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FERC Proposes Rule to Integrate Variable Energy Resources

The Federal Energy Regulatory Commission (FERC) today proposed reforms to its rules to lay the foundation for integrating the rapid growth of variable energy resources into the nation's power grid while ensuring reliability and bringing potential savings to customers.

The proposed rule would reform the Open Access Transmission Tariffs (OATT) and the Large Generator Interconnection Agreements filed by public utility transmission providers to require them to offer services that will allow for a more efficient integration of variable energy resources such as wind, solar and hydrokinetics into the grid system.

"Most of the new power plants for which developers are seeking access to the grid are variable resources such as wind and solar generators," FERC Chairman Jon Wellinghoff said. "This proposal will help the Commission to cost-effectively integrate these and other variable generators into the grid in a way that helps maintain reliability and operational stability."

Today's Notice of Proposed Rulemaking (NOPR) proposes to require public utility transmission providers to offer all customers the option to schedule transmission service at 15-minute intervals instead of the current hourly scheduling procedure. The more frequent scheduling intervals will provide for greater accuracy in scheduling, thereby mitigating the amount of ancillary services the customer will need to supply or purchase.

The NOPR also proposes that interconnection customers whose generating facilities include variable energy resources provide meteorological and operational data to transmission providers, and encourages transmission providers with variable energy resources on their systems to implement power production forecasting. A third element of the proposal clarifies that transmission providers have the opportunity, through a newly proposed schedule, to recover costs associated with the integration of variable energy resources and sets forth the Commission's proposed expectations that the transmission provider would need to demonstrate its implementation of intra-hourly scheduling and power production forecasting in order to ensure variable energy resources are being charged a just and reasonable rate.

In January, FERC issued a Notice of Inquiry to review its regulatory policies and determine if there is a need for reforms to integrate variable energy resources into the nation's power grid. After evaluating comments from the public and from stakeholders, FERC is proposing a limited set of reforms aimed at addressing undue discrimination and unjust and unreasonable rates.

Comments on today's NOPR, *Integration of Variable Energy Resources*, are due 60 days after the publication in the *Federal Register*.

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