



Nova Scotia Utility and Review Board

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By email: nicole.godbout@nspower.ca

Ms. Nicole Godbout
Regulatory Counsel, Regulatory Affairs
Nova Scotia Power Inc.
PO Box 910, Scotia Square
Halifax, Nova Scotia B3J 2W5

Dear Ms. Godbout:

NSPI Application to Amend the Generator Interconnection Procedures ("GIP") - P-890

In its Generator Interconnection Procedures ("GIP") application dated August 6, 2008, NSPI requested Board approval of immediate and temporary relief from the current requirements of the GIP relating to the queue position of projects and establishment of a stakeholder process to consider revisions to the GIP in the long term.

In its Decision letter dated September 23, 2008, the Board granted approval of a temporary waiver to the GIP queue for the seven projects that had signed Power Purchase Agreements with NSPI, and which were needed to meet the provincial 2010 Renewable Energy Standard requirements. The Board also agreed with NSPI's request that a stakeholders committee be established to review potential revisions to the GIP with a long term view, and with NSPI's proposed timeline to file the report by May 30, 2009. In addition, NSPI was directed to ensure that issues raised by interested parties to the P-890 proceeding were appropriately addressed during the stakeholder process.

On October 20, 2008 NSPI filed its draft terms of reference ("TOR") and proposed timeline for the stakeholders engagement process. Following a review of letters of comment submitted to the Board by interested parties, the Board, in its letter dated October 31, 2008, did not accept NSPI's draft TOR. The Board directed NSPI and the Nova Scotia Power System Operator ("NSPSO") to jointly meet with stakeholders to collectively develop a draft TOR and appropriate process timeline for submission, no later than November 30, 2008. Following a stakeholder meeting, NSPI submitted a revised TOR and timeline on November 28, 2008, which noted that the revised GIP would be filed on May 22, 2009. The Board accepted this submission in its letter dated December 3, 2008.

The Board understands the stakeholders consultation process consisted of five sessions, beginning December 5, 2008, and concluding April 30, 2009, and that opportunities were provided for participants to submit written comments at various stages throughout the consultation process.

The Board also understands that proposed changes to the GIP were intended to address the following issues:

- A front-end process which would give priority to projects selected in an RFP process.
- A staged queue which allows projects to move through the analysis and approval processes within a defined timeframe when specific criteria has been satisfied.
- Allowance for non-impactive upgrades to existing facilities without the need to submit a new interconnection request.
- Adjustment to the study cost deposits to ensure they adequately cover actual study costs and are fairly allocated to parties responsible for those costs.
- Ensuring that requests for optional studies do not adversely impact the timing of other queued projects or strain limited technical resources at NSPI.
- Incorporating a process to facilitate making other administrative changes to the GIP and the related Generator Interconnection Agreement (“GIA”) which may relate to Federal Energy Regulatory Commission (“FERC”) updates or NSPSO requirements.

In order to make these changes, substantive amendments to the existing GIP were required.

On May 22, 2009 NSPI filed its proposed amended GIP and the final stakeholders report. Stakeholders comments were filed on May 29, 2009 and NSPI subsequently filed a revised GIP and appendices on June 17, 2009. NSPI filed its **third version** of the GIP and appendices on September 18, 2009, requesting Board approval.

On September 21, 2009, the Board received a letter from Atlantic Wind Power Corporation (“AWPC”) stating its disagreement with NSPI’s latest version of the GIP. The Board received a further letter from AWPC on October 13, 2009, indicating that five of its seven issues had been either resolved or withdrawn and that two remained outstanding, but AWPC supported NSPI’s revised GIP in its other respects.

On October 19, 2009 NSPI filed its response to the AWPC October 13th letter, along with its **fourth version** of the revised GIP. In that filing, NSPI noted that two of the issues raised by AWPC remained outstanding, but were not appropriate revisions to the GIP for the reasons stated in NSPI’s letter, and therefore requested that the Board approve the latest revised GIP.

It is the Board’s understanding that the main changes to the GIP can be summarized as follows:

- The “first-in, first-served” queue process would change to a “first-ready, first-served” process.
- Progression milestones would be added to determine which projects could move to an advanced queue and initiate the system impact study.
- Deposits for the feasibility, impact, and facilities studies would be aligned with actual costs.
- Existing projects could add incremental capacity if the additional MW were not material.

- Costs incurred for re-studies resulting from projects being withdrawn from the queue would be assigned to those who caused the need for the re-study.
- Improved procedures for optional interconnection studies would be incorporated.

The Board further understands, based on a review undertaken by its consultant, Synapse Energy Economics, that the key substantive issues proposed for amendment by NSPI are similar to queue reforms undertaken by the Midwest Independent System Operator ("MISO") in the United States, which were conditionally approved by FERC on August 25, 2008 in order to address similar queue backlogs as experienced by NSPI.

The Board has reviewed NSPI's October 2009 revised version of the GIP and NSPI's October 19, 2009 letter addressing two outstanding AWPC issues. The Board accepts NSPI's position that the two issues raised in point 5 of AWPC's October 13, 2009 submission are not appropriate revisions to the GIP at this time.

Accordingly, the Board approves NSPI's October 2009 revised Standard Generator Interconnection Procedures (GIP) with an effective date of February 22, 2010. The Board requests NSPI to notify parties which are on the current GIP queue of the revised GIP and effective date.

Yours very truly,



Nancy McNeil
Regulatory Affairs Officer/Clerk

c.c. Eric Ferguson, Senior Manager, Policy and Operational Projects
S. Bruce Outhouse, Q.C., Board Counsel
Robert Fagan, Board Consultant
Intervenors P-890

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