knowledge and support for a DG project might present a tighter gauge of site control over existing requirements; however, documented consent for the project presents a preferred indicator of site control. SunConnect's wetland-delineation proposal would involve consideration of land use and permitting issues that the Department does not find necessary at this time to demonstrate site control for purposes of processing an interconnection application.

The Department also recognizes NECEC's recommendation that the proposed site control requirements apply to existing applications after allowing for an initial implementation

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<sup>23</sup> For example, "I certify that I own the land where the proposed DG facility is to be sited or I have beneficial ownership of the land through [Name of Legal Entity]." A beneficial owner may need to provide additional information regarding the legal entity and the beneficial owner's control of the legal entity.

period (NECEC Comments at 15). NECEC's recommendation for retroactive application of the site control requirements to existing interconnecting customers with a window for implementation could potentially facilitate improved management of the existing interconnection queue. However, in this instance, the Department finds that prospective application of the new site control requirements avoids the unnecessary surprise of retroactive application. Therefore, the Department does not adopt NECEC's recommendation.

## 2. State/Federal Jurisdiction

The Straw Proposal would include questions in the interconnection application to elicit the interconnecting customer's intention to participate in ISO-NE wholesale markets. The answers to these questions would inform a Distribution Company's jurisdictional determination and would allow for redirecting projects to ISO-NE as appropriate.

As a preliminary matter, the Department has an ongoing process on the topic of federal versus state jurisdiction in D.P.U. 19-55. The Department expects to further address issues concerning jurisdiction within the instant proceeding.

The Department supports the Distribution Companies' proposal to broaden the federal/state questions included in the Straw Proposal (Distribution Companies Comments at 7-8). The Distribution Companies propose the following four revised questions (retaining one from the Straw Proposal):

1. Is the project intending to participate in any ISO-NE market?
2. If so, in which ISO-NE market(s) do(es) the project intend to participate?
3. If so, does the project intend to be:

Asset Lead Participant      (Check here)

or  
Resource Lead Participant (Check here).

4. For DG facilities paired with an energy storage system, the DG applicant shall state any intent to participate for the DG facility and energy storage system separately. (no change from Straw Proposal)

The Distribution Companies explain that broadening the questions to “project” rather than lead market participant allows for Distribution Companies to gather a better understanding of the intended use of the project (Distribution Comments at 9). This information assists a Distribution Company in determining whether a project will engage in wholesale transactions (Distribution Companies at 9). Also, the Distribution Companies state that requiring DG applicants to identify their intended type of participation may impact how the DG facility is treated by ISO-NE (Distribution Companies Comments at 9).

The Department finds that the information obtained from these questions to DG applicants will be useful in assisting Distribution Companies in making determinations regarding the intended use of proposed DG facilities. These determinations can affect the procedural and technical requirements for DG applicants. For example, the state interconnection process is governed by the DG Interconnection Tariff and the federal interconnection process is governed by the ISO-NE Open Access Transmission Tariff. Accordingly, the Department approves the four questions/requests for information set forth above for inclusion with the interconnection application. Therefore, we direct the Distribution Companies to include these questions/requests for information in the interconnection application attached to the DG Interconnection Tariff.

Further, the Department finds that early communications between a Distribution Company and an interconnecting customer on these matters can benefit both in their respective determinations and intents. Therefore, the Department directs the Distribution Companies, within ten calendar days of receipt of a completed interconnection application with the appropriate fee, to initiate conversation with the interconnecting customers on the issue of jurisdiction and to coordinate with ISO-NE on the issue, as appropriate.<sup>24</sup> The Distribution Companies must use best efforts to provide the most up-to-date information regarding whether the interconnecting customer is subject to the Department or ISO-NE interconnection process.

The Department recognizes the valid concern that interconnecting customers may not be certain of their intention to participate in ISO-NE markets at the time of their interconnection application (NECEC Comments at 17). The Department expects to address this issue more fully in the ongoing process on the topic of federal versus state jurisdiction in the instant docket. To provide clarity until the Department completes its investigation, we find that where an interconnecting customer responds to question one above with “uncertain,” that customer will not lose its position in the DG interconnection queue. Any such interconnecting customer must notify the Distribution Company promptly upon its decision, affirmative or negative, to participate in wholesale markets.

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<sup>24</sup> Interconnecting customers will be able to make a preliminary assessment of the jurisdictional status of feeders from the Distribution Companies’ hosting capacity maps (Section II).

The Department determines that it is appropriate in this instance to implement these provisions regarding communications concerning state/federal jurisdiction, retention of queue position, and intention to participate in wholesale markets through the DG Guidelines.

Therefore, the Department revises and approves the DG Guidelines as set forth in Attachment A (clean) and Attachment B (redlined). Under general circumstances, the Department will approve revised DG Guidelines after notice and opportunity for comment.

The Department established the DG Guidelines on August 6, 2020 in this docket.

D.P.U. 19-55-C, Attachment A. Because the Department reviewed these revised DG Guideline issues in such close proximity to issuance of the initial DG Guidelines and based on continuing matters in this docket with the same commenters participating, we determined that separate notice and opportunity for comment is not necessary for our revision to the DG Guidelines.

## V. APPLICATION PROCESS

### A. Introduction

The Straw Proposal addresses several provisions regarding project changes and timelines related to the interconnection application review process. The Straw Proposal proposes defining “material change” as any change that would require a new impact study or that otherwise would have a material impact on the configuration or estimated cost or construction schedule for the DG facility set out in the Interconnection Service Agreement (“ISA”). The Straw Proposal sets out the following revised notification requirements:

- Distribution Companies notify an interconnecting customer at least 15 business days prior to commencement of an impact study.

- An interconnecting customer would be able to propose a material change to its interconnection application up to five business days before commencement of an impact study.
- If an interconnecting customer proposes a material change during or after an impact study, the Distribution Company may require the interconnecting customer to submit a new interconnection application, resulting in the loss of queue position for the interconnecting customer.

(Straw Proposal at 2).

The Straw Proposal proposes that interconnection applications be “sidelined” if they are on hold for legal disputes or other long-term extensions that are six months or longer (Straw Proposal at 2). The Straw Proposal seeks comments on defining “sideline” (Straw Proposal at 2 n.4). The Straw Proposal includes an expedited schedule for interconnecting customers to pay system modification costs. Interconnecting customers would pay 25 percent of estimated system modification costs within 15 business days of signing the ISA (Straw Proposal at 2). The remaining 75 percent would be due within 120 business days of signing the ISA (Straw Proposal at 2). If the interconnecting customer fails to make either payment, its interconnection application and ISA would be cancelled, with a loss of queue position. If a Distribution Company fails to sign an ISA within 15 business days of the 25-percent payment, the Distribution Company will be deemed to have accepted the ISA (Straw Proposal at 2).

## B. Comments

### 1. Project Changes

Commenters propose various definitions for project changes. The Distribution Companies support the Straw Proposal’s definition of “material change” (Distribution

Companies Comments at 10). DOER recommends that the Department adopt the New York Public Service Commission's definitions for "modification" and "material modification" (DOER Comments at 6-7). NECEC proposes that the Department adopt the definitions for "modification" and "material modification" proposed by the Joint Energy Storage Stakeholders ("JESS")<sup>25</sup> in their March 11, 2020 comments/redlined DG Interconnection Tariff in the energy storage systems segment of this proceeding (NECEC Comments at 17-18). NECEC argues that the Department should develop a timeline and process under which interconnecting customers can request, and the Distribution Companies can assess, modifications to an existing application and make necessary adjustments to impact studies in an efficient manner (NECEC Comments at 17-18). SunConnect recommends that the Department identify specific examples of what would be considered a "material" change (SunConnect Comments at 1).

## 2. Timelines

DOER supports the concept of enhanced payment timelines and defers to the Department to establish specific requirements (DOER Comments at 7). The Distribution Companies support the Straw Proposal's payment schedule and timelines (Distribution Companies Comments at 12). The Distribution Companies disagree with the requirement to provide notification to interconnecting customers 15 business days prior to commencing an

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<sup>25</sup> JESS is comprised of Renewable Energy Council, Inc., NECEC, Ameresco, Avid Solar, Blue Wave Solar, Borrego Solar Systems, Clean Energy Collective, Cypress Creek Renewables, Enel X North America, ENGIE North America, Heartwood Group, Integrated Storage Technologies, Nexamp, Pope Energy, Solar Design Associates, Stem, SunPower, SunRise Investments, Sunrun, Syncarpha Capital, and Zero-Pont Development (JESS March 11<sup>th</sup> Comments at 1).

impact study. The Distribution Companies explain that, in most scenarios, the work involved in an impact study begins with receipt of a DG applicants' payment (Distribution Companies Comments at 10). The Distribution Companies contend that the applicant's submission of the impact study payment should be clear indication to the applicant that the Distribution Company will commence the impact study (Distribution Companies Comments at 10).

NECEC recommends changes to the payment schedule. NECEC requests that the 25-percent payment for system modifications be due within 60 business days of the interconnecting customer's signing the ISA, and that the remaining 75-percent payment align with the Distribution Company's construction schedule and capital expenses (NECEC Comments at 19). As an example, NECEC recommends that an interconnecting customer's payments should be made 30 business days before the Distribution Company incurs a capital expense related to the construction project (NECEC Comments at 19). NECEC contends that under this payment plan an interconnecting customer would not be required to make payments for system modifications that are several months or years away (NECEC Comments at 19). NECEC supports rigorous enforcement of payment timelines by the Distribution Companies, subject to a 15-business day "cure period" after a payment is due (NECEC Comments at 19). NECEC supports retaining the option for the Distribution Companies and interconnecting customer to establish a mutually agreed upon payment schedule that differs from the standard timeline (NECEC Comments at 18). SunConnect states that the existing 120-business day payment timeline is short and recommends leaving

the timeline as-is or adding extension language for projects with ISA modification costs above \$100,000 (SunConnect Comments at 1).

Regarding the Straw Proposal's request to stakeholders for proposed definitions for the term "sidelined", the Distribution Companies contend that Section 3.6.2 of the DG Interconnection Tariff currently includes processes for projects to be placed on hold for extensions or legal disputes (Distribution Companies Comments at 12). The Distribution Companies contend that introducing the concept of "sidelining" could create uncertainty and confusion, potentially generating problems for queue management (Distribution Companies Comments at 12). SunConnect states that "sidelined" should mean removed from the interconnection queue during the legal dispute or long-term extension process (SunConnect Comments at 1).

C. Analysis and Findings

1. Project Changes

The interconnection of a DG facility can require an assessment of the effect of the interconnection on the stability, safety, and reliability of a Distribution Company's electric power system or, in certain circumstances, on the stability, safety, and reliability of the regional power grid. These assessments can require studies and the expenditure of costs and resources. A change in the DG facility also can require such assessments, with resulting costs and commitments of resources. However, changes can differ significantly in their effects on the project, the electric power system, or the regional power grid. Restarting or supplementing the assessment process can affect a project's position in the interconnection queue and its construction schedule. With these potential consequences, it is important to

carefully regulate the treatment of project changes or modifications. The Department has gained insight into the issue of project changes/modifications from the comments on the Straw Proposal and in separate comments on the evaluation of energy storage systems in the interconnection process.<sup>26</sup> Based on information received on the Straw Proposal and separately regarding the interconnection of energy storage systems, the Department determines that continued evaluation is needed on the issue of project changes/modifications. Therefore, the Department will convene in this docket a stakeholder process to inquire further into project changes/modifications in connection with both DG facilities and energy storage systems.<sup>27</sup>

## 2. Timelines

In the current DG Interconnection Tariff, an interconnecting customer has a total of 240 business days to pay costs for a Distribution Company's infrastructure upgrades or system modifications required to interconnect the customer's project.<sup>28</sup> The Straw Proposal proposes the following expedited schedule payment and consequence for non-payment:

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<sup>26</sup> On February 26, 2020, commenters submitted consensus revisions to the DG Interconnection Tariff concerning the evaluation of energy storage systems. The Department sought comments on issues remaining for which there was no consensus. On March 11, 2020, commenters submitted individual proposals for non-consensus revisions to the DG Interconnection Tariff. On April 16, 2020, the hearing officer issued a memorandum with Department staff's proposals regarding the interconnection of energy storage systems and requested comments. The Department is evaluating April 28, 2020 comments from the Distribution Companies, JESS, and DOER.

<sup>27</sup> On June 26, 2020, the Department established a process for stakeholder collaborations moving forward. D.P.U. 19-55, Hearing Officer Memorandum (June 26, 2020).

<sup>28</sup> An interconnecting customer has 120 business days from the date of execution of an ISA to pay 25 percent of those costs. If the interconnecting customer pays those cost

- (a) an interconnecting customer would pay 25 percent of costs within 15 business days of signing the ISA;
- (b) an interconnecting customer would pay the remaining 75 percent within 120 business days of signing the ISA; and
- (c) if the interconnecting customer fails to make either payment, its application and ISA would be cancelled, and its interconnection queue position lost.

(Straw Proposal at 2).

As with other aspects of the interconnection application process addressed in this Order, the Department finds that a structured payment timeline process will assist in the management of the interconnection queue (timely financial commitment is an indicator of project commitment). Consistent with this finding, earlier payment commitments can be an indicator of project commitment producing an interconnection queue with projects more likely to proceed. Below are the approved payment timelines, compared to the current payment timelines set out in Section 3.6.2 of the DG Interconnection Tariff.<sup>29</sup> Reinforcing the importance of a payment commitment, an interconnecting customer's failure to make either payment will result in a cancellation of the customer's interconnection application and ISA and loss of its position on the interconnection queue. Also, supporting the need for timely processing of an ISA, where a Distribution Company fails to sign an ISA within 15 business

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within 120 business days, the interconnecting customer would have an additional 120 business days from the date of first payment to pay the remainder of the costs. DG Interconnection Tariff, § 3.6.2.c.

<sup>29</sup> The system modification cost payment timelines also are set forth in Section 5 of the ISA. The ISA is included as Exhibit G to the DG Interconnection Tariff.

days of receipt of the first required installment payment, the ISA is deemed accepted by the Distribution Company as of that 15<sup>th</sup> business day.

<b>% Payment System Modification Costs By Interconnecting Customer</b>	<b>Current Timeline</b>	<b>Approved Timeline<sup>30</sup></b>
25	120 Business Days From Interconnecting Customer's Execution of ISA	60 Business Days From Interconnecting Customer's Execution of ISA
75	120 Business Days From 25-Percent Payment If on Time	Same As Current
<b>IF AN INTERCONNECTING CUSTOMER FAILS TO MAKE EITHER PAYMENT ON TIME, THE CUSTOMER'S INTERCONNECTION APPLICATION AND ISA WILL BE CANCELLED AND ITS INTERCONNECTION QUEUE POSITION WILL BE LOST</b>		
<b>IF THE DISTRIBUTION COMPANY FAILS TO SIGN THE ISA WITHIN 15 BUSINESS DAYS AFTER RECEIPT OF THE FIRST INSTALLMENT PAYMENT BY AN INTERCONNECTING CUSTOMER, THE ISA WILL BE DEEMED ACCEPTED BY THE DISTRIBUTION COMPANY 15 BUSINESS DAYS AFTER RECEIPT OF THE FIRST INSTALLMENT PAYMENT</b>		

Under these newly approved timelines, an interconnecting customer should have sufficient time to make the initial payment of the lower proportion of system modification costs. The tighter payment period will assist in maintaining the interconnection queue for committed projects. Also, failure of an interconnecting customer to make timely payment could constitute fundamental non-performance. Therefore, with an interconnecting customer's failure to make either scheduled payment, we find it appropriate to provide for

<sup>30</sup> Moreover, the Department clarifies that if a Section 3.6.2 (b) or (c) time frame extension is applied, full payment shall be due at termination of the extension.

cancellation of the customer's interconnection application and ISA and for the customer to lose the project's position in the interconnection queue. As with this provision to enforce timely payment by an interconnecting customer, the Department finds it appropriate to include this ISA acceptance, which is substantially consistent with the provision from the Straw Proposal, as a means to support timely application review, ISA execution, and interconnection commissioning.<sup>31</sup> Therefore, if a Distribution Company fails to sign an ISA within 15 business days of receipt from the interconnecting customer of the first required installment payment for system modification costs, the ISA will be deemed accepted by the Distribution Company as of 15 business days from that receipt of payment. Accordingly, the Department directs the Distribution Companies to revise the DG Interconnection Tariff in accordance with the timelines stated above and the cancellation and acceptance provisions provided above.

Regarding NECEC's recommendation to align a portion of an interconnecting customer's payment of system modification costs with the Distribution Company's construction schedules, we encourage additional stakeholder conversations on this payment structure to consider its feasibility. Further, regarding NECEC's support for mutually agreed upon timelines, Section 3.6.2 of the DG Interconnection Tariff provides: "Additionally, for non-solar Facilities, additional extensions for cause will be allowed pursuant to a mutual

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<sup>31</sup> The Distribution Companies proposed this same acceptance provision in their comments filed in this docket on September 23, 2019 (Distribution Companies Comments at 9 (September 23, 2019)).

agreement between the Company and the Interconnecting Customer.” The Department finds no basis to revise this provision.

Concerning this issue of the use of the term “sidelined,” the Department agrees with the Distribution Companies that the DG Interconnection Tariff already addresses project applications that are on-hold (Distribution Companies Comments at 12) (DG Interconnection Tariff, § 3.6.2). Therefore, to avoid introducing confusion and uncertainty into the management of the interconnection queue, the Department does not adopt the provision of the Straw Proposal regarding “sidelined” applications.

## VI. ADDITIONAL PROPOSALS

### A. Introduction

In addition to comments addressing the Straw Proposal, commenters offered their proposals related to high-volume queues.

### B. Proposals

The Distribution Companies offered three proposals.

(1) Revise the DG Interconnection Tariff to provide that the “construction schedule should start once full payment is made by the developer and all permits are acquired” (Distribution Companies Comments at 13).<sup>32</sup> The Distribution Companies state that this provision is contained in the ISA, and they contend that its inclusion in the DG

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<sup>32</sup> The Distribution Companies state that the ISA should be revised. However, taking into account the full context of this proposal, we understand that the Distribution Companies intend for a revision to the DG Interconnection Tariff.

Interconnection Tariff would provide additional notice of the construction schedule to interconnecting customers in advance of the ISA (Distribution Companies Comments at 13).

(2) In the DG Interconnection Tariff, replace all of the extensions in the first paragraph of Section 3.6.2 and the step extensions in the first sentence of the paragraph following Section 3.6.2(c), with, on the interconnecting customer's written request, a fixed, one-time, 15-business day extension to sign a Supplemental Review Agreement, Impact Study Agreement, Detailed Study Agreement, of ASO Study Agreement, or to respond to a Distribution Company's request for information, or to obtain an extension within 1/3 of the expiration of the end of a step Time Frame (Distribution Companies Comments at 13). The Distribution Companies assert that this proposal will drive more mature projects into the interconnection queue from the start (Distribution Companies Comments at 13). Also, they maintain that this proposal would further simplify for interconnecting customers the amount of time that they are allowed compared to the varying durations for each step and type of application currently set out in Section 3.6.2 (Distribution Companies Comments at 13-14).

(3) Delete the ten-business day cure period in Section 3.6.2 of the DG Interconnection Tariff (Distribution Companies Comments at 14). The Distribution Companies assert that the ten-business day cure period effectively extends the related signature or response period to 25 business days, which unnecessarily delays the interconnection process (Distribution Companies Comments at 14). The Distribution Companies would continue to send notifications to remind interconnecting customers of the

due date and that failure to respond in a timely manner will result in cancellation of the interconnection application (Distribution Companies Comments at 14).

NECEC also offered three proposals.

(1) The Department should assess the impact of sequential study of interconnection applications and its potential effects on the interconnection queue (NECEC Comments at 5).

To accelerate the interconnection process, NECEC recommends (1) that the Department require the Distribution Companies to conduct studies in parallel and (2) that the Department issue immediate interim guidance requiring parallel study before addressing other interconnection issues (NECEC Comments at 4).

(2) The Department should ensure that the Distribution Companies have adequate staff and supporting resources to improve response times and provide more efficient program management of interconnection queues (NECEC Comments at 8-9).

(3) The Department should consider allowing qualified interconnecting customers to contract for and manage system modification construction projects to alleviate the burden on the Distribution Companies (NECEC Comments at 10).

SunConnect offered two proposals.

(1) The Department should adopt “not to exceed” interconnection upgrade cost rules to provide developers with additional certainty on interconnection costs (SunConnect Comments at 2).

(2) The Department should investigate the Distribution Companies’ business practices concerning DG interconnection and potential non-compliance with tariff timelines

(SunConnect Comments at 3). SunConnect asserts that the Distribution Companies' actions have contributed to interconnection delays and uncertain costs that pose risks to DG developers (SunConnect Comments at 2-3).

C. Analysis and Findings

Regarding the matter of provisions stating the requirements for a Distribution Company's commencement of construction for system modifications, the ISA contains:

- a provision conditioning the Distribution Company's obligation to the construction schedule to the interconnecting customer's full payment for the system modifications (ISA, ¶ 5.0); and
- a provision conditioning the Distribution Company's commencement of construction of system modification to the interconnecting customer's notification that it has initiated the permitting process (ISA, ¶ 15.0).

The Department finds that including the same language on this matter as it is contained in the ISA in the DG Interconnection Tariff is in the public interest and supports the goal of transparency in the interconnection process. Therefore, the Distribution Companies are directed to revise the DG Interconnection Tariff accordingly.

Regarding the Distribution Companies' proposal consolidating a provision for extensions, the Department seeks more information regarding the effects on interconnecting customers, Distribution Companies, and the interconnection process to adequately evaluate such a change. The Department is in the same position regarding the Distribution Companies' proposal to delete the ten-business day cure period. The Department intends to include these issues for future consideration in the stakeholder process in this docket.

Regarding NECEC's proposal for a parallel study framework, the Department is aware that stakeholders, including NECEC and the Distribution Companies, are working together outside of a Department-facilitated process toward a resolution on this matter. The Department encourages continuance of these conversations and informing the Department on progress and results. Regarding NECEC's request regarding Distribution Companies' staffing and resources and SunConnect's request for an investigation into Distribution Company business practices, the Department confirms that Distribution Companies have an obligation to maintain the safety, reliability, and power quality of their electric power systems for the delivery of electricity to their customers. The Department's policy goal for DG interconnection is for interconnection to proceed consistent with the Distribution Companies' obligation and under a transparent, efficient, and cost-effective process that operates on reasonably predictable timeframes for interconnecting customers. Based on the Distribution Companies' participation and contributions in this case, including in the stakeholder process, we recognize that the Distribution Companies understand their responsibilities in the interconnection process consistent with the Department's stated policy goal. Therefore, at this time, the Department does not see the need to investigate the Distribution Companies' business practices or to further assess staffing and resources.

Also, regarding the possibility of allowing third parties to perform system modifications or to provide for "not to exceed" (or fixed-price) contracts for system modifications, considering the Distribution Companies' overriding obligations for their electric power systems, we do not find it appropriate at this time to pursue either of these

initiatives. In this docket, the Department has seen progress in such matters as providing distribution system information to assist with DG investment decisions, providing typical cost listing for system equipment, and improved timelines. We expect further improvements to the interconnection progress as this docket proceeds.

## VII. CONCLUSION

The Department approves revisions to the DG Interconnection Tariff and interconnection process as provided herein. The Department directs the Distribution Companies to jointly file a revised model DG Interconnection Tariff in a new docket, D.P.U. 20-63 consistent with the findings and directives herein within 15 business days of the date the Standards For Interconnection of Distributed Generation Tariff revisions directed in D.P.U. 19-55-C are approved. Furthermore, as provided in Section IV, the Department approves the revised DG Guidelines as set forth in Attachment A (Attachment B sets forth a redlined version).

## VIII. ORDER

Accordingly, after review, opportunity for comment, and due consideration, it is

ORDERED: That the revisions to the Standards For Interconnection of Distributed Generation Tariff identified herein are APPROVED; and it is

FURTHER ORDERED: That, within 15 business days of the date the Standards For Interconnection of Distributed Generation Tariff revisions directed in D.P.U. 19-55-C are approved, Fitchburg Gas and Electric Light Company d/b/a Unitil, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, and NSTAR Electric Company d/b/a Eversource Energy shall jointly file a revised model Standards For

Interconnection of Distributed Generation Tariff, consistent with the provisions herein; and it is

FURTHER ORDERED: That Fitchburg Gas and Electric Light Company d/b/a Unitil, Massachusetts Electric Company and Nantucket Electric Company, each d/b/a National Grid, and NSTAR Electric Company d/b/a Eversource Energy shall comply with all directives contained in this Order; and it is

FURTHER ORDERED: That the DG Guidelines set forth in Attachment A to this Order be and hereby are APPROVED.

By Order of the Department,

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/s/  
Matthew H. Nelson, Chair

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/s/  
Robert E. Hayden, Commissioner

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/s/  
Cecile M. Fraser, Commissioner

An appeal as to matters of law from any final decision, order or ruling of the Commission may be taken to the Supreme Judicial Court by an aggrieved party in interest by the filing of a written petition praying that the Order of the Commission be modified or set aside in whole or in part. Such petition for appeal shall be filed with the Secretary of the Commission within twenty days after the date of service of the decision, order or ruling of the Commission, or within such further time as the Commission may allow upon request filed prior to the expiration of the twenty days after the date of service of said decision, order or ruling. Within ten days after such petition has been filed, the appealing party shall enter the appeal in the Supreme Judicial Court sitting in Suffolk County by filing a copy thereof with the Clerk of said Court. G.L. c. 25, § 5.