

Frequently Asked Questions

Queue Reform Stakeholder Process

Question 1

Will any proposed changes to the interconnection procedures alter any existing fully executed Interconnection Agreements (IAs)?

Answer 1

No, DESC is not proposing to alter any existing IAs.

Question 2

How will interconnection requests be grouped for study under the proposed process?

Answer 2

The first step is a time-based temporal grouping based on queue position. The next step is positional/location grouping by electrical interactions among the projects. The temporal grouping is based on timing (projects submitted during the 150 day Enrollment Window) when the Interconnection Customer (IC) has entered into a cluster for that year. Locational grouping is based on point of interconnection and the impact of multiple interconnecting generators in the cluster on the transmission and distribution system.

Question 3

Is the temporal and location grouping decided by the IC or Dominion Energy?

Answer 3

All projects submitted during the 150-day Enrollment Window will be in the same temporal grouping. The locational grouping will be based on power flow studies run by Dominion Energy.

Question 4

How will upgrade costs be allocated or shared among projects in a cluster?

Answer 4

Upgrade costs are allocated based on a pro-rata share of network upgrades and on a per-capita basis for station upgrades. Please see slide 34 of the stakeholder presentation from February 10, 2021.

Question 5

At what study stage will Dominion Energy engage with affected systems? Will the study stages be placed on hold while affected system studies are completed?

Answer 5

Dominion Energy will identify Affected Systems during the System Impact Study phase and invite them to attend interconnection meetings. The Interconnection Customer is expected to work with the Affected Systems to complete the studies for identifying modifications to the Affected Systems. Neighboring utilities have been responsive to date and are anticipated to continue cooperating. Dominion Energy supports neighboring utilities' and their Interconnection Customers when it is identified as an Affected System.

Question 6

Is the Request Validation period of 30 days for all ICs entering the cluster or is it simply a buffer to allow late-submitting projects to be reviewed?

Answer 6

Dominion Energy will not accept late requests submitted after the request window closes. Dominion Energy will review Interconnection Requests as they are submitted. Requests are validated by various departments to assure they meet the requirements. The request validation window provides a buffer to ensure deficiencies are resolved. The models are validated during the Customer Engagement and as scoping meetings are held with ICs.

Question 7

Will the pre-application process still be around? How does it work with the informational study process?

Answer 7

The pre-application process is a component of the SCGIP and SGIP only. The proposed informational study will be available under the SCGIP and LGIP.

Question 8

Is Dominion Energy planning on one cluster study cycle per year?

Answer 8

The proposed cycle is one per year. Please see the slides 16 and 17 of the stakeholder presentation from February 10, 2021, for a more detailed study timeline.

Question 9

How would upgrade costs be allocated under a cluster study approach? Are they socialized irrespective of the impact of the project on the upgrade?

Answer 9

The network upgrade costs are allocated based on pro-rata and per-capita basis as stated in slide 34. Please see slide 35 of the stakeholder presentation from February 10, 2021, for an example.

Question 10

Are cluster studies only applicable to generators selling to the grid while the serial process is for those projects that are "behind the meter"?

Answer 10

Any project that cannot be evaluated under the 20 kW Inverter Process or the Fast Track Process must enter a future cluster study. The cluster study process includes an expedited path for projects that don't have an impact on the transmission system or complicated interdependencies. Please see slide 33 of the stakeholder presentation from February 10, 2021, for more information on how projects will be grouped and move through the study process.

Question 11

Does Dominion Energy have a set of defined procedures (or agreements with neighboring systems) regarding Affected System Studies?

Answer 11

No, not at this time.

Question 12

Can you provide some detail on what "evidence of ability to sell into a solicitation process" might look like?

Answer 12

Dominion Energy, or another utility accessible from the Dominion Energy system, must have an open solicitation process at the time of the cluster study formation and the project must have been successfully entered into that process for evaluation.

Question 13

Are the P1-P4 penalties cumulative?

Answer 13

These are not cumulative penalties; the additional study deposits are only collected from non-ready projects. Please see slides 24, 25, 26, and 31 of the stakeholder presentation from February 10, 2021, for more information and examples.

Question 14

Under the SCGIP, why would the M4 milestone be the higher of 100% of the system upgrade costs identified by the Facilities Study or a minimum deposit based on nameplate capacity?

Answer 14

Similar to the Duke and PSCO proposals, the milestones are set such that first-ready, first-served projects pass through the cluster and reach commercial operation date (COD) as efficiently as possible.

Question 15

If the withdrawal penalty is less than the financial security, will the balance of the financial security be refunded (in the event of withdrawal)?

Answer 15

The balance of the financial security will be refunded after the deduction of any accrued costs and any penalties.

Question 16

If the study for M2 only costs ~\$50,000, would the withdrawal payment be adjusted to reflect actual costs?

Answer 16

The withdrawal penalty is based on the actual study cost. Please see slides 24, 25, 26 and 31 of the stakeholder presentation from February 10, 2021, for more information.

Question 17

On slide 27 of the stakeholder presentation from February 10, 2021, is the 90/10 withdrawal penalty distribution also the way study costs are going to be allocated?

Answer 17

The administering Utility shall determine each IC's share of the costs of completing the DISIS¹ Cluster Study (including general queue administration costs and overheads) by allocating: (1) ten percent (10%) of the applicable study costs to Interconnection Customers on a per capita basis based on number of

¹ Definitive interconnection system impact study.

Interconnection Requests included in the applicable Cluster; and (2) ninety percent (90%) of the applicable study costs to Interconnection Customers on a pro-rata basis based on requested megawatts included in the applicable Cluster.

Question 18

Are the proposed cost allocation mechanisms basically the same as Duke?

Answer 18

Yes, basically the same as Duke

Question 19

There will be a second stakeholder process on general provisions of the SCGIP. Will this be a parallel process; do these processes relate?

Answer 19

The two stakeholder processes are separate, and Dominion Energy anticipates the processes will overlap. The content of the stakeholder phases will not overlap.

Question 20

Will the reform impact the Fast Track Process?

Answer 20

The first phase of the interconnection reform process addresses the serial study process and the transition to a cluster study process. The second phase of the SCGIP reform process will address any other aspect of the SCGIP and could include changes to the Fast Track Process.

Question 21

Will a DISIS Enrollment Window be opened as soon as the reform is approved or will the first DISIS Enrollment Window be delayed until after the transitional studies are completed?

Answer 21

Once fully approved, the first cluster study will be the transitional cluster study. The timing of the first open Enrollment Window is unknown at this time. Dominion Energy anticipates the first Enrollment Window will be timed such that the phase 2 study from the transitional cluster will be completed prior to beginning the Customer Engagement Window of the second cluster.

Question 22

Are projects less than 1MW going to be clustered or follow a serial process?

Answer 22

The current Fast Track Process will remain in the SCGIP and SGIP. Small certified inverted based generators may be eligible for the Fast Track Process and, if so, would not need to enter the cluster process.

Question 23

In the example on slide 26 of the stakeholder presentation from February 10, 2021, it specifies an actual cost of \$125K; is that after phase 1 or 2?

Answer 23

Dominion Energy has added a more detailed example to the stakeholder presentation from February 10, 2021. Please see slide 38 of the updated presentation.

Question 24

Is the IC required to have site control for both the site and ROW for Interconnection Facilities?

Answer 24

DESC adopted the modified site control requirements adopted by Duke. Consistent with the SCGIP, the LGIP will require exclusive site control. However, under the LGIP, Interconnection Customers do have the option of paying an additional deposit in lieu of providing site control to enter the Phase 1 study.

Question 25

If the DISIS Enrollment Window is not opened immediately after approval then how will DESC handle new interconnection requests? Will they be studied serially or will they just be put on hold until the transitional studies are completed?

Answer 25

After approval of the proposed reforms, new interconnection requests that aren't eligible for the 20 kW Inverter Process or the Fast Track Process will be received during the next Enrollment Window and included in the next cluster study.

Question 26

Is it accurate that, under the proposed changes, an Interconnection Customer will have three choices: 1) enter the cluster study, 2) enter the transitional study, or 3) withdraw?

Answer 26

Interconnection Customers with a completed System Impact Study may remain in the transitional serial process. Interconnection Customers currently in queue that don't have a completed System Impact Study and meet the transitional cluster study requirements, may enter the transitional cluster. An interconnection customer that isn't eligible for the transitional cluster, or an interconnection customer that withdraws, may enter the cluster study process at a future point in time. See slide 14 and 15 of the stakeholder presentation from February 10, 2021, for more information on the transition process.

Question 27

If a project withdraws during the phases, and the resulting impacts cause other projects to withdraw, will they avoid penalties. Is there any ability for impacted projects to withdraw without penalties?

Answer 27

An Interconnection Customer shall be subject to a Withdrawal Penalty if it withdraws its Interconnection Request from the Queue or the Generating Facility does not otherwise reach Commercial Operation unless the Transmission Provider determines consistent with Good Utility Practice that (1) the withdrawal does not negatively affect the timing or cost of equal or lower queued projects; (2) the cost responsibility identified for that Interconnection Customer in the current study report associated with new Network Upgrades to the Transmission Provider's System increased by more than twenty-five percent (25%) compared to the costs identified in the previous report; or (3) if the customer withdraws after the Interconnection Facilities Study report is published and before providing the final Milestone Payment, and the cost responsibility for that Interconnection Customer identified in the Interconnection Facilities Study report increases by more than one hundred percent (100%) compared to the prior report.

Question 28

If there are multiple projects proposed on the same utility line, is there some priority given to whichever project submitted first?

Answer 28

Similar to the serial process, queue position determines priority. In the cluster study process, all projects in the same group are given the same queue number and equal priority. Upgrades costs would be allocated as described in slides 23 and 24 of the stakeholder presentation from April 29, 2021.

Question 29

Are the "actual study costs" in the presentation examples or is that the new estimated costs of the studies?

Answer 29

The “actual study costs” from all three presentations are examples for demonstration purposes.

Question 30

Is there a sense of timing for the first DISIS, serial or transitional implementation?

Answer 30

DESC plans to begin the regulatory filing process around the beginning of July and has not determined a timeline for the transitional cluster. Implementation will require the approval of the SCPSC and the FERC. Once approved by both agencies, DESC plans to initiate the transition to cluster studies.

Question 31

Do the existing interconnection customers with applications already in queue get priority over any new applications?

Answer 31

Interconnection Customers with valid queue positions at the initiation of the cluster process will be eligible to enter the transitional serial or transitional cluster process. New applications would be eligible to participate in a future cluster.

Question 32

Can an Interconnection Customer increase the MW capability of their facility during the Definitive Interconnection Study Process?

Answer 32

Consistent with current interconnection process requirements, an increase in generating capability would require withdrawal and resubmission. Alternatively, the Interconnection Customer could submit an Interconnection Request for the increased capability in a future cluster study.

Question 33

Is an interconnection customer required to have a PPA with at least a 5 year term in order to enter the cluster?

Answer 33

A PPA with a term of at least 5 years is one way a project can enter the cluster process as a “ready” project. There are other ways to demonstrate readiness. Additionally, an Interconnection Customer can enter the cluster process as a non-ready project. Under the LGIP, a project can demonstrate readiness through the two options below:

- a) Executed term sheet (or comparable evidence) related to a contract, binding upon the parties to the contract, for sale of (i) the constructed Generating Facility, (ii) the Generating Facility's energy, or (iii) the Generating Facility's ancillary services if the Generating Facility is an electric storage resource; where the term of sale under (ii) or (iii) is not less than five (5) years.

- b) Reasonable evidence the Generating Facility has been selected by a Resource Planning Entity in a Resource Plan or is offering to sell its output through a Resource Solicitation Process.

Question 34

In the presentation example, the study cost at \$275k is higher than the deposit of \$230k. How is the delta covered?

Answer 34

Any difference between the study deposit and the actual cost of the study shall be paid by or refunded to the Interconnection Customer.

Question 35

Is the site control deposit refundable or non-refundable?

Answer 35

The additional deposit in lieu of site control is refundable if the project is able to demonstrate exclusive site control prior to entering the Phase 2 study. If the project withdraws prior to entering Phase 2, the Withdrawal Penalty is increased by the amount of the deposit in lieu of site control.

Question 36

The threshold for a project to withdrawal from the Definitive Interconnection Study Process without being assessed Withdrawal Penalty is higher than some RTOs/ISOs. Will DESC consider reducing this?

Answer 36

The DESC LGIP and SCGIP align with the FERC approved PSCO LGIP and the proposed Duke LGIP. DESC believes the Withdrawal Penalty and ability to withdraw penalty free meet the overarching intent of the Definitive Interconnection Study Process, which is to move ready projects through the interconnection process with less uncertainty.

Question 37

If an Interconnection Request is filed before the first cluster window but does not meet transitional or serial requirements, does the Interconnection Request fee and study deposit get rolled into the Definitive Interconnection Study Process application deposit?

Answer 37

No, the request fee and study deposit does not roll into the next DISIS window. An Interconnection Customer that does not meet the transitional procedure requirements shall withdraw or be deemed withdrawn from the Queue and then may submit a new Interconnection Request to be studied under a future Definitive Interconnection Study Process. All existing request deposits will be refunded, less any costs assigned to those projects.

Question 38

Will there be a 150-day cluster enrollment window with the transitional process, or will it roll directly into the 30-day request verification window?

Answer 38

An Interconnection Customer with an existing queue position must indicate their intention to enter the transitional process and meet all readiness milestone requirements within 60 Calendar Days of DESC publishing its intent to transition to cluster studies. Please see Section 7 of the LGIP or Section 3 of the Appendix DESC CS to the SCGIP, as applicable.

Question 39

When this reform is approved, will a Definitive Interconnection Study Process enrollment window be opened first or will the first DISIS enrollment be delayed until after the Transitional and Serial cluster processes are fully completed. Or will they open/occur simultaneously?

Answer 39

Once fully approved, DESC will initiate the transition with existing projects first.

Question 40

Is there a sense of timing for the first DISIS, serial or transitional implementation, in the slides there was a mention of January?

Answer 40

DESC plans to begin the regulatory filing process around the beginning of July but isn't able to predict when the needed regulatory approvals needed to transition to cluster studies will occur.

Question 41

Is the DISIS application fee (\$5,000) and the study deposit due together at filing?

Answer 41

Yes, under the LGIP Definitive Interconnection Study Process, a \$5,000 deposit and study deposit are due when submitting an Interconnection Request.

Question 42

Does the Phase 1 study report cost estimates include the cost of communications equipment?

Answer 42

Yes, DESC's practice has been to include the cost of communications in the System Impact Study report. This will continue under the Definitive Interconnection Study Process.

Question 43

Will Withdrawal Penalty revenue be used to fund Facility Study costs?

Answer 43

Yes, if Withdrawal Penalty Revenue is available. Withdrawal Penalty revenue is to be used to offset "interconnection studies". This could include costs from all three study phases.

Question 44

Slide 15 of the April 29 presentation indicates that Facilities Studies shall continue as an individual study. This appears to contradict Slide 21 that indicates there will be a cluster process for Facilities Studies. How is this reconciled?

Answer 44

Each project in the cluster Facilities Study will receive a unique Facilities Study Report. The costs outlined in each report will reflect that project's share of Network Upgrades and Interconnection Facilities.

Question 45

Regarding the ability to withdraw from the study process penalty free, how will DESC determine what is considered a negative timing impact due to an Interconnection Customer withdrawal?

Answer 45

When a project withdraws during the Definitive Interconnection Study Process, DESC must evaluate the impacts of that withdrawal. If the withdrawal triggers the need for a restudy, the cluster would experience a negative impact to timing and a Withdrawal Penalty would apply.

Question 45

DESC should hold scoping meetings as projects are submitted during the enrollment window.

Answer 45

DESC is required to bring defined information to a Scoping Meeting. Since all projects in a cluster have the same priority, it would be impossible for DESC to hold meaningful Scoping Meetings until all projects in the cluster have been submitted and preliminarily evaluated. Interconnection Customers do have the option of requesting an Informational Interconnection Study prior to entering the Definitive Interconnection Study Process.

Question 46

The overall reform effect seems overly burdensome, particularly the following aspects: non-refundable \$5,000 Application Fee, no ability to withdraw penalty free withdrawal after Phase 1 report, the distribution of Withdrawal Penalty associated with Milestone 5, the overall ability to withdraw penalty free, that all ICs in a cluster have equal queue priority, and projects should be allowed to stay in the serial process after DESC initiates the transition to cluster studies.

Answer 46

All the aspects mentioned above are components of the PSCO FERC-approved LGIP. The PSCO FERC-approved LGIP established an important framework for LGIP reform that has led to reform in multiple other jurisdictions. DESC believes that altering these provisions would frustrate the reform effort, ultimately causing it to fail to meet the primary objective, which is to move ready projects through the interconnection process. Another important aspect of the reform effort is the introduction of the Informational Interconnection Study. Interconnection Customers have the option of requesting an Informational Interconnection Study prior to entering the Definitive Interconnection Study Process. The knowledge gained through the Informational Interconnection Study, while non-binding, can be used to inform the decision to enter the Definitive Interconnection Study Process.

Question 47

The requirement to hold exclusive site control to construct the entire Generating Facility and all required Interconnection Facilities to the Point of Interconnection to the Utility's System is overly burdensome.

A recommend site control requirement should be requiring 50% site control at Generator Interconnection application, which shows substantial investment and commitment by the Interconnection Customer. This should be stepped up to 75% site control by Facility Study entry and 90% site control + 50% generator-tie Right Of Way (ROW) by Generation Interconnection Agreement (GIA) execution. In cases where the generator-tie ROW must employ utility-owned land, we have found that most utilities will not engage in ROW discussions until a GIA has been executed. Therefore, we recommend this portion of the generator-tie ROW be omitted from the gen-tie ROW calculation prior to GIA execution.

Answer 47

The site control requirements proposed by DESC follow the precedent established in prior generator interconnection reform efforts. The requirement to provide exclusive site control also exists in the current FERC proforma LGIP serial process. Additionally, Duke Utilities' stakeholders in the NC, SC, and FERC LGIP reform process resulted in the site control requirements adopted by DESC. The significant difference in the site control requirements adopted by Duke and DESC is that an Interconnection Customer may provide a deposit in lieu of site control to enter the Definitive Interconnection Study Process.