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FERC Final Rules Establish New Interconnection Requirements for Distributed Energy Resources and Wind Generators

Aug 12, 2016

Reading Time : **2 min**

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Taken together, the two orders recognize both the increased penetration of renewable and distributed energy resources on the grid and advancements in cost-effective technologies that allow those resources to provide reliability services.

For example, the Commission noted in Order No. 827 that wind generators were previously exempted from reactive power requirements due to the "costs to design and build a wind generator that could provide reactive power," which "could have created an obstacle to the development of wind generation." The Commission expressed concern, however, that the continued growth of wind plants and other nonsynchronous generators could lead to a deficiency in available reactive power supplies and result in reliability problems. This concern, combined with the Commission's finding that advancements in wind turbine design allowed for more cost-effective provision of reactive power by wind plants, led the Commission to conclude that the previous exemption had become unjust and unreasonable.

Similarly, in Order No. 828, the Commission stressed that, due to the increased presence of small-scale distributed energy resources on the grid, a ride-through requirement for small generating facilities is necessary to prevent the risk of an initial voltage or frequency disturbance from tripping small facilities, thus cascading the initial disturbance and threatening the reliability of the entire system.[1] The Commission also noted that technology advancements, such as the availability of "smart inverters," make it more economically feasible for small generators to meet ride-through requirements.

The Commission's actions in these final rules demonstrate its continued focus on ensuring that reliability services previously supplied by large fossil-fuel generators remain available to the transmission grid as the generating resource mix changes. Order Nos. 827 and 828 follow the Commission's issuance in February of a notice of inquiry regarding the continued availability of "essential reliability services" — specifically primary frequency response — as the resource mix evolves.

Orders Nos. 827 and 828 require each public utility transmission provider to submit a joint compliance filing proposing revisions to its *pro forma* interconnection agreements to address the requirements of both final rules. The Commission recently extended the deadline for compliance filings to October 14, 2016.

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[1] The Commission's final rule recognizes the work of the Institute of Electrical and Electronics Engineers ("IEEE") to develop revisions to IEEE Standard 1547a, the interconnection standard for distributed energy resources. The Commission notes that, while IEEE 1547a now "provides wider trip settings that allow small generating facilities more leeway to ride through disturbances," it does not mandate ride-through requirements, necessitating the requirements adopted in Order No. 828.

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