

for which the availability, use and cost of energy, power or feedstock play a significant role in their ability to compete in domestic and world markets. IECA membership represents a diverse set of industries including: chemicals, plastics, steel, iron ore, aluminum, paper, food processing, fertilizer, insulation, glass, industrial gases, pharmaceutical, building products, automotive, brewing, independent oil refining, and cement.

II. COMMENTS OF IECA

With the exception of the proposal to cap or limit developer exposure to cost overruns for interconnection, IECA supports the majority of the Commission's proposed reforms to the interconnection and study process. The NOPR is a positive step towards increased utilization of existing infrastructure and an improved process for interconnection of important resources that could yield cost reductions.

- a. IECA does not support the proposal to limit developer exposure to cost overruns for interconnections. Unfortunately, there already is an existing problem on cost overruns with utilities. This cannot be corrected by making other parties to these transactions also protected from cost overruns. It is the ratepayer, including the industrial consumer who will pay for cost overruns and IECA is concerned that the NOPR proposal will encourage developers and utilities to be equally complacent about cost overruns.
- b. IECA supports the Commission's efforts to increase the transparency and accessibility of information available to interconnecting customers that include system modeling information, configuration and congestion analysis type data. And, we believe these reforms have the potential to lower costs for consumers. The added transparency of this information in tariff and OASIS settings will also limit the incumbent utilities' ability to discriminate against non-utility sponsored interconnections.
- c. IECA supports the NOPR in its approach to implementing cluster studies.

- d. Although it would seldom be used by industrials, IECA supports the proposal to give customers the option to build their own interconnection facilities, providing access to customer-based funding and unilateral right to dispute resolution. This should be expanded to all FERC jurisdictional interconnections.
- e. IECA supports separate definitions for storage in utility tariffs.
- f. IECA supports the NOPR proposal that addresses “Partial Integration, Provisional Service, the use of Existing Surplus Interconnection Capacity, and Material Modifications/ New Technologies.” These reforms should increase the use of existing infrastructure and potentially lower costs, improve accuracy and reliability of interconnection studies. For CHP/WHR facilities, the allowance of partial integration can be adapted to potentially protect the facilities from some elements of discrimination in the study and interconnection process.

Finally, IECA urges the Commission to make a common-sense change to remove a discriminatory practice that negatively impacts industrial CHP/WHR facilities. We urge the Commission to alter the QF minimum export threshold so that it is based on “total energy” (MWh) exported to the grid, not on net system capacity. The current regulation unfairly discriminates against industrial CHP/WHR in favor of entities, such as merchant wind and solar projects that are in the business of producing electricity for sale.

It is entirely possible that an industrial CHP/WHR installation with a net generating capacity exceeding 20 MW (and typically a much higher overall capacity factor than merchant wind or solar), may still export far less total electricity to the grid than a wind or solar facility of similar or even smaller capacity. Facilities that export small amounts of power should not be classified as either large or small based on the size of the net generation system. The classification should be based on the maximum amount

of power that potentially can be exported to the grid under normal operating conditions of the manufacturing facilities at which the CHP/WHR facility is located.

III. CONCLUSION

IECA is grateful the Commission has advanced this important reform and we appreciate the opportunity to offer comment.

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