

ROBERT L. EHRLICH, JR.
GOVERNOR

KENNETH D. SCHISLER
CHAIRMAN

MICHAEL S. STEELE
LIEUTENANT GOVERNOR

HAROLD D. WILLIAMS
ALLEN M. FREIFELD
CHARLES R. BOUTIN



PUBLIC SERVICE COMMISSION

October 17, 2006

In the Matter of the Inquiry into *
Interconnection Standards Under Title VII, *
Subtitle E, Energy Policy Act of 2005 (16 * Case No. 9060
USC § 2621) *

* * * * *

ORDER INSTITUTING WORKING GROUP

To: All Parties of Record and Interested Persons in Case No. 9060 and Demand Response/
Distributed Generation Working Group:

In a Notice of Inquiry (“Notice”) dated April 4, 2006, the Public Service Commission (“Commission”) established this proceeding. The Notice included procedural dates for filing of requests to intervene and dates for the filing of initial and reply comments. Specifically, the Commission requested comments on the specific requirements of Section 1254 of the Energy Policy Act of 2005 (“Section 1254”) and on the recommendations of the Mid-Atlantic Distributed Resources Initiative (“MADRI”) regarding its Model Small Generator Interconnection Procedures.

The Commission received intervention petitions, notices of appearance and/or comments from the following: Potomac Electric Power Company and Delmarva Power & Light Company; the Office of People's Counsel; Baltimore Gas and Electric Company; The Potomac Edison Company d/b/a Allegheny Power; the Commission’s Technical Staff; The E Cubed Company, LLC; SunEdison, LLC, the Maryland-DC-Virginia Solar Energy Industries Association, and the Solar Energy Industries Association; Choptank Electric Cooperative, Inc.; Southern Maryland Electric Cooperative, Inc.; the Maryland Energy Administration - Power Plant Research Program; and Constellation NewEnergy, Inc. The Commission reminds persons and entities interested in this proceeding that except for those persons with a statutory right to participate in Commission proceedings, all others must file a petition to intervene to become a party to this proceeding.

The comments provided to date include a variety of critiques for the standards mentioned in the Notice as well as other interconnection standards or models that have been proposed or adopted in recent years. Unfortunately, none of the comments clearly outlined a recommended standard for Commission adoption and most comments did not go beyond a general critique of certain models or standards. However, all comments imply that the Commission should adopt some standard in compliance with Section 1254. Additionally, many of the commentators

included a recommendation that the Commission establish a working group to address the numerous technical and policy issues involved in developing interconnection standards that strike the appropriate balance between the potential benefits resulting from the interconnection of distributed generation and the safety and reliability of the distribution system.

The Commission accepts that particular recommendation, and directs its Staff to establish and facilitate a Small Generator Interconnection Standards Working Group.¹ The Staff shall invite all Parties to Case No. 9060 and other entities that have expressed interest in that case and in interconnection standards to participate in the Working Group. Working Group participants need not intervene in Case No. 9060 to participate in the Working Group, but will need to file an intervention request in the event they wish to participate in any formal proceedings that may arise in this docket.

The Working Group shall develop a report for the Commission that outlines policy alternatives or consensus recommendations and provides specific provisions for interconnection standards consistent with those alternatives or recommendations that could be adopted by the Commission. No later than Monday, November 20, 2006, the Staff shall recommend a date for completion of its report that is consistent with the August 2007 Commission determination of interconnection standards that is required by Section 1254. The Commission further observes that prompt consideration of interconnection standards is consistent with the current increase in interest for new distributed generation projects and with the generation and transmission capacity status currently existing in much of Maryland.

By Direction of the Commission,

O. Ray Bourland
Executive Secretary

ORB:lvs

¹ The Commission established a Demand Response/Distributed Generation Working Group on September 13, 2006. All issues related to distributed generation interconnection standards shall be considered in the Small Generator Interconnection Standards Working Group. Other issues related to distributed generation that are not directly related to interconnection standards or the interconnection process (for example appropriate standby service rates) shall remain in the Demand Response/Distributed Generation Working Group.